



A brighter choice  
for homes

# Lumen Housing Annual Review 2021/22



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## A word from the Chairman



**Ron Bell**  
OBE

**A successful year has seen Lumen Housing continue to establish itself in the local market, offering customers with an alternative product in an area dominated by poor quality private rented accommodation. Albeit our growth was slowed a little by the Pandemic, we are on track to continue providing a supply of good quality affordable homes and working closely with Blackpool Housing Company, we are busy acquiring and transforming properties across Blackpool's inner area.**

Strengthening governance has remained a key focus, having appointed to all the positions on our Board, we have attracted an impressive range of knowledge, experience

and skills that will help to guide the Organisation through these formative years. Working closely with the Executive team, Board members are offering both challenge and expertise to ensure that Lumen is in the best shape possible to meet regulatory expectations and the Social Housing White Paper. Our business is focussed to offer the best possible standards of accommodation and services to our customers.

With exciting economic, tourism and housing investment plans ahead for the Town, I remain confident and assured that Lumen Housing is well placed in playing a key role towards the regeneration of neighbourhoods whilst helping meet local housing demand for affordable housing.

## A word from the Chief Executive



**David Galvin**  
Chief Executive

**This past year at Lumen Housing has proven to bring about both success and challenge, mainly owing to the economic turbulence created in the wake of Brexit with a global Pandemic thrown into the mix; a perfect storm for any new business! Despite these circumstances, Lumen has continued to manage risk and build upon a solid foundation from which to grow and develop the business. Our investment programme is in place and already attracting much needed additional affordable housing funding for the conversion and refurbishment of homes in the inner wards of Blackpool.**

Future plans and ambitions for increasing the supply of more new affordable housing are taking shape. We have worked hard to embed the Association and establish its strategic role and relationship both with the Regulator of Social Housing and Homes England.

Lumen Housing is clearly recognised as a key strategic partner for future housing regeneration plans announced in March 2022 under the Government 'Levelling Up pilot area'. The team are supporting the Council and other Partners under Pride of Place to secure a new Government backed funding deal on housing investment that aims to be transformative, increasing the impact potential and scale of our future programme and operations.

In the meantime, we continue to focus on providing our customers with high levels of service and a quality accommodation offer that they can make their home, helping to improve lives, homes and neighbourhoods across Blackpool.



# Board Responsibilities



**Ron Bell OBE JP - Chairman**

Ron's professional background is from within the banking and finance sector, primarily in Sales and Marketing but also in Training and Operations. After leaving the Finance sector he successfully ran his own management consultancy and investment portfolio. Ron is passionate about Blackpool and is currently a member of the Board of Blackpool Operating Company Ltd and Blackpool Housing Company Ltd. He has also served on a wide variety of Boards and organisations. As part of his community work, he is President of the Blackpool, Fylde and Wyre Credit Union (Clevr Money), a Magistrate, as well as being a former Councillor, Chairman of Fylde Ex-Service Liaison Committee and Chairman of the Royal Marines Association. Ron believes that Lumen Housing can play a massively important role in Blackpool's regeneration through the provision of high quality homes that will not only raise standards but will also nurture aspiration and community cohesion, particularly in the more depressed areas of the town.



**Councillor Jim Hobson**

Councillor Hobson is the ward Councillor for the Bloomfield area, this covers much of Central Drive, Lytham Road and the surrounding areas. He is currently the Cabinet Member of Children's Social Care and Schools and before this he served as Cabinet Member for Climate Change and the Environment. Councillor Hobson has been a Civil Servant working for a Central Government Executive Agency for the last eighteen years and manages a small specialist team. Prior to this he worked as a Surveyor and sales person for an environmental services company. Councillor Hobson has a vision for Blackpool as a modern, forward looking town with a bustling tourism industry, where both visitors and locals feel valued and safe. He is therefore delighted to be a member of the Lumen Housing Board and to help shape part of this ambitious plan aiming to make available good quality housing for local residents.



**Shaun Finegan**

Shaun has 20 years' experience working for Housing Associations across the North of England and is currently employed by Accent Group Ltd, a National Housing Association, as Director for Customer Experience. Areas of expertise include housing management, strategic planning, governance and housing policy. Shaun plays an active part on the Lumen Housing Board, supporting the improvements the organisation can make to Blackpool in the coming years.



**Andrew Upton**

Andrew is a Chartered Surveyor, experienced technical director and keen problem solver with over 37 years' experience, covering registered providers, local authorities, commercial and retail sectors. Andrew has spent the past 29 years in the social housing sector and has a wealth of strategic, technical, project, contract and staff management experience in housing development, asset management, housing maintenance, third sector and commercial areas. Andrew has worked with numerous clients, stakeholders and end users, across a range of tenures, to deliver new build development and refurbishment and achieve successful project outcomes. This experience has covered the delivery of sustainable technology and innovative projects, with a focus on improving both performance and customer service. Andrew is a competent strategic director and has previously served on a number of Boards, holding vice chair and committee chair positions.



**Tony Bell**

Tony is a qualified accountant with more than 20 years' experience at Board level in the further education sector, in roles including managing director, group commercial director, vice principal and director of finance. He has also held senior roles in the private sector. In addition, Tony has held a number of Non-Executive Board Membership roles in the social housing sector including Guinness Partnership, Northern Counties Housing Association and Equity Housing Group and is currently with Stockport NHS Foundation Trust.

As well as Board membership, he has served on a number of audit committees, as chair in many instances. Tony is passionate about the social housing sector and relishes using his skills and experience to maximise social housing for the people of Blackpool through Lumen Housing.



**Shaun Walsh MBA**

Shaun has over 30 years' experience within the public sector, the vast majority of which has been within local government, both as a Senior Executive heading up various Corporate Services, as well as Director of Housing, being professionally qualified since 1992. He also brings vast experience of delivering significant and innovative change management strategies, having led on numerous successful and ground-breaking organisational re-engineering and transformation projects. In addition, Shaun has held several key lead roles, being responsible for other specific areas of business, including HR and Payroll; Partnership development; ICT; Revenues and Benefits; Customer Services; Communication and Consultation; Performance Management and Public Relations.



**Ian Sillars MBA**

Ian has over 35 years' experience of commercial and corporate banking and heads up both the Housing Finance team, lending to housing associations across Scotland and North of England, and the Scotland Real Estate Finance team, lending to a range of commercial real estate clients active across Scotland and the UK for The Royal Bank of Scotland plc and National Westminster Bank PLC. Ian is a Member of the Chartered Institute of Bankers in Scotland, an Associate of the Chartered Institute of Management Accountants, an Associate of the Association of Corporate Treasurers and holds an MBA degree from Edinburgh Business School. In his day to day working life, Ian works with colleagues and customers to improve the communities we all live, work and enjoy spending our free time in and he brings this experience to his role with Lumen Housing to improve the standard of housing accommodation and service for the people and communities of Blackpool.



# Risk Management

Lumen Housing Ltd has an established risk management framework which is aligned to our business activities and supports the achievement of our corporate objectives and financial business plan. The Board, Audit Committee and Senior Management Team have maintained a programme of risk review throughout the year and continued to improve the risk management framework and risk reporting.

Our risk management framework is in place to identify, evaluate and manage the

significant risks faced by the Authority, arising from our corporate priorities, the wider sector risk profile and the economic operating environment. The Coronavirus pandemic has impacted many of our key risks.

The Board has approved a risk appetite matrix which identifies development and diversification as the most risk hungry areas with Health and Safety, Financial and Regulatory compliance as its most risk averse. Risk appetite indicators are being implemented to give assurance to the Board that risks are effectively managed.

Our risks are reviewed regularly by the Board including changes to risk profile and controls in place to mitigate risk.

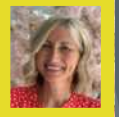
Risk appetite and risk-based stress testing is an integral part of our financial planning process to understand how change impacts on financial viability, this is considered alongside identified mitigations.

**The most significant risks currently facing the organisation are shown in the table below:**

Risk Type	Relevant Strategic goal	Risk	Key Controls
Corporate	High quality housing management	Failure to comply with Health and Safety legislation and expectations particularly around Building safety and the safety of residents	<ul style="list-style-type: none"> <li>• Health and safety policy and full suite of compliance procedures (fire, gas, legionella etc.)</li> <li>• On site project monitoring by qualified staff</li> <li>• 3rd party validation</li> <li>• Annual training plan</li> <li>• Monthly Quality Assurance testing</li> </ul>
Development	RE-model stock, support regeneration	Failure to deliver the programme expected in the business plan through a combination of external factors (e.g. Price / availability) or internal factors (e.g. lack of funding / staffing resource)	<ul style="list-style-type: none"> <li>• Development strategy</li> <li>• Programme planned in advance</li> <li>• Relationships built with vendors contractors</li> <li>• Cost and programme regularly challenged</li> </ul>
Financial	Robust and viable	Failure to achieve Value For Money	<ul style="list-style-type: none"> <li>• Use of procurement frameworks to acquire goods and services</li> <li>• Work with partners to deliver value and innovation (e.g. alternative forms of heating)</li> <li>• Robust financial reporting and cost trend analysis</li> <li>• Value for Money Strategy adopted (Lumen)</li> </ul>
Corporate	Robust and viable	Threat to achievement of business goals through changes in external environment including decarbonisation targets	<ul style="list-style-type: none"> <li>• Business Plan stress tested</li> <li>• Brexit issues approved by Board</li> <li>• Carbon Strategy adopted</li> </ul>
Corporate	Robust and viable	Failure to meet Regulatory Requirements on Governance and Viability	<ul style="list-style-type: none"> <li>• Business plan model regularly updated to deliver rolling forecasts</li> <li>• National Housing Federation Code of Governance adopted</li> <li>• Monitoring and compliance systems adopted</li> </ul>
Corporate	Robust and viable	Data integrity and technology risk	<ul style="list-style-type: none"> <li>• Service Level Agreement with Council for data protection services</li> <li>• Data protection Audit carried out and actions identified</li> <li>• Full suite of IT policies and procedures adopted</li> <li>• Training on IT fraud carried out for staff</li> </ul>

# Supporting our Customers

**Helen Binks**  
Head of Customer and  
Business Services



**This year Lumen Housing has introduced the tenancy support and sustainment service which provides short term tenancy support for any client that is vulnerable, at risk or in crisis. Whether the customer is a first time renter or an older person wanting to continue to live independently we can support them to take positive steps to achieving their goals.**

We know that many of our customers suffer from ill health that can lead them to not coping well at home. We have introduced the support service to work with individuals to ensure they can access specialist services when they are needed.

We help all sorts of people with all sorts of different challenges that place them at increased risk of losing their home and becoming homeless.

## These include:

- Debt
- Rent arrears
- Mental and physical ill-health
- Anti-social behaviour
- Benefit problems
- Poor life skills
- Family breakdown

We provide individualised packages of support to ensure that people are provided with access to the right services to sustain their tenancy and to prevent homelessness. Support is provided in many different ways

dependant on the individual needs of the customer, our approach to tenancy support is tailored to meet these needs.

## Future Plans for Supporting our Customers

Tenancy support will continue to be a key area of focus as we go into 2022. With the cost of living crisis being faced we are anticipating increased demand for support and in preparation for this we are establishing links with local food-banks and seeking hardship funds for customers facing financial difficulty. We are also working closely with local contractors who are supporting this with donations.

## Spotlight on Support

**We work closely with the local authority to house clients that are homeless and in temporary accommodation or at risk of being homeless. We provide support to help them set-up their home and to access local services.**

### CUSTOMER CASE STUDY

A family of 2 adults and 6 children had presented themselves as in housing need in July 2021 due to the property that they were living in having severe damp issues which was impacting on the health of the family. There were concerns expressed from health professionals due to constant hospital admissions so the family were placed in temporary hostel accommodation. Still recovering from the impact of the COVID pandemic this added to the ongoing pressures on temporary accommodation in Blackpool.

Through a joint approach with Housing Options we were able to identify a suitable Lumen property that would meet the family's needs and provided them with a good quality home that met their ongoing health needs and was big enough to accommodate the family.

We took a multi-agency approach working with the family, Housing Options, Health Professionals,

Occupational Health and Hostel Staff to achieve the quickest and best outcome. The family and all services involved were extremely happy with the standard of the property and grateful for the opportunity to rectify their housing issue.

The family continue to be supported by our in house support service to ensure their tenancy and quality of life is sustained.



“

## Customer Feedback

**“We were in a really bad position just before being offered the property with Lumen. The process and the move from start to finish was absolutely brilliant. I think just 2 weeks passed between getting the offer and actually signing up. The property itself is brilliant, all of it is finished to a really high standard, there's nothing that needs to be done from top to bottom. All of the Lumen staff we dealt with during the process were brilliant also, great communication and accommodating of our needs, we are all really pleased.”**

”

Support Services can be contacted  
on tel: 01253 477222



# Providing safe, secure and efficient homes for our customers

Our priority focus continues to be keeping buildings safe and well maintained for our customers and we carry out stringent compliance regimes to meet the regulatory and industry standards. The homes that we deliver are high quality and provide a safe, warm and well maintained home that meets decent homes standard.

## How have we performed?



## Energy Performance Certificate (EPC)

The average dwelling Standard Assessment Procedure (SAP) rating in England and Wales is 53; most homes are banded D or E and very few A, highlighting the need to improve the energy performance of the housing stock.



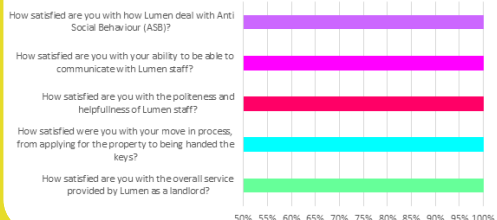
Lumen Properties with SAP rating higher than 53 – **100%**



Lumen properties with EPC rating C or higher – **92.6%**

The EPC bar will be raised later this year to require a higher assessment score to achieve a “C” rating or above. Lumen properties are being refurbished to achieve as high a score as is economical in advance of further expected changes in future years linked to the move towards zero carbon operations. Our focus is to balance meeting these statutory objectives with providing tenants with affordable means of heat and power in their homes.

Satisfaction with Services



Satisfaction with Services



We want to make sure our customers have the best possible experience with us and we can only do this by listening to your feedback which will help us to change, improve, or develop our services.

# Development Focus

We are all very aware of the global supply pressures which have affected the cost of most things we need in order to go about our every-day lives. The cost of refurbishment and development have steadily increased as a consequence of the effects of the pandemic and this has been exacerbated over the second half of the year, with material and labour costs continuing to increase significantly. When rising costs are added to a property market which continues to experience significant price inflation, the last 12 months have been incredibly challenging. Despite this, our growth has continued and I am delighted to report that our homes in letting have grown by 14 to 27. This is less than originally planned but with a strong pipeline of refurbishment properties and the potential to commence delivery of our first new build scheme, we are well placed to continue Lumen's growth in a sustainable manner towards our 80 home target by the third quarter of the 2024/25 financial year.

**Lumen continues to deliver an affordable homes refurbishment programme which puts our customers at its heart in creating high quality homes in some of the most deprived communities in England. Working in partnership with Homes England, our development programme continues to direct investment towards the acquisition and refurbishment of empty homes or derelict properties and improving them to decent home standards.**

**Lee Burrell** Director of Development



## New build homes

**Our medium-term plan supports growth into the development of affordable housing on new build sites across Blackpool.** The first opportunity for the provision of 40 new homes at the former Bispham High School site has been agreed in principle. Whilst the hard work starts to develop and detail the prospect, this is potentially a watershed moment. If all goes according to plan, delivery is not expected to commence until 2023 but would deliver a mix of family friendly 2 and 3 bed homes for affordable rent.

**Our small team of property and development professionals continue to identify and acquire properties in the heart of Blackpool that will be improved to meet Lumen's standards. Having added 14 individual homes to our stock during 2021/22, we are ready for another year of growth.**

We specify works to ensure that only the highest standards can be achieved and deliver them with mainly local contractors who employ local trades, to ensure that as much of our investment as possible is retained in our economy. 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.

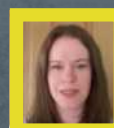
**Paul Thomson**  
Head of Construction and  
Property Services



**The Bispham development will be a fantastic opportunity to provide much needed affordable new-build family homes as part of a larger developer-led scheme. It is also an important stepping stone on Lumen's journey to become the first choice for affordable housing in Blackpool.**

As we move towards 2030, there will be even greater emphasis on the need to reduce carbon used in the construction and the operating emissions of our homes. We aim to create sustainable homes that not only meet legislative requirements but which can adapt to meet the needs of modern families. Providing an affordable means of heating and powering homes is currently in focus and will remain so as new developments move away from the use of natural gas as their primary source of heating and cooking from 2025. A focus for both our new-build and refurbished homes will be to improve energy efficiency through fabric improvements, utilise best-practice technologies and provide coaching to our tenants in how to make the most of their homes in order to minimise energy bills.

**Sarah Speakman**  
Head of Strategic Development







# Spotlight on our Developments

Lumen has a development focus that supports wider regeneration out-comes and dilution of existing poor quality Private Rented Sector (PRS) stock. The aim is to provide good quality affordable housing as an alternative choice for customers. Our conversion projects are bespoke, bringing new purpose to existing redundant or poor quality buildings, turning them into high standard, fit for purpose homes for the 21st Century.



## Erdington Rd

Situated within the inner areas of Blackpool, this property had been vacant for a long period of time and had been subject to rough sleeping. Significant investment was needed to bring this property back into occupation and to prevent it from becoming a further blight on the local area. Investment works included a rewire to current regulations with hard wired heat/smoke detectors. New Kitchen, bathroom and central heating system. We installed the latest technology positive input ventilation and condensation control system (PIV). This system gently circulates air around the home to maintain a healthy and condensation free environment.

Work was completed in July 2021 which transformed the property into a modern, light and fresh 4 bedroom family home.



## Ashton Road – 2 bed mid terrace

This is a small two bedroom street fronted mid terrace house situated within a long established densely populated area of Blackpool where there is a high proportion of rental properties. When the property was purchased it was in need of significant investment to modernise the property and to eradicate signs of rising damp.

Work was completed on the property to enhance future tenant's experience, careful planning was used to ensure the property was user friendly with adequate storage space. When completed this property has provided a modern and new fresh home.



## Belmont Avenue

Situated within the inner areas of Blackpool this property had been subject to vandalism prior to acquisition and was in need of major refurbishment.

Works were undertaken on the kitchen and bathroom, a full electrical rewire and heating system upgrade was completed bringing this property up to decent homes standard and back into occupation.

The refurbishment was completed in spring 2021 and has provided another good quality, affordable, family home that meets local housing demand.



Lumen Board have approved the pursuit of new build development opportunities that, if successful, will produce brand new homes into the portfolio alongside our refurbished homes over coming years. Our aim is to support regeneration in Blackpool whilst providing more much needed affordable housing.



**LUMEN HOUSING LIMITED**  
**INCOME STATEMENT**  
 FOR THE YEAR ENDED 31 MARCH 2022

	£
<b>TURNOVER</b>	<b>86,469</b>
Cost of sales	<u>30,430</u>
<b>GROSS PROFIT</b>	<b>56,039</b>
Administration expenses	<u>107,96</u>
	<u>(51,157)</u>
Other operating income	<u>559</u>
<b>OPERATING LOSS</b>	<b>(50,598)</b>
Interest payable and similar expenses	<u>35,192</u>
<b>LOSS BEFORE TAXATION</b>	<b>(85,790)</b>
TAX ON LOSS	—
<b>LOSS FOR FINANCIAL PERIOD</b>	<b>(85,790)</b>

#### VALUE FOR MONEY

The first measures of Value For Money as required by the regulator are included in the financial statements. Given this is the first full year of operation some of the results are outside traditional parameters. Lumen Housing has a strategic priority that supports local regeneration aims and as part of this purpose we are delivering increased social value to the wider Blackpool area through the development programme. The Company has joined a benchmarking group with other small providers as a method of comparing its relative performance with peers. This will form part of the suite of performance indicators presented to Board on a regular basis.

#### Assessment of compliance with the Governance and Financial Viability Standard

The Board has reviewed the Governance and Financial Viability Standards published by the Homes and Communities Agency. We confirm that we comply with the standard.

#### Code of governance

The Board has reviewed the National Housing Federation Code of Governance 2020 for registered providers and considers that it has no areas of non-compliance.

#### The Board Responsibilities

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.

**LUMEN HOUSING LIMITED**  
**(Registered Number: RS008279)**  
**BALANCE SHEET**  
 31st March 2022

	£	£
<b>FIXED ASSETS</b>		
Tangible assets		<b>2,455,300</b>
<b>CURRENT ASSETS</b>		
Debtors	6,691	
Cash at bank	<u>53,589</u>	
	<b>60,280</b>	
<b>CREDITORS</b>		
Amounts falling due within one year	<u>2,669,192</u>	
<b>NET CURRENT LIABILITIES</b>		<b>(2,608,912)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>(153,612)</b></u>
<b>RESERVES</b>		
Retained earnings		<b>(153,612)</b>
		<u><b>(153,612)</b></u>

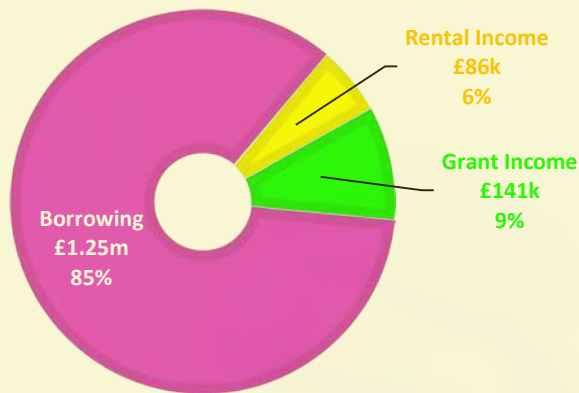
#### Value for Money Statement for the year ended 31st March 2022

In line with the regulator of Social Housing and the Financial Regulations and Standard Orders, Lumen Housing seeks to achieve value for money on all expenditure. In line with the national directives, we have calculated the metrics as follows:

<b>Metric 1</b>	Reinvestment %	47.6%	Lumen Housing continue to invest in new stock in line with the business plan
<b>Metric 2</b>	New supply delivered %	51.85%	We are investing in new stock, the programme did not achieve business plan targets due to high demand for property
<b>Metric 3</b>	Gearing	89.37%	Lumen Housing has financial support of the parent company to continue to invest in acquiring new stock
<b>Metric 4</b>	EBITDA MRI Interest Cover %	-81.6%	As we continue to invest in new stock earnings before tax is in line with the business plan assumptions
<b>Metric 5</b>	Headline social housing cost per unit	£1,127	The cost per unit is low when benchmarked against other housing providers of similar size. This is due to the stock being recently refurbished
<b>Metric 6</b>	Operating Margin	-99.21%	Operating margin is low as per the business plan assumptions and investment program
<b>Metric 7</b>	Return on capital employed (ROCE) %	55.85%	In line with the business plan

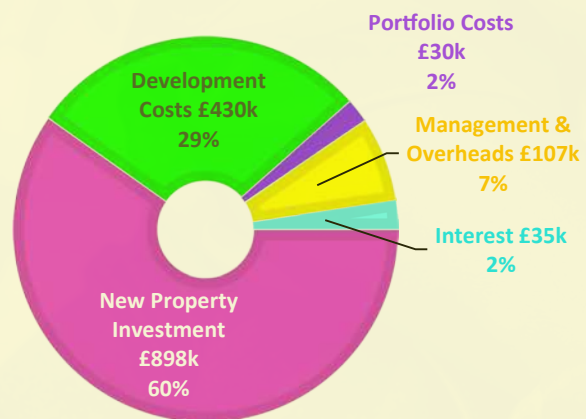
# Income

## 2021 - 22 INCOME



# Expenditure

## 2021- 22 EXPENDITURE



## Financial Performance

This year was the first full year of trading for the Company. A deficit of almost £86,000 was incurred which was slightly better than business plan expectations. The Company will continue to operate with deficits in its early years as it develops its property portfolio but is on track to generate long term surpluses in line with an approved thirty year business plan. In its first 18 months of trading the Company has developed properties at a cost of almost £2.5m and had attracted grant funding of over £360,000.

Funding is provided to Lumen by its parent (Blackpool Housing Company) on commercial terms and the parent has confirmed that it intends to continue to financially support Lumen in achieving viability.



**Paul Whitehead**

Director of Finance & Resources





Lumen Housing Limited  
348-350 Lytham Road  
Blackpool, FY4 1DW

e [enquiries@lumenhousing.co.uk](mailto:enquiries@lumenhousing.co.uk)  
w [www.lumenhousing.co.uk](http://www.lumenhousing.co.uk)  
t 01253 477222

**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