

LUNE VALLEY



Rural Housing Association  
LIMITED

# Annual Report 2020

***We support rural communities by providing  
affordable homes for rent***



[www.lunevalleyhousing.co.uk](http://www.lunevalleyhousing.co.uk)

---

# MESSAGE FROM THE CHAIRMAN

◆  
***Nick Egdell***

---



I am very pleased to report the continued good performance of the association: financially we are stable, and the strength of our Board allows the continued good governance of your association.

This year the Board made significant progress on delivering it's mission statement including adding 10 more homes to bring stock numbers up to 93 including homes in the village of Cononley near Skipton. The Board have the ambition to continue developing new homes including an additional 2 new homes in 2020/21. The Board continue to receive professional development services from Jigsaw Homes and the Board has received external advice on Treasury options and financial planning.

The Board also changed it's managing agents during the year with South Lakes Housing Association taking over management and maintenance of Lune Valley homes in October 2019. The transition from Jigsaw was well managed by both organisations. The Board has also increased expenditure in stock condition and health and safety (asbestos, electrical, gas and energy efficiency). The quality of our existing homes and tenant safety and experience is of paramount importance to the Board. In 2021 we will ask what our customers think about the quality of their home, their safety, how we listen to them and how satisfied they are. This survey will be organised by an external company and the results will be included in next year's report.

We continue to maintain and improve all our homes, replacing the fabric of kitchens, bathrooms and windows on a rolling basis so all are kept to a high standard.

Clearly the Coronavirus pandemic is affecting many of our customers. If you have experienced unemployment and a reduction in income during this time then we will work with you to keep you in your homes. Our Managing Agent, South Lakes Housing, adjusted our services to prioritise emergency repairs and health & safety works to keep you safe. With the social distancing measures in place, inevitably this will lead to repair backlogs which will take time to clear in the months ahead so please be patient. The financial effects on the business are likely to be incurred in the financial year April 2020 to March 2021 and the Board will ensure that the Association is viable for the long term.

The membership of the board has also changed as during the year, Jeff Edginton and Keith Hardington have resigned while we welcomed Clive Newby our newest recruit. All the Board members give their time and commitment on a voluntary basis, so I would like to extend my thanks to them for their generosity and thank Jeff and Keith for their contributions. I would like to specially thank Carolyn Ryan our Company Secretary for extensive additional time spent this year on changing our managing agent, thank you also to Mark Robinson, who adds significant financial skills and has been appointed treasurer.

I am very proud and fortunate to be able to lead Lune Valley and we, as a Board, are committed to Its success. We hope to become a 100 home Landlord over the next 12 months.

We will hold our Annual General Meeting in Caton at 12:00pm on Monday 10th August 2020 – We hope to see you there.

# Mission Statement



- Provide quality affordable homes in rural areas in and around the Lune Valley for people who are in housing need with a local connection.
- Provide homes for people who are in housing need with a strong local connection with their villages.
- To be an integral part of the communities in which we operate, working with tenants, parish councils and the wider community.
- Ensure that housing is retained for local people in perpetuity.
- Maintain a locally representative voluntary board with the skills to govern the Association.

## Shareholders

Lune Valley rural Housing Association has 8 Shareholders comprising of mostly Board members. The association ended 7 Shareholders memberships during 2019/20 to comply with the Rules (e.g those that ceased to be a Board member or those that failed to attend or provide apologies in advance for two consecutive annual general meetings). The Board is reviewing the Shareholder membership policy in 2020 and will continue to welcome applications from any individuals or bodies which support the Association and have links with rural communities in Lancaster, Wyre or Craven districts.

Shareholders have the right to attend and vote at the Annual General Meeting which elects the Board. They also receive a copy of the Annual Report.

---

## SECRETARY'S REPORT



***Carolyn Ryan- Secretary***



I was appointed as the Company Secretary in 2016 and my role is to oversee the governance of the association with the expert advice of our new managing agent South Lakes Housing.

The biggest change during this year involved the switch of managing agents following a comprehensive process. All relevant bodies were contacted to advise of the change including lodging the appropriate forms with the Financial Conduct Authority, Regulator of Social Housing and Housing Ombudsman. Lune Valley Rural Housing Association has also been registered with the Information Commissioners Office and details are on the Public Register.

As the Chair reported we have welcomed Clive Newby as a new Board member. Our new team has a diverse mix of skills and backgrounds, including property, finance and estate agency, in addition to senior business expertise. The Board will be undertaking a rigorous appraisal and skills assessment in 2020/21.

The Board had a tour of the homes in January 2020 along with representatives from South Lakes Housing. This has helped the Board see the quality of the homes and neighbourhoods first-hand. The learning has helped to shape investment plans going forward.

The Board continues to certify compliance with the National Housing Federation code of governance promoting Board excellence for housing associations and the Regulator of Social Housing's Regulatory standards. We are continuing to develop new homes for rent and have a healthy pipeline of development opportunities. I am pleased to have been part of the Board, delivering on our mission to provide affordable homes for local people in rural communities.



## Introduction

Housing management services for Lune Valley Rural Housing Association are provided by the South Lakes Housing Association from its office based at Bridge Mills Business Centre, Kendal, Cumbria, Kendal, LA9 4BD.

## Allocations & Lettings

Lune Valley Rural Housing Association exists to provide housing for people in need in the rural communities in which it works. The Regulator for Social Housing expects us to let homes in a fair, transparent and efficient way. All our properties are advertised on the relevant local authority choice based lettings website (either Craven, Lancaster or Fylde councils) and we also notify the local parish council of upcoming vacancies so that they can advise anyone in housing need to register with the local authority.

In the twelve months ending 31st March 2020, we re-let 3 new homes. Whilst we always strive to let our homes to households with a local connection to the parish, we will let to someone without such a connection rather than leave a home empty for too long.

The majority of our properties were let to households with a connection to the parish in which they were rehoused.

Empty properties resulted in a rent loss of £1,005.48 during the year compared with £2,581 in the 12 months prior to this.

## Garden Competition

Due to the Coronavirus pandemic the garden competition has been postponed.

## Resident Involvement

Lune Valley carried out a major survey to ascertain the views of its tenants during 2013, engaging an independent consultant to carry out face to face surveys with as many tenants as possible.

## Tenancy Enforcement

All reports of anti social behaviour and tenancy fraud are dealt with by a specialist Tenancy management Team.

During the last 12 months we have dealt with 3 complaints of anti social behaviour.

## Rental Income & Rent Arrears

The average weekly rent for our properties in 2019/20 was £102.28. Gross annual rent and service charges receivable for 2019/20 were £467,440.25

We have continued to pursue rent arrears vigorously and have put in place arrangements to ensure that those affected by welfare benefit reforms have access to advice and assistance to enable them to better manage their financial affairs or consider a move to smaller accommodation.

Current rent arrears decreased from £18,793 in March 2019 to £13,115 in March 2020 and decreased as a percentage of the rent debit (from 6.1% to 2.52% of the rent and charges collectible).

## Grounds Maintenance

The service is now provided by Continental Landscapes. This includes 12 site visits in the months between April and September and three visits in the months of November, January and March. The Grounds maintenance at Cherry tree Close is provided by Pilling parish Council. Grounds maintenance services and specifications is being revised in 2020/21 and tenant views will be sought as part of the tenant survey in 2020.

## Complaints

The Association received no complaints during the year.

# Responsive Repairs

Responsive maintenance to Lune Valley properties is now carried out by South Lakes Housing (based in Kendal) and Gas servicing through its contractor, Rogerson Homeserve (based in Carnforth). Repairs performance since October 2019 demonstrates excellent results with 100% of emergency and urgent repairs completed on time and 88% of non-urgent work completed on time. Furthermore, all Lune Valley properties have an up to date gas safety certificate.

# Investment & Planned Works

The Board reviews its stock investment strategy annually and publishes its planned works programme for future years so that tenants know when they can expect works to their homes to be carried out. In 2019-20 £56k was spent on repairs and empty properties and a further £29k spend on cyclical and planned repair works.

# 2020-21 Planned Maintenance Programme

The Board is investing £90k in homes over the next 12 months to ensure that they meet the Government's 'Decent Homes Standard' and to keep you safe.

- Decent Homes Standard work including 3 new kitchens. This will be subject to a survey. 32 homes have been identified as requiring loft insulation upgrades to improve energy efficiency.
- Health & Safety investments includes; smoke alarms (74), carbon monoxide detectors (38), consumer units (31) and heat detectors (24). A further 40 homes will receive pathway improvements.

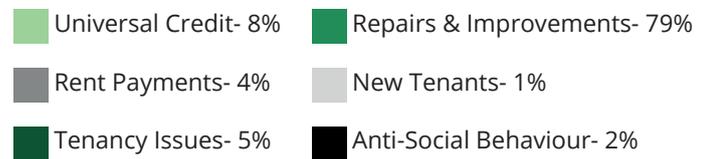
# Customer Satisfaction

A repairs satisfaction survey is sent to tenants on all completed jobs. The survey covers; overall satisfaction, ease of reporting a repair, workmanship, operate displaying ID, operative explanation of the job they were there do to, leaving home clean and tidy after the work and any outstanding works.

Overall customer satisfaction since South Lakes Housing took over as Managing Agents is 95% based upon 21 responses to the survey. Please tell us your views so that we can learn, put things right and pass on any compliments to the staff.

# Customer Contacts

South Lakes Housing have taken 223 enquiries from Lune Valley Rural Housing Association tenants since the beginning of October 2019. The vast majority of enquiries are about repairs (79%).



# Impact of Coronavirus

The Chair wrote to you before the lock-down to advise on the steps being taken to follow Government guidelines on social distancing whilst ensuring essential repairs and health & safety works continued to take place. No tenant will be evicted because of any rent arrears built up as a result of lost income caused by the coronavirus. South Lakes Housing will make sure you get the support you need, together with an affordable repayment plan, so please do not suffer in silence. We also anticipate that there will be repair backlogs built up as routine work was suspended during the lock-down and this will take time to clear. The impact of the virus on services is likely to continue for some time so please be patient as our Managing Agent gets service levels back up to where we both want them to be.

# Managing Agents

South Lakes Housing  
Registered Office: Bridge Mills Business Centre,  
Stramongate, Kendal, Cumbria, LA9 4BD  
0300 303 8540  
customerservices@southlakeshousing.co.uk  
www.southlakeshousing.co.uk



[www.lunevalleyhousing.co.uk](http://www.lunevalleyhousing.co.uk)

# Governance



The Association relies on a volunteer Board of management to set its strategic direction and ensure good governance. Board members have a range of relevant experience, local knowledge and expertise in order to discharge their responsibilities, including:

1. Property management and resident and tenant issues
2. Rural housing needs and rural community issues
3. Working with parish councils and local authorities
4. Development, building and maintenance
5. Finance, information technology and legal matters
6. General business skills including management and decision making
7. Procurement

The Board is also supported by professional advice from its managing agents, auditors and other advisers. The Board has adopted the National Housing Federation's Code "Excellence in Governance" (2015 Edition) as the Association's code of governance.

The Board certifies that it complies with the code.

On appointment, Board Members sign a statement committing themselves to the following:

- Commitment to the Association's vision, values objectives and core policies, working constructively with Board colleagues and managing agents to fulfil them.
- Contribution to the Association's strategic direction, control and performance monitoring, drawing on personal skills and experience as required.
- Provision of support and advice to the Officers of the Association.
- Commitment to collective responsibility for board decisions and the maintenance of confidentiality of Board and Committee papers and discussions.
- Commitment to prepare for and attend Board Meetings and participate in training sessions where possible and relevant.
- Agreement to declare any relevant interests in accordance with the Association's procedures and, at all times, to avoid any occasion for suspicion and any appearance of improper conduct.
- Commitment to the Code of Governance and to all related policies.



## Value for Money

The Board of Lune Valley Rural Housing Association takes a proactive approach to value for money. As a small association, we are extremely cost conscious and strive for efficiency in all areas of our work. The change in managing agent has helped reduce management costs by £10k.

This is index linked to the Retail Prices Index, but is reviewed annually by the Board and the managing agent. The agreement also includes penalties for non performance. Our maintenance service is provided by South Lakes Housing's direct labour organisation with costs linked to the National Housing Federation's schedule of rates. The Board is considering the pro's and con's of joining South Lakes Housing's subsidiary cost sharing Vehicle with the potential to save VAT on labour.

Our biggest item of expenditure is the interest payable on our loans. There has been a £19k reduction in financing costs due to lower level of actual loans drawn in the year. The Board appointed external treasury advisors (DTP) who are helping to review treasury capacity and options.

In line with Government guidance, we reduced our rents by 1% in October 2019 and will increase them by 2.7% in October 2020.

A report on performance against the Regulator of Social Housing's Value for Money metrics is contained within the Financial statements. A copy is available from the Registered Office.

# Board of Management



Chairman  
Nick Egde  
Business Leader  
Lives in Dolphinholme, Lancashire  
Joined the board: April 2015



Janet Huddart  
Retired  
Lives in Forton, Lancashire  
Joined the board: April 2015



Secretary  
Carolyn Ryan  
Lives in Austwick, Lancashire  
Joined the board: April 2015



Mark Robinson  
Accountant  
Lives in Lancaster  
Joined the board: March 2019



Brian Atkinson  
Painter/ Decorator & Parish Cllr.  
Lives in Gargrave, North Yorkshire  
Joined the board: October 2016



Clive Newby  
Retired  
Lives in Giggleswick  
Joined the Board December 2019



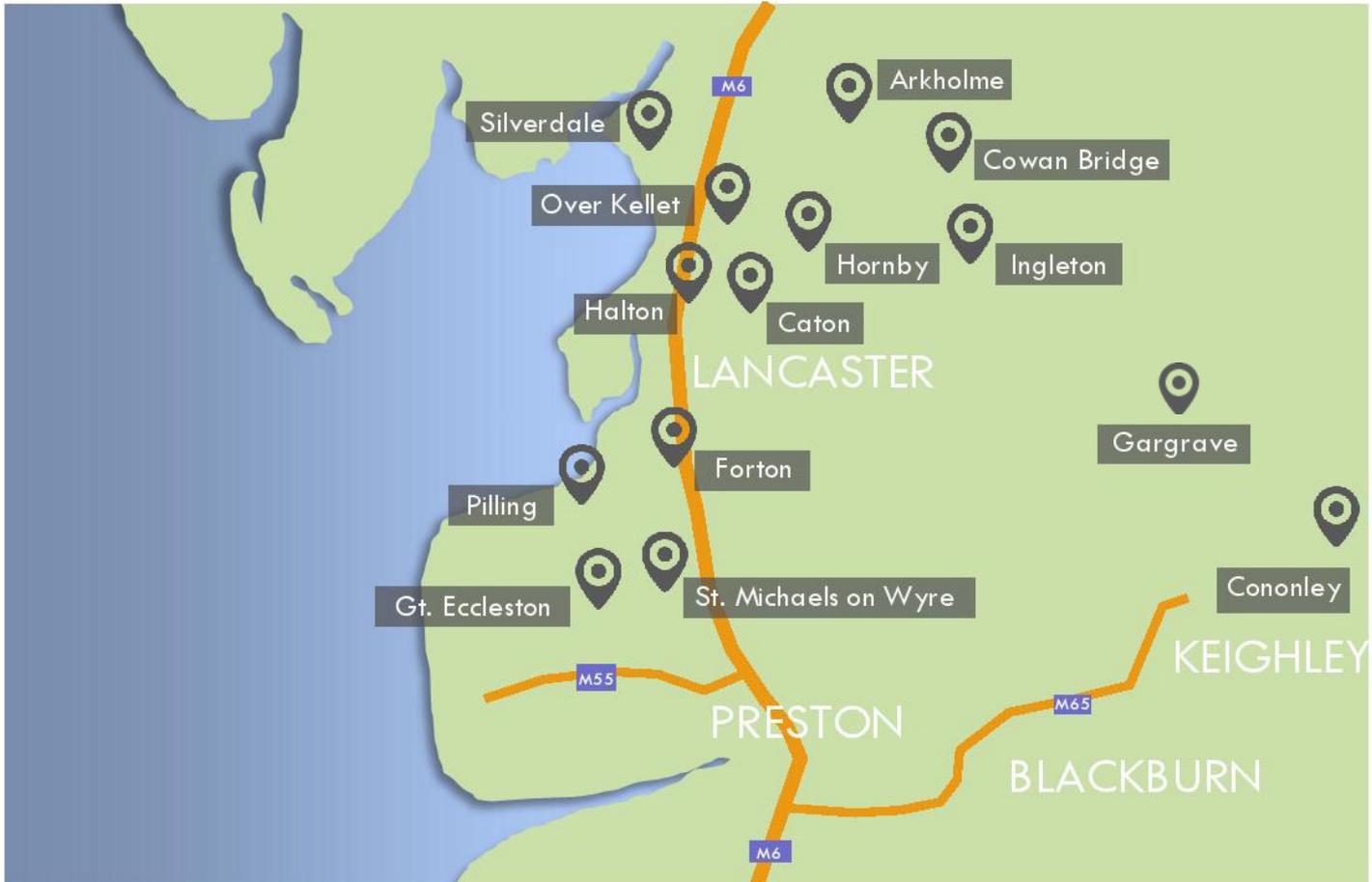
Nick Paxman  
Company Director  
Lives in Burton, Lancashire  
Joined the board: December 2018

Board resignations during the year were:

Keith Hardington  
Jeffery Edginton

Thank you for your contributions.

# Location of Stock



## Location

Cherry Tree Close		St Michaels on Wyre	PR3 0TG
Apple Tree Close	Off Taylors Lane	Pilling	PR3 6AW
Hampson Terrace	St Marys Road	Great Eccleston	PR3 0ZW
Lindeth Close		Silverdale	LA5 OUT
Manor Close		Ingleton	LA6 3BF
Milestone Place	Fell View	Caton	LA2 9RF
Rowan Bank		Halton	LA2 6RB
School Lane/Church Bank		Over Kellet	LA6 1BN
Station Court		Hornby	LA2 8SD
Walton Close	Marton Road	Gargrave	BD23 3NY
Willow Close	School Lane	Forton	PR3 0AG
The Sheilings		Arkholme	LA6 1FA
Burr Tree Gardens		Cowan Bridge	LA6 2HS
Hornby		Caton	LA2 9HZ
Haw Croft	Cononley	Skipton	BD20 8FB

# Property Details

Development	House Size	Number	Year of Build Date	Average Rent Level Including Service Charges 2019/20
Hornby Court, Caton	2 Bed House	4	2019	£113.92
Haw Croft, Cononley	2 Bed House	6	2019	£97.81
Burr Tree Gardens, Cowan Bridge	2 Bed House	3	2018	£117.20
The Sheilings, Arkholme	2 Bed House 3 Bed House	2 1	2016	£118.36
Hampson Terrace, Great Eccleston	2 Bed Bungalow 2 Bed House 3 Bed House	1 1 4	1996	£99.84
Lindeth Close, Silverdale	2 Bed House 3 Bed House	2 1	1996	£102.04
Rowan Bank, Halton	2 Bed House 3 Bed House	3 3	1996	£97.87
School Lane and Church Bank, Over Kellett	3 Bed House	5	1996	£105.44
Apple Tree Close, St Michaels	2 Bed House 3 Bed House	5 2	1994	£99.09
Cherry Tree Close, Pilling	2 Bed House 3 Bed House	4 4	1994	£99.62
Milestone Place, Caton	2 Bed House 3 Bed House	2 2	1994	£99.73
Willow Close, Forton	2 Bed House	10	1993	£101.09
Manor Close, Ingleton	2 Bed House 3 Bed House	5 3	1993	£102.35
Walton Close, Gargrave	2 Bed Bungalow 2 Bed House 3 Bed House	1 4 3	1993	£102.12
Station Court, Hornby	2 Bed Flat 2 Bed House 3 Bed House	4 4 4	1989	£101.28

---

# TREASURER'S REPORT



***Mark Robinson - Treasurer***



I was appointed as the Treasurer by the Board in November 2019 and I am pleased to provide a report of Lune Valley Rural Housing Associations financial position.

The financial accounts for the year to 31 March 2020 show another solid year with a surplus of income over expenditure of £209k and a further £168k increase in reserves to £2,031k.

The impact of coronavirus will have an effect on Lune Valley Housing association cash flow contributing to the risk of rent arrears. Due to this the Board are considering liabilities and actions to maintain good governance and viability of the association.

These results maintain the Association's strong position to support the Board's plans to continue development of new homes. During the year the Association drew down £1.4m to support future development plans with a cash balance of £1.1m at year end.

Towards the end of the year the coronavirus crisis created additional risk and uncertainty for all housing associations. Further development commitments will be made with reference to the additional risk generated by the pandemic. Continuing to hold robust cash balances is a key risk mitigation for the association. The full economic impact is yet to be seen; the position will be monitored closely throughout 2020/21.

# Financial Summary

The tables below are extracts from the full statutory accounts. These represent the two key financial statements summarising performance in the year and the financial position at the end of the year. The full audited statements, containing further commentary and analysis, are due to be signed by the Board on the 10th August 2020. Copies are available from the registered office.

## Statement of Comprehensive Income

	2020 £	2019 £
Turnover	(494,845)	<b>(459,049)</b>
Operating expenditure	286,281	278,928
<b>Operating surplus</b>	<b>(208,564)</b>	(180,121)
Interest receivable	(2,753)	(500)
Interest and financial costs	43,543	27,340
<b>Surplus before and after tax</b>	<b>(167,774)</b>	<b>(153,281)</b>

## Statement of Financial Position

	2020 £	2019 £
<b>Fixed assets</b>		
Tangible fixed assets	4,340,904	3,699,005
<b>Current assets</b>		
Trade & other debtors	147,729	43,350
Cash and cash equivalents	1,113,890	352,160
	<b>1,261,619</b>	<b>395,510</b>
<b>Less: Creditors:</b>		
Amounts due <1 year	(280,540)	(151,171)
<b>Net current assets</b>	<b>981,079</b>	<b>244,339</b>
<b>Total assets less current liabilities</b>	<b>5,321,983</b>	<b>3,943,344</b>
<b>Creditors: amounts due &gt; 1 Year</b>	<b>(3,290,586)</b>	<b>(2,079,713)</b>
<b>Total net assets</b>	<b>2,031,397</b>	<b>1,863,631</b>
<b>Reserves</b>		
Non-equity share capital	(8)	(16)
Income & expenditure reserve	(2,031,389)	(1,863,615)
<b>Total reserves</b>	<b>(2,031,397)</b>	<b>(1,863,631)</b>



[www.lunevalleyhousing.co.uk](http://www.lunevalleyhousing.co.uk)