



A brighter choice
for homes

Lumen Housing Annual Review **2020/21**





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A word from the Chairman



Ron Bell
OBE

In 2019 Blackpool Council agreed the creation of Lumen Housing as a subsidiary of Blackpool Housing Company and initial dialogue with the regulator began in earnest in December 2019.

The executive team worked through the various application stages with amazing speed and tenacity and Lumen became a registered provider in October 2020 with the first Homes England grant application being approved in the same month.

Our first eleven properties were then acquired in November 2020, providing much needed affordable homes in the very centre of Blackpool.

Lumen's strategic ambition is to increase the supply of good quality affordable homes and to help tackle the issue of poor quality housing and management standards that exist in many areas of the local market. Lumen will work in tandem with Blackpool Housing Company to create quality solutions for a balanced housing market that offers customers affordability and quality homes.

I am confident that Lumen Housing will undoubtedly play a massively important role in Blackpool's regeneration through the provision of high quality homes that will not only raise standards, by setting the benchmark for the rental sector, but will also serve to nurture aspiration and community cohesion.

A word from the Chief Executive



David Galvin
Chief Executive

I am delighted and proud to offer the first annual report for Lumen Housing Ltd, our brand new Registered Provider of much needed affordable homes for Blackpool.

Blackpool is recognised as a world renowned tourist resort. However, it is also well known that in parts of the town the standards of housing in the private rental markets particularly, are falling short of acceptable levels. This coupled with a shortfall in social and affordable housing is a major challenge. Lumen Housing has recently been established to work in tandem with its parent company, Blackpool Housing Company and it is already making an impact by delivering our first high quality affordable homes alongside services delivered by our dedicated team.

We have a determined ambition to bring about investment into new and refurbished housing that supports wider regeneration

plans for Blackpool, adding to the stability of neighbourhoods that need it the most. Blackpool Council have clear priorities to maximise economic opportunity and to support community stability and resilience. Lumen Housing will play a key role in that process and with growth plans in place for the coming years, we will deliver much needed new affordable homes at the very heart of the town.

This past year has been unprecedented with the onset of the global pandemic and establishing Lumen Housing during that most difficult period was certainly a challenge in itself. However, with the drive of a skilled team, the recruitment of a strong board and by working closely with the Regulator of Social Housing and Homes England I am proud to offer this new and dynamic organisation that is very much open for business and is ideally placed to effect real and lasting change.

Governance

Lumen Housing Limited was formed on 13 December 2019 and operates independently as a subsidiary of Blackpool Housing Company Limited. It is a not for profit Community Benefit Society registered under the Co-operative and Community Benefit Societies Act 2014 and exempt from charitable status. Lumen Housing is registered with the Regulator of Social Housing, operates under the National Housing Federation Model Rules (2015) and complies with the National Housing Federation Code of Governance 2020.

Registration Number | 8279 | **Registered office** | Number One Bickerstaffe Square, Talbot Road, Blackpool, FY1 3AH

Board Members, Committees and Advisors

Chair

Mr R Bell OBE JP

Board Members

Mr A Bell

Councillor J Hobson

(appointed 21 June 21)

Councillor G Campbell

(resigned 21 June 2021)

Mr S Finegan

Mr I Sillars

Mr A Upton

Mr S Walsh

Audit Committee

(constituted 15 October 2020)

Mr A Bell, Chairman

Mr I Sillars

Mr A Upton

Mr S Walsh

Senior Executive Officers

Mr D Galvin, Chief Executive Officer

Mr P Whitehead, Director of
Finances and Resources

Mr L Burrell, Development Director

Mr M Towers, Secretary

Nominations and Training

Committee

(constituted 15 October 2020)

Mr R Bell OBE JP, Chairman

Mr S Finegan

Vacant Position

Independent Auditors

Smith Craven, Chartered
Accountants

Sidings House

Sidings Court, Lakeside

Doncaster

South Yorkshire

ND4 5NU

Corporate Governance

The Board is responsible for directing Lumen Housing's affairs. It consists of seven Board Members, all of which are non-executive and bring substantial relevant knowledge and experience to the association. Lumen Housing Limited seeks Board Members with the skills, experience and other qualities which enable them to help run the association properly and who accept the obligation upon them to uphold the purpose and objectives of Lumen Housing. The Board has adopted the 2020 National Housing Federation Code of Governance and considers that it has no areas of non-compliance to explain in this report.

The Board has established two committees, detailed above, which deal with finance, risk and audit, internal controls, compliance, policy and procedure, Board membership and development. Each committee has terms of reference and reports to the Board.

Internal Controls and Risk Management

The Board alongside its parent, Blackpool Housing Company Limited, has adopted a Group Risk Management Framework and Strategic Risk Register that ensures an effective system of risk and strategic risk management, which has also been aligned to internal audit plans. In addition, the Board has developed a risk profile to which it regularly monitors, along with the risk register to ensure continuous scrutiny and furthermore a scheme of delegation is in place to support transparent and well informed decisions that contribute to the financial sustainability of Lumen Housing.

The Board is satisfied that the appropriate systems and mechanisms have been adopted in order for there to be effective processes for identifying, evaluating and managing the significant risks, which are regularly reviewed. The Board has and will continue to analyse the effectiveness of the system of internal controls.

Lumen Mission and Values

Lumen Housing has been established as a not for profit Community Benefit housing provider working to the NHF Code of Governance (2020) with core objectives to:



Deliver a high quality affordable housing offer aimed at meeting local housing need



Contribute to wider social and physical regeneration strategies within Blackpool



Maximise available resources, remain viable and provide value for money across the business

Lumen Housing is acquiring poor quality properties and land assets that are being developed and refurbished to provide high standards of accommodation supported by good quality lettings and management services.

Working in tandem with other Registered Providers, our properties are let in a **fair and transparent manner** through **My Home Choice Fylde Coast** which offers a single point of contact and application process for local residents to **source affordable housing within Blackpool** and across the region.

We are setting high standards and working to core principles and values that are regularly considered by the Board. These principles and values define the culture and behaviours that will best enable the organisation to deliver its mission and objectives:



We will offer a high standard of accommodation and services



We will be supportive, respectful and value our customers



We will develop our business and support staff to be the best that they can be



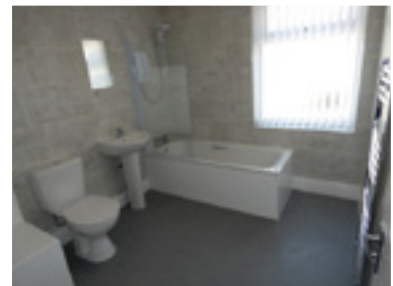
We will innovate to seek the best outcomes for communities and people

“ The board has developed a culture that is positive, focuses on the needs of current and future residents, other customers and key stakeholders that embeds equality, diversity and inclusion within the organisation. ”

The Future is looking Bright

Whilst Blackpool has much to be proud of, the housing market conditions, deprivation trends and shortage of good quality affordable housing in the heart of Blackpool are the reasons Lumen Housing has been established. With high demand for social and affordable housing Lumen will provide much needed high quality homes to challenge the current situation and to raise standards. Lumen's future is bright with a long term investment plan in place to initially deliver 80 affordable, energy efficient homes in the first 3 year business plan period.

This will be delivered through effective partnerships and an established and experienced team who understand the local property market and the diverse needs of our customers.



Managing our homes

Lumen Housing is a new association that has been established to deliver high quality, affordable housing aimed at meeting local housing need and to contribute to wider social and physical regeneration strategies in Blackpool. Our properties are let in a fair and transparent manner. We work closely with the local authority and My Home Choice Fylde Coast to assist in addressing housing need and contributing to vibrant and sustainable communities.

During 2020/21 we acquired our first units for rent as a registered housing provider. We implemented new processes and ways of working whilst taking a proactive approach to driving efficiency and performance. The team succeeded in managing our properties efficiently and effectively throughout the year and are looking forward to a bright future.

A word from the team and our plans for the future:

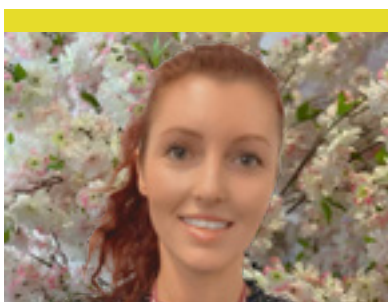


The Housing Management team is a very small, dynamic team with a vast amount of experience in property management within Blackpool. We deliver high levels of customer service to our customers, taking a tailored and proactive approach to tenancy management.

The team is unique in their joined up approach to problem solving to meet the needs of our customers.

I am extremely proud of the team and what they have achieved in such a short space of time and I am very excited about our delivery programme and contributing towards meeting the housing needs of local residents.

Helen Binks
Head of Business &
Customer Services

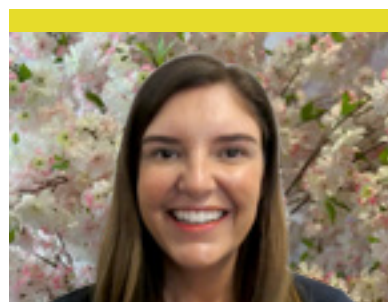


We get to know our customers circumstances and have a dedicated member of the team to work closely with residents who are struggling to pay their rent.

We make sure customers that are transferring onto Universal Credit receive the support they need through that transition and ensure they understand their responsibilities for paying rent.

Next year we will be encouraging customers to set up a regular payment method for rent via one of the various payment options we offer which will allow us the time to focus on providing support with money advice to the tenants that most need it.

Sophie Evans
Senior Officer -
Rents



We are discovering new ways of communicating with our customers through the use of various media platforms. This has enabled us to deliver efficient and transparent services to our customers.

We are able to provide our customers with a personal care plan to help them sustain their tenancy with us.

In the coming year we will be focusing on customer satisfaction to ensure our customers receive the highest levels of customer service.

Sarah Whiteside
Senior Officer –
Customer Services

Future Developments

A word from the Director of Development



Lee Burrell

Director of Development

Whilst we are complementing other programmes being delivered in the private rented sector in the same communities as Blackpool Housing Company, we are creating homes which enable our customers to put down roots safe in the knowledge that the support they need is always on hand. By investing in these areas, we are determined to raise quality and lift standards of management and to grow our stock holding to 80 homes over the next three years.

Lumen housing is at the forefront of an exciting programme of affordable housing refurbishment in some of the most deprived communities in England.

Our initial programme aligns key Corporate and locally significant objectives in acquiring and refurbishing existing homes and improving them to meet decent home standards. The programme also seeks to re-purpose end of life commercial properties to create fabulous new homes that meet modern standards and which, combined, will help to stabilise the communities we work within. The fabulous Springfield Road and Lord Street Development is a prime example of this work.



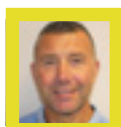
Brand New Homes

Our medium-term plan supports growth into the development of affordable housing on new build sites across Blackpool. The acquisition of land for development or partnering to deliver new homes could include small infill sites in the inner areas, bringing vacant or underused land back into use, or be included as part of larger schemes in providing the affordable housing elements. Lumen Housing is already exploring opportunities across a number of sites which would offer a range of family friendly two and three bedroom new-build homes.

Property acquisition and refurbishment is undertaken by a small and focussed team of property and development professionals. Working in a very competitive market, we source and buy properties in need of investment.

Works are specified to ensure that only the highest standards are achieved and delivered with mainly local contractors. We ensure that works are undertaken as seamlessly as possible. This is challenging but rewarding, especially when a property is brought back into use and a customer is able to begin shaping it into their home.

Paul Thomson
Head of Construction and
Property Services

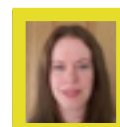


Identifying opportunities for brand new homes that can achieve the balance between meeting need and being affordable is a delicate balance.

Developing small sites can often be more complex than delivering on larger strategic sites as cost efficiencies cannot be achieved and localised issues such as poor ground, for example, can often prove too expensive to overcome without tipping a scheme into the red.

Seeking solutions to these types of issues to begin to shape a new build programme will add variety to the quality homes that Lumen is able to offer.

Sarah Speakman
Head of Strategic Development



Our Performance

Our performance management is influenced through the support of our parent, Blackpool Housing Company who have been recognised regionally and nationally for their knowledge and expertise within the sector having won awards for Team of the Year 2021 and Development Programme of the Year 2019 at the Northern Housing Awards. This influence is setting high standards for Lumen Housing and will continue to drive performance over the coming years.

It is important to monitor and measure our performance and we have closely monitored our financial performance in the first few months of operation comparing this to the business plan to assist with future modelling.



Maintaining our Homes

We take a flexible and responsive approach to customers' requests for repairs. Clear lines of communication are in place from the first point of contact until work is complete. We work to responsive priorities and have a specialised team to assess more complex jobs meaning they are diagnosed and fixed quickly.

Compliance Performance



As of 31st March 2021, 100% of our properties had a valid Gas Safety Certificate.



100% Fire Risk Surveys completed to ensure Lumen complies with all applicable fire safety regulations, Fire Risk Assessments are carried out on all properties which are part of a block.



In line with the required regulations, Lumen carries out an electrical safety test on all properties every five years. Electrical safety tests are also carried out when a property becomes vacant.



Properties with an energy performance certificate rating D and above 100% at the 31st March 2021.

Recognising that this is a part year period during which time the Association acquired its first homes to let, it is too soon to report performance in key areas such as voids management and rent collection rates however, we will be setting targets for future years by analysing performance across the sector locally and nationally.

We have used this time to focus on establishing a broader set of performance measures that will be used in future years to benchmark against other registered providers of similar size and type. With the involvement and influence of our customers we will mould the way our services are delivered in the future to meet our customers' needs and expectations whilst always striving to become the best at what we do.

Customer Feedback and Support

We care for the neighbourhoods and communities in which we operate by ensuring that places are well maintained and by being proactive and responsive to local issues. We work with other partners to achieve wider impact improvements where possible.

Although we have only been operating for less than 6 months feedback from our customers has been very reassuring with comments like:

“ I cannot believe this is social Housing ”

and

“ Overwhelmed by the quality of the accommodation ”

One of our tenants was previously living in supported housing having been on a programme of recovery from substance abuse. He suddenly became the main carer for his son which is what brought him to one of our new developments.

He said that living in a new home is helping him with his recovery programme and his comments were:

“ I moved in with my son and I am really happy with my new Lumen Home, it is very modern and homely. I was supported by the team through the application process, thank you very much. ”

This tenant is also studying towards a Level 3 qualification to become a support worker for substance addiction.



We are also proud to support the **More Positive Together** programme, this is a Lancashire wide European Social Fund project which aims to improve skills and prospects for participants who **“Aspire to Work”**.

By working closely and supporting our customers we are able to form links and make referrals to our partners in Blackpool who can offer help and guidance to support a person's journey into work through 1-to-1 mentoring, activity sessions, training courses and work experience opportunities.



Our Priorities for 2021/22

We want our tenants to influence the services they receive and have a say on matters that affect them. We will be connecting with our customers through a variety of different methods to gain feedback and insights from them.

This information will be used to learn from our customers' experience and to better understand their requirements in accessing our services as conveniently and effectively as possible.



Our First Year in Pictures

1



October 20 – Lumen Housing successfully registered with the Regulator of Social Housing

CERTIFICATE OF REGISTRATION

Regulator of Social Housing

This certifies that the organisation below was on the date below registered as a provider of social housing in the register kept by the Regulator.

Registered Name: Lumen Housing Limited

Registered Number: 5196

Date Registered: 1 October 2020

Designation: Non-profit private-registered provider of social housing

FEA Number: 8279

2



November 20 - We acquired our first units at Springfield Road and Lord St. Prior to Lumen Housing purchasing this property it was an empty, derelict non-trading hotel that we sought to transform into 11, high quality self-contained apartments, offering spacious and modern living spaces.

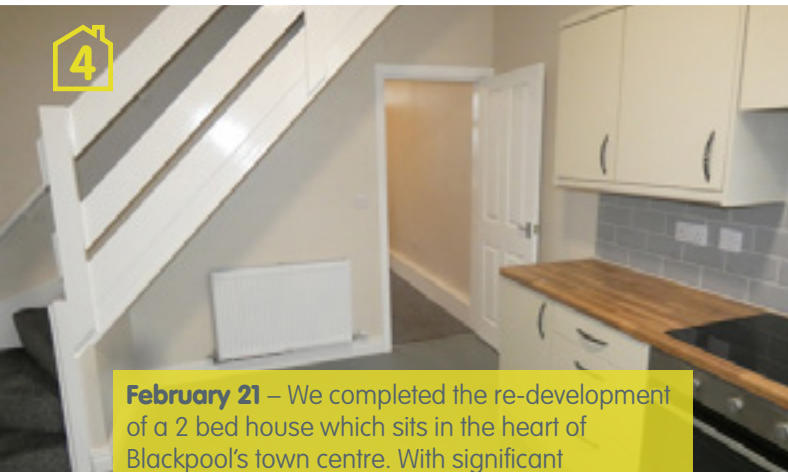
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December 20 and January 21 – Our first tenants moved into the Springfield Road and Lord Street Development.

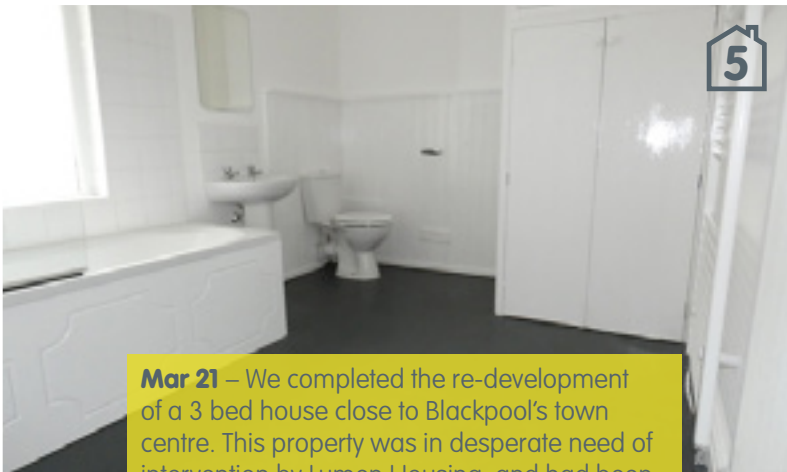


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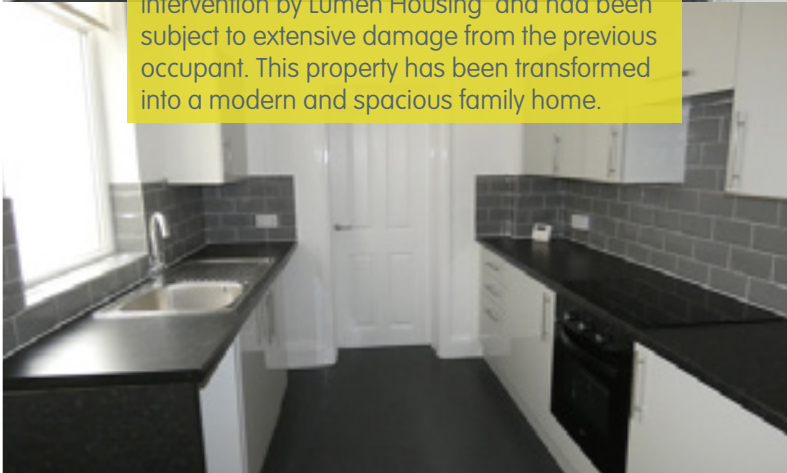


February 21 – We completed the re-development of a 2 bed house which sits in the heart of Blackpool's town centre. With significant investment this property has been transformed into a modern, new family home for the benefit of local residents.

5



Mar 21 – We completed the re-development of a 3 bed house close to Blackpool's town centre. This property was in desperate need of intervention by Lumen Housing and had been subject to extensive damage from the previous occupant. This property has been transformed into a modern and spacious family home.



A word from Director of Finance & Resources



Paul Whitehead
Director of Finance & Resources

The Company began trading during the second half of the financial year and, as expected, this resulted in a negative return of almost £68,000 during the year. In the first year significant costs were incurred in setting up and registering the organisation with all the relevant bodies. Trading losses are forecast to continue to accrue for a couple of years until Lumen reaches the scale at which it begins to generate surpluses. A thirty year business plan has been developed that gives confidence that Lumen is a viable business over the medium term.

Funding is provided to Lumen by its parent (Blackpool Housing Company) on

commercial terms and the parent has provided documentation to confirm that it intends to continue to financially support Lumen in achieving viability.

Value for Money

In line with the Regulator of Social Housing and the Financial Regulations of Standing Orders, we are seeking to achieve value for money on all expenditure and as a newly created registered provider we will be preparing a value for money strategy during the first full year of operation and will report our findings with the reports for the year ended 31 March 2022.

The financial statements have been prepared and approved by the Board in compliance with the Co-operative and Community Benefits Societies Act 2014 and have been audited by the independent Auditors, Smith Craven. The financial statements give a true and fair view of the state of affairs for Lumen Housing and of the surplus/deficit for that period. A copy of the audited accounts can be found on our website at: www.lumenhousing.co.uk/about-us/our-publications

LUMEN HOUSING LIMITED INCOME STATEMENT

For The Period 13th December 2019 To 31st March 2021

	Notes	£
TURNOVER		9,972
Cost of sales		<u>6,107</u>
GROSS PROFIT		3,865
Administration expenses		<u>64,794</u>
OPERATING LOSS	4	(60,929)
Interest payable and similar expenses		<u>6,893</u>
LOSS BEFORE TAXATION		(67,822)
TAX ON LOSS		-
LOSS FOR FINANCIAL PERIOD		(67,822)

LUMEN HOUSING LIMITED (Registered Number: RS008279)

BALANCE SHEET
31st March 2021

	Notes	£	£
FIXED ASSETS			
Tangible assets	9		1,265,446
CURRENT ASSETS			
Debtors	10	1,339	
Cash at bank		<u>50,413</u>	
CREDITORS			
Amounts falling due within one year	11	<u>1,385,020</u>	
NET CURRENT LIABILITIES			(1,333,268)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(67,822)</u>
RESERVES			
Retained earnings			(67,822)
			<u>(67,822)</u>



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Lumen Housing Limited
is registered in England and Wales.
Regulator of Social Housing Reg. no. 5106

Registered Address:
Lumen Housing Ltd
Number One Bickerstaffe Square
Talbot Road, Blackpool, FY1 3AH
Society FCA Registration no. 8279