

Lune Valley Annual Report 2023



We support rural communities by
providing affordable homes for rent



Message from the Chair

Nick Paxman

Welcome to this year's annual tenant report which shows a summary of what Lune valley Rural Housing Association (LVRHA) has been up to over the last year.

During the Year we have developed a further 4 new homes in Over Kellett and have a healthy pipeline of future developments thanks to our loan and support with CAF Bank. This means that we now own 106 homes and all homes have been let in line with the requirements of the local authorities of Lancaster, Craven (now part of the new unitary authority North Yorkshire Council) and Wyre.

The Board have been keen to do all it can to improve the energy efficiency ratings in homes, helping to reduce the

impact of the 'cost of living' on tenants. This includes upgrading insulation and heating. LVRHA have also been successful in securing c£72k in energy efficiency grants to bring 19 homes up to Energy Efficiency Certificate rating of Band C. The works programme will take place over the next couple of years. The funding comes from the Governments' Social Housing Decarbonisation Fund. Support is available for tenants who are struggling with bills so please contact our Managing Agent for assistance if you need it.

Our latest customer satisfaction survey is an independent survey run by TLF. The data collected showed that 79% of our customers are satisfied with services (based upon 36 responses), with 81% satisfied that homes are well maintained and 88% satisfied that they are safe.

The Board has set aside £10k for a community fund to support community projects with pilot schemes at Hornby and Forton taking place. We would like to hear your views about what Lune Valley Rural Housing Association could do for you in your community.

The Board has been eager to ensure that none of its homes have problems with damp and mould and a new policy was recently approved to ensure tenants are treated with respect and that we are proactive about tackling the root causes. The Board continues to receive quarterly reports on health and safety, including overseeing any problems with damp and mould which the Regulator of Social Housing contacted all social landlords about in December 2022 (four properties have had some problems this year and, action was taken as and were necessary to resolve the issues).

Our Board member Tim Dant was appointed recently to lead on overseeing complaint handling and ensuring lessons are learned, which is encouraged by the Housing Ombudsman. The Board will also receive reports on the Regulator of Social Housing's Tenant Satisfaction Measures from next financial year (2023/24).

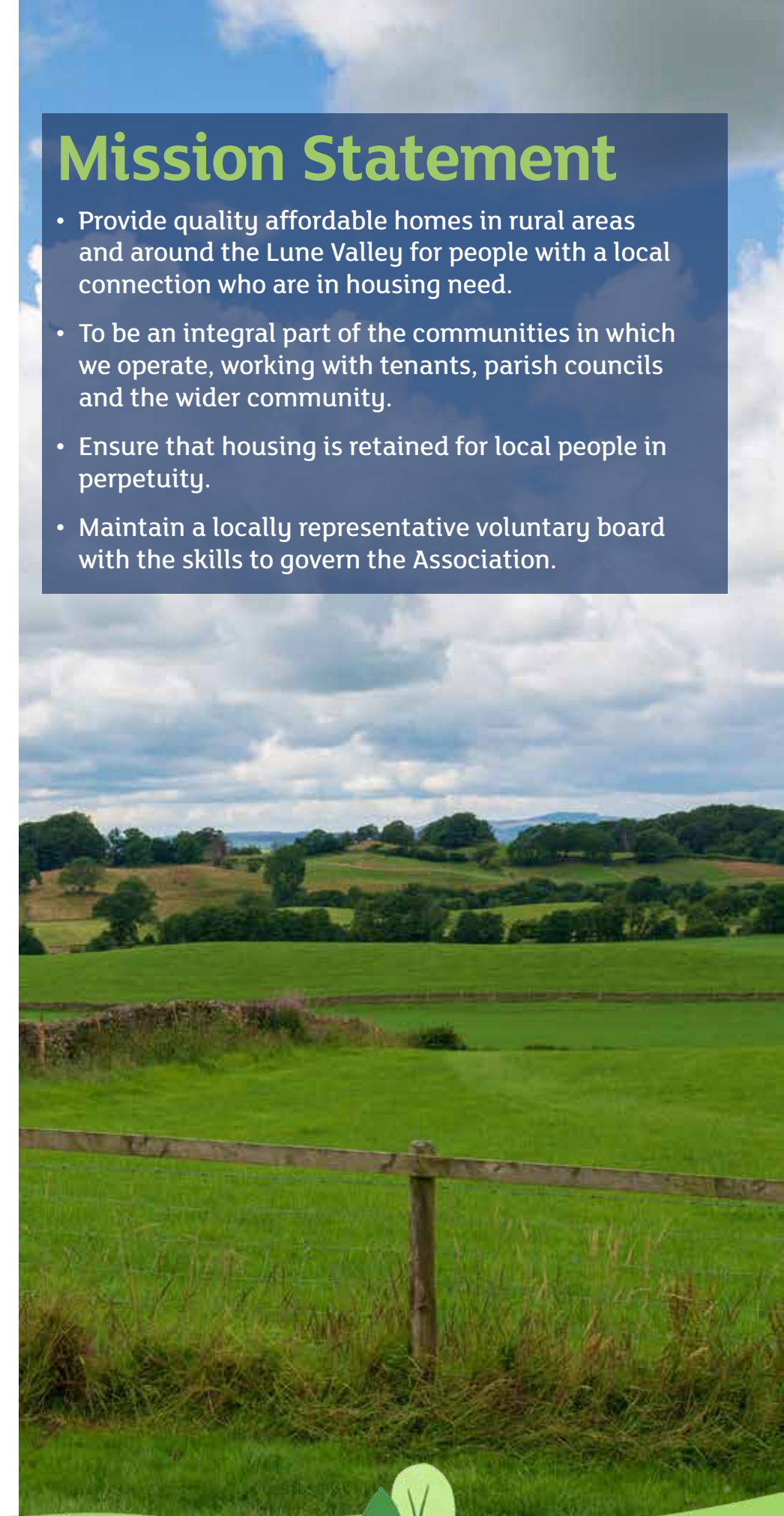
The Board are looking to recruit to new Board member positions, if you are interested or would like to know more please contact the Chair Nick Paxman.

We will hold our Annual General Meeting in Caton at 12pm on Monday 14th August 2023 – we hope to see some of you there. If you would like to attend the meeting but can't make it in person please contact Emma Wilson e.wilson@southlakeshousing.co.uk as we have IT to enable virtual attendance.

Nick Paxman
Chair

Mission Statement

- Provide quality affordable homes in rural areas and around the Lune Valley for people with a local connection who are in housing need.
- 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

The Board developed a new Shareholder Membership Policy in August 2020 and this was approved at the 2020 Annual General Meeting.

The policy aims to contribute towards the Association's mission statement to be an integral part of the communities in which we operate, working with tenants, parish councils and the wider community. Tenants, parish councils and those with an impact across our communities can become Shareholders.

The obligations of Shareholders are to act at all times in the interests of the Association and

as guardians of the Associations' objects. Admission is subject to an application process and Shareholders get to attend and vote at General Meetings and make key decisions. Shareholders will each receive a nominal share to the value of £1.

Lune Valley Rural Housing Association currently has 7 Shareholders comprising mostly of Board members.

Secretary's Report- Nick Egdell

In November 2022 the Board appointed myself as the Company Secretary. I receive governance and regulatory advice from the Managing Agent (SLH).

Together we ensure that all governance matters are up-to-speed and that regulatory returns are compliant and completed on time. This includes the Regulator of Social Housing, Housing Ombudsman, Financial Conduct Authority and Information Commissioner's Office.

The Board receives quarterly reports on regulatory and governance compliance. The Board continues to certify compliance with the National Housing Federation 2015 Code of Governance 'Promoting board excellence for housing associations', the Regulator of Social Housing's Regulatory Standards, and the Housing Ombudsman's Complaint Handling Code. The Board also took time out during an 'away day' in May 2023 to consider;

- Strategic priorities and risks.
- Social housing regulation.



- Code of Governance – a relook at the 2020 Code.
- Customer Standards.
- Review of the Managing Agent and partnership.
- Review of the Development Agent.

The Board has a sound system of internal controls, risk management and governance related documentation and has recently strengthened oversight of; complaints, damp and mould and the updated LVRHA Home Standard.

Tenant services report

Introduction

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

Allocations and 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. Our allocations policy has the support of the three Local Authorities (North Yorkshire, Lancaster, and Wyre) and our properties are advertised on their Choice Based Lettings website.

Some homes have to be allocated according to the section 106 agreements (a legal condition placed on the homes when the scheme received planning permission). The aim of the policy is to support people with a local connection to rural areas and help retain families who are often priced out of local housing markets.

Properties let in the year

– 4 homes were vacated and then re-let during 2022/2023 and 6 brand new homes were built. This compares to 10 homes relet including 7 brand new homes in 2021/22.

Rent lost due to empty properties

– In 2022/23 we lost £1,444 as a result of homes being vacated and repaired before the next tenant moved in. This is a similar level to 2021/22.

Complaints

Our Managing Agent received 3 Stage 1 complaints during the year. The average time to respond was 8.5 days, against the Housing Ombudsman Complaint Handling Code target time of 20 working days to respond. The three complaints related to; anti social behaviour, neighbourhood dispute and ventilation/leak problem. One case was escalated to Stage 2, this was resolved

within 17 days, against the Housing Ombudsman Complaint Handling Code target time.

The Board approved the updated Complaints Policy in November 2020, which complies with the Housing Ombudsman's Complaint Handling Code. A complaint can be made by a tenant or any other customer and can be made by email, telephone, in person at our offices, in writing, by phone or through another agency advocate, or social media.

The definition of a complaint is *'an expression of dissatisfaction, however made, about the standard of service, actions, or lack of action by the organisation, its own staff, or those acting on its behalf, affecting an individual resident or group of residents'*.

Tenancy Enforcement

During the year South Lakes Housing dealt with:



6 cases of anti-social behaviour.



The Team also dealt with 6 tenancy management cases.

Rental Income and Arrears

There are some technical arrears included in this year's figures. Accounts are being managed well and we continue to offer support and assistance to those who need it.



Rent arrears at the end of the year – £25,995 in 2022/23, £13,483 in 2021/22 and £13,115 in 2019/20



Rent arrears as a percentage of debit – 4.43% in 2022/23, 2.68% in 2020/21 and 2.52% in 2019/20

Customer Satisfaction

A customer satisfaction survey was sent to tenants in late 2022. 36 customers responded in total.



Overall customer satisfaction – 79%



Perception from tenants that homes are well maintained – 81%



Perception from tenants that their home is safe - 88%



Perception that Lune Valley Housing makes a positive contribution to neighbourhoods – 53%.

Lune Valley has established a community fund to support investments in neighbourhoods where there are Lune Valley tenants. This can be anything from investing in open spaces, tidying up areas or match funding with other agencies working in your area. If you want to know more then please get in touch.

Responsive Repairs

Overall performance for the year;



100% of emergency repairs completed on time



94% of all other repairs completed on time

All properties have an up-to-date gas and electrical safety certificate. Gas servicing has been provided by Rothwells.

Investment and Planned Works

The Board reviews its planned maintenance programme annually and is underpinned by good quality stock condition surveys and previous investment data.

In 2021/22 a combined capital and revenue expenditure totalled £79k, compared to £35k in 2022/23.

Resident Involvement

We have several Lune Valley Rural Housing tenants who have joined the SLH Community Facebook group, which is a closed resident engagement group.

Lune Valley again ran its garden competition for 2022 here are some of the winning pictures below.



1st Place



1st Place



2nd Place

2023-24 Planned Maintenance Programme

Maintenance Programme

The Board is investing £197k in homes over the next 12 months to ensure that they meet our Home Standard, which is set above the Government's minimum Decent Homes Standard. This includes £80k investment to improve energy efficiency through the Social Housing Decarbonisation Fund, making them greener and warmer, and also money set aside to keep you safe.

This will include;

- New Kitchens (1 home)
- New Bathrooms (3 homes)
- Shower replacements (14 homes)
- Extract fans to kitchens/bathrooms (37 homes)
- Gas Boilers (10 homes)

And several other items including, fencing, paths and driveways.

Tenants are contacted well in advance of works to ensure good communications and preparation time and to cater for personal circumstances.

Grounds Maintenance

This service is provided to tenants on schemes that pay a service charge; School Lane Over Kellett, Rowan Bank Halton, Cherry Tree Close Pilling, Willow Close Forton, Milestone Place Caton, Lindeth Close Silverdale, Station Court Hornby, and The Shielings, Arkholme.

The service is provided by Continental Landscapes. Under normal circumstances this would include 12 site visits in the months between April and September and 3 visits in the months of November, January, and March.

The grounds maintenance services at Cherry Tree Close, Pilling is provided by Pilling Parish Council and The Shielings, Arkholme through a separate management company.

The Board is looking at ways to improve grounds maintenance services and will consult with tenants when the contract is up next year.

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 and energy efficiency expertise

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 'Promoting board excellence for housing associations' (2015 Edition) as the Association's Code of Governance.

The Board certifies that it complies with the code.

The Board has ensured that relevant insurance policies and premiums have been renewed for the year ahead.

The Board also reviewed and developed a range of internal control and governance related documentation during the year, including;

- Gifts and Hospitality Register
- Board Training Plan
- Strategic Risk Register
- Compliance reports – National Housing Code of Governance 2015, Regulator of Social Housing standards, Housing Ombudsman Complaint Handling Code
- Preparation for Consumer Regulation

Board of Management

The Lune Valley Rural Housing Association Board are local residents and work for the association on a voluntary basis.



Chair
Nick Paxman

A Company Director and experienced property professional. This includes 30 years in development work specifically in land sales, new build and the acquisition and construction of 200 properties.

Lives in Burton, Lancashire
Joined the Board: December 2018



Janet Huddart

Experience in working with young people in schools and was a member of the Independent Monitoring Board for prisons A Parish Councillor with an interest in appropriate planning and community life in local villages.

Lives in Forton, Lancashire
Joined the Board: April 2015



Tim Dant

Previously was a Professor of Sociology at Lancaster University. Volunteering as an 'advocate' for people making complaints against public bodies and as an 'independent visitor' for looked-after children.

Lives in Lancaster
Joined the Board: February 2022



Mark Robinson

A chartered accountant with a varied background in audit and financial reporting, including experience in the construction and property industries.

Lives in Lancaster
Joined the Board: March 2019



Nick Egdell

Experienced commercial individual working across a number of industries, including construction and energy efficiency sectors.

Deputy Chair of the Audit & Risk committee for Southway Housing Trust.

Lives in Dolphinholme, Lancashire
Joined the Board: April 2015



Clive Newby

Spent two decades as a Headteacher of a special school responsible for an annual budget of £2m and involved in £26m public private partnership to redevelop a group of local authority schools.

Lives in Giggleswick
Joined the Board December 2019

Value for Money

The Board continues to focus on value for money and a summary of our performance against the Regulator of Social Housing's Value for Money metrics is shown below. The table also shows a comparison with the most up-to-date sector benchmarks.

Metric	2022/23 Actual	2021/22 Actual	2021/22 Sector
Reinvestment %	7.2%	15.2%	4.7%
New supply delivered (social housing)	3.8%	8.8%	0.9%
New supply delivered (non-social housing)	0%	0%	0%
Gearing	19.1%	15.3%	32.3%
Earnings Before Interest, Tax, Depreciation, Amortisation - Major Repairs Included (EBITDA – MRI)	315%	777%	194%
Headline social housing Cost Per Unit	£2,525	£2,004	£4,960
Operating Margin (social housing lettings)	43.9%	44.6%	19.5%
Operating Margin (overall)	43.9%	44.6%	17.4%
Return on Capital Employed (ROCE)	4.67%	4.44%	2.4%

Rents are set in line with Government guidance and the Regulator of Social Housing's Rent Standard. Rents increased by 4.1% in October 2022 and will increase again by 7% in October 2023, in line with the Government's rent ceiling. The Board also agreed in April 2020 to increase social housing

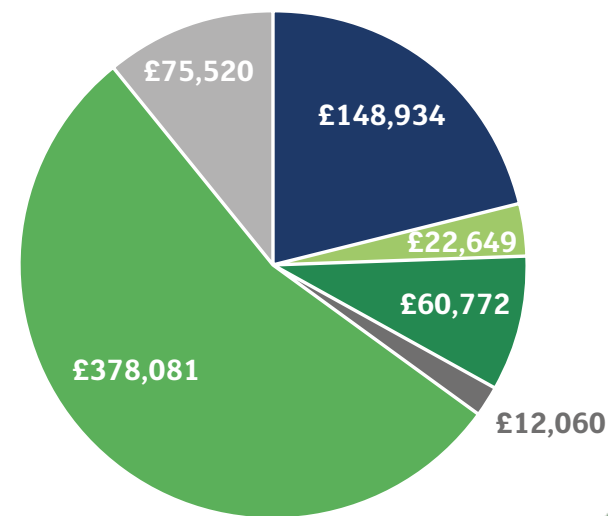
rents by 5% when a property becomes empty and is let to a new tenant. This change will create additional capacity to develop much-needed housing within our rural communities.

The Board continues to look for opportunities to reduce operating costs and improve value for

money for current tenants whilst generating surpluses for new development. The Board receives sufficient and regular assurance from South Lakes Housing about the costs of repairs and maintenance. Development appraisal assumptions have also been reviewed.

Where income was spent 2022/23

- Management costs
- Service charge costs
- Routine maintenance
- Planned maintenance
- Purchase of fixed assets
- Financing costs



Location of Stock



Locations			
Cherry Tree Close		Pilling	PR3 6AW
Apple Tree Close		St Michaels on Wyre	PR3 0TG
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	Marston Road	Gargrave	BD23 3NY
Willow Close	School Lane	Forton	PR3 0AG
The Sheilings		Arkholme	LA6 1 FA
Burr Tree Gardens		Cowan Bridge	LA6 2HS
Hornby		Caton	LA2 9HZ
Haw Croft	Cononley	Skipton	BD20 8FB
Park Croft		Gargrave	BD23 3NA
Chestnut Drive		Bentham	LA2 7FF
Craggs View	Church Bank	Over Kellet	LA6 1FY
School Lane		Over Kellet	LA6 1BN

Property Details

Development	House Size	Number	Year Built	Average Rent*
Craggs View, Over Kellet	2 bed house	2	2022	£108.74
	1 bed flat	2		
Park Croft, Gargrave	1 bed house	1	2022	£109.51
	2 bed house	4		
	3 bed house	2		
Chestnut Drive, Bentham	2 bed house	2	2021	£124.62
Hornby Court, Caton	2 bed house	4	2019	£123.60
Haw Croft, Cononley	2 bed house	6	2019	£106.12
Burr Tree Gardens, Cowan Bridge	2 bed house	3	2018	£133.40
The Sheilings, Arkholme	2 bed house	2	2016	£130.23
	3 bed house	1		
Hampson Terrace, Great Ecclestone	2 bed bungalow	1	1996	£103.95
	2 bed house	1		
	3 bed house	4		
Lindeth Close, Silverdale	2 bed house	2	1996	£105.87
	3 bed house	1		
Rowan Bank, Halton	2 bed house	3	1996	£105.70
	3 bed house	3		
School Lane & Church Bank, Over Kellet	3 bed house	5	1996	£113.87
Apple Tree Close, St Michaels	2 bed house	5	1994	£107.51
	3 bed house	2		
Cherry Tree Close, Pilling	2 bed house	4	1994	£108.00
	3 bed house	4		
Milestone Place, Caton	2 bed house	2	1994	£106.46
	3 bed house	2		
Willow Close, Forton	2 bed house	10	1993	£106.12
Manor Close, Ingleton	2 bed house	5	1993	£108.64
	3 bed house	3		
Walton Close, Gargrave	2 bed bungalow	1	1993	£110.80
	2 bed house	4		
	3 bed house	3		
Station Court, Hornby	2 bed flat	4	1989	£113.21
	2 bed house	4		
	3 bed house	4		

* Not including service charges

Treasurer's report

Mark Robinson



I was appointed to the Board as Treasurer in November 2019 and continue to work with the South Lakes Housing Finance Team and are regularly involved in conversations with funders and business planning advisors.

The financial accounts for the year to 31 March 2023 shows that we continue to operate under a sound financial footing with a surplus of income over expenditure of £169k and a further increase in reserves to £2.63m.

A summary of the accounts is as follows;

	2022/23 Budget	2022/23 Actual	Variance
Turnover	599,303	612,329	13,026
Management Costs	(143,053)	(150,258)	(7,205)
Service Costs	(14,068)	(22,649)	(8,581)
Revenue Repairs	(191,272)	(80,515)	110,757
Depreciation	(104,800)	(89,946)	14,854
Operating Surplus	146,110	268,961	122,851
Interest Payable	(108,345)	(102,911)	5,434
Interest Receivable	-	2,701	2,701
Surplus After Tax and Interest	37,765	168,751	130,986

The key reasons for the variances between actual and budget are set out below.

- £13k higher turnover, due to rental income additional properties acquired in the year earlier than budgeted.
- £7k higher management cost expenditure principally due to costs relating to the redemption of refinanced loans.
- £8k higher on service costs, as a result of inflationary pressures on key service areas in the year.
- £111k lower expenditure on revenue repairs. There has been significant expenditure in the

year particularly relating to responsive repairs, offset by lower than budgeted major works. This year we have seen a large amount of properties where works were able to be deferred due to them being in good condition and not requiring replacement. This has resulted in the limited amount of spend against capital works. All properties that have been deemed as 'in good condition' will be placed in future years programmes and re-surveyed before replacement is undertaken.

- Interest payable is £5k lower than budget, primarily as a result of the new CAF fixed rate loan starting later than anticipated.

The Board commenced treasury discussions with existing and potential funders during 2021/22. The aim was to free up resources for additional development, reduce debt servicing costs and reduce exposure to future interest rate increases. We were delighted to sign an agreement with CAF Bank in June 2022 which has refinanced our previous loans, reducing exposure to volatile interest rates and provides an additional £1m in undrawn loans to use for procuring additional properties.

Stakeholders should take note of the significant steps that the Association has taken to ensure that we remain viable for the longer term.

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 14th August 2023. Copies are available from the registered office.

Statement of Comprehensive Income For the Year Ended 31 March 2023

	Note	2023 £	2022 £
Turnover	2	612,329	540,137
Operating expenditure	3	(343,368)	(299,483)
Operating surplus		268,961	240,654
Interest receivable		2,701	107
Interest and financing costs	6	(102,911)	(34,916)
Surplus before tax		168,751	205,845
Taxation		-	-
Total comprehensive income for the year		168,751	205,845

Statement of Financial Position at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	9	5,235,403	4,947,267
Current assets			
Trade & other debtors	10	86,432	45,655
Cash and cash equivalents	11	555,375	727,496
		641,807	773,151
Less: Creditors:			
Amounts due within one year	12	(123,559)	(294,379)
Net current assets		518,248	478,772
Total assets less current liabilities		5,753,651	5,426,039
Creditors: amounts falling due after more than 1 Year	13	(3,120,794)	(2,961,933)
Total net assets		2,632,857	2,464,106
Reserves			
Non-equity share capital	16	7	7
Income & expenditure reserve		2,632,850	2,464,099
Total reserves		2,632,857	2,464,106

Craggs View Over Kellet





How to get in touch

Lune Valley Rural Housing Association has a management agreement with South Lakes Housing. If you are our customer with a specific service need you can get help and support by contacting South Lakes Housing:

customerservices@southlakeshousing.co.uk

www.southlakeshousing.co.uk

0300 303 8540 (24/7)

www.lunevalleyhousing.co.uk