



2020 Annual Report

South Lakes Housing



customerservices@southlakeshousing.co.uk



www.southlakeshousing.co.uk

Chair's Statement



Ian Munro, Chair of the SLH Board

Welcome to South Lakes Housing's (SLH) Annual Report which contains the highlights of a successful year with the last few months being particularly challenging for all of us.

The Board have spent a lot of time developing an ambitious new Business Strategy with three key strategic themes; Growing, Greening & Transforming which will guide the strategic direction of the organisation over the next five years.

In the past year, 16 homes have either been developed or acquired including five affordable rented homes at Kirkby Lonsdale and four shared ownership properties at Bolton-le-Sands. Whilst the numbers are relatively modest, significant work has resulted in a healthy pipeline of new home projects which will be delivered over the next couple of years.

The financial health of the organisation continues to be strong, even despite Covid, and we are planning to explore treasury options over the next 18 months.

There has been significant investment in keeping you and your homes safe throughout the last twelve months, including gas servicing, electrical safety, lift safety, legionella, fire risk, asbestos and radon.

The organisation has also responded well to the demands of the coronavirus pandemic but we realise that some tenants have been hit hard. SLH is sensitive and supportive of tenants who have experienced financial hardship so please get in touch if you are struggling. During the lock down SLH continued to provide essential services, provide emergency repairs, undertake health & safety work and help local homeless people. We have now fully remobilised services, albeit with social distancing and 'covid secure' standards in place to keep everyone safe.

Best wishes to all of our tenants.

Tenants' Committee



The Tenants' Committee has been working hard during the year to hold your landlord to account. The committee switched to virtual meetings during the coronavirus pandemic to ensure they could still monitor the way SLH operate and that tenants were still getting the help they need.

The Committee has been involved in a range of activities on your behalf, including:

- Reviewing applications for community grants.
- Investigating complaints on your behalf and highlighting where lessons can be learned.
- Scrutinising services including how your landlord manages: neighbourhoods, tenancies and repairs.
- Provided early input into new strategies and policies e.g. adaptations, resident engagement and business strategy
- Made improvements to key communications e.g. asbestos information, repairs handbook
- Monitoring the performance and decisions made during the coronavirus pandemic.

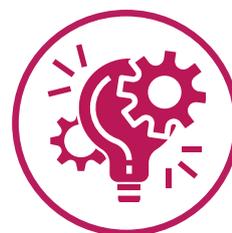
The Tenants' Committee is always open to new members so please contact SLH on 0300 303 8540 and ask for Lyn Richardson if you are interested in getting involved.

Business Strategy

SLH's purpose 'Quality Homes, a platform for life' has been central to our planning for the future.

SLH is ambitious about the lasting impact the organisation will have over the next five years and beyond on improving customer experience, their homes, neighbourhoods, energy efficiency, affordability and a new supply of quality homes. Like many social, community-based housing associations SLH is grappling with the challenges of meeting growing housing need, decarbonising an ageing housing stock, and mitigating against the real risk of future flooding. This, in addition to the core expectations of keeping our homes safe and maintained to a good quality.

The new Business Strategy for 2020-2025 focuses on 3 key strategic themes; Growing, Greening & Transforming. This includes some significant deliverables, including; £33M investment in existing homes, 500 additional homes, no home below energy efficiency band C, first Passivhaus scheme, reductions in fuel poverty, use of smart technology and improved digital access to services. You can view our business strategy [here](#).



Future Plans & Challenges

The need for quality affordable homes has never been greater, with many working families unable to afford market homes. A rapidly ageing population, fuel poverty and flood prone areas provide the backdrop to our priorities for action.

SLH is currently reviewing how it engages with its customers and improving its Tenant Involvement and accountability. It is committed to improving our value for money and service delivery by better listening to tenants about the things that matter to them. This includes 'eight steps to better engagement', including better 'line of sight' reporting from people who live and receive services, moving from traditional meeting set-ups to community visibility, faster feedback mechanisms including the use of social media and insight and improving data analytics to help shape services and future strategy.

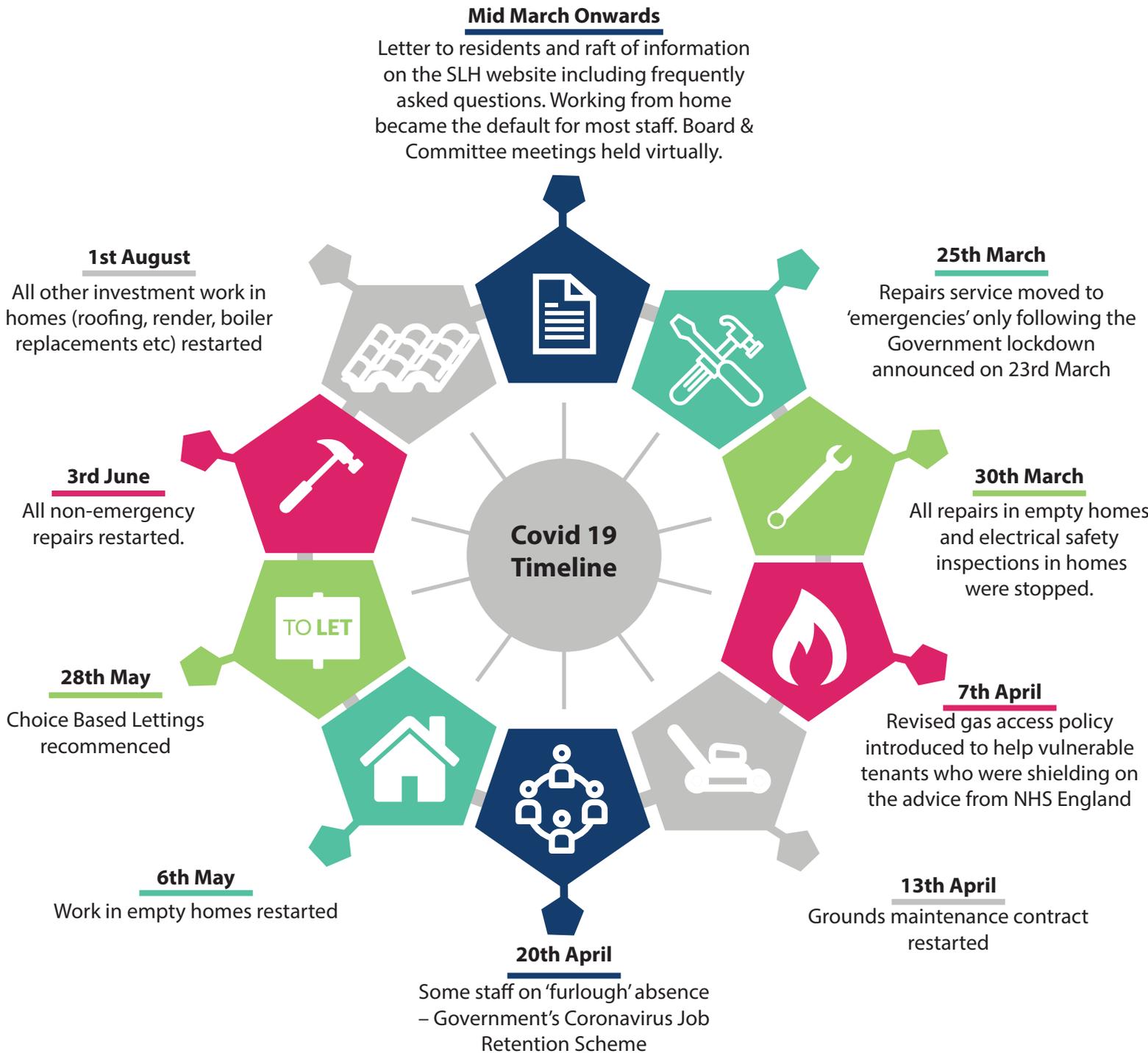
The organisation has remobilised services and have adapted processes were necessary following the outbreak of the coronavirus pandemic. This has tested the organisation's resilience and has led to a process of reflection about the right priorities and whether our Business Strategy (Growing, Greening & Transforming) continues to be 'fit for purpose'. The financial impacts have not yet fully crystallised, but the Board is on top of risks e.g. revising the 2020/21 Budget, increased stress testing, revised its 30 Year Financial Plan, developed more realistic KPI targets and included additional monitoring via a monthly Covid-19 KPI dashboard.

Most residents of Yewbarrow Lodge are now re-housed and we are working with a number of residents to ensure there needs are met. The decision to close the scheme was taken following a review of current and future demand for sheltered housing, where a third of the flats were vacant with some empty for over two years. The SLH Board have not yet made a decision on the longer-term plans for the site.

Coronavirus

Delivering essential services and keeping people safe during the coronavirus pandemic

SLH was able to respond to the crisis swiftly and ensured the safety of homes, customers and staff whilst continuing to deliver urgent and important services; like emergency repairs, customer services and housing advice.



The continuing effect of Covid-19 means many challenges remain and the economic impact is likely to hit customers disproportionately, particularly given the impacts on the local tourism and hospitality sectors where many tenants work. There is a range of financial support available to help tenants who may be struggling and this is outlined on page 10 of this report.

SLH's 2020 financial statements show that SLH remains strong and resilient.

Coronavirus

Supporting The Most Vulnerable During Lockdown

5 empty properties were used to provide a home and place of safety for people who were homeless.

In April 294 tenants were provided with help and advice relating to difficulties paying rent.

1026 vulnerable tenants were contacted for a 'welfare call' to see how they were and what support they needed and sheltered tenants were advised not to use communal areas in sheltered housing schemes.

£400 was provided to two community groups (£200 each) to help run hot meals services for elderly and vulnerable residents in the Winderemere, Urswick and Swarthmoor areas.

Gas access procedures were changed to ensure those with NHS England shielding advice could re-arrange their annual service and focus on shielding.

15 tenants were supported following domestic violence.

Getting Services Back Up and Running



SLH was one of the first landlords in the region to restart services following the lockdown being eased by the Government. At one point, around a third of the workforce were on furlough leave but all returned to work from July.



Backlog of repairs reduced from 595 in April, down to 12 in August



18 homes did not have an up-to-date gas safety record in May (NHS shielding), down to 0 in August



102 homes have an overdue electrical condition report, which is a key priority to resolve



All fire, legionella and lift checks are up-to-date, asbestos surveys recommenced in July



New digital engagement methods were introduced, helping SLH to engage with over 500 customers

Coronavirus

As we learn to live and operative with the virus still around, we will move quickly to respond to any future local lockdowns and will keep you informed. We will also continue to work to the highest 'covid secure' safety standards and that means delivering services remotely and digitally where possible, continuing to provide access on the telephone and by providing face-to-face advice but by appointment only. For safety reasons for you and our staff this means that our main Kendal office will not be available for visitors. Most of our 'office' based staff will continue to work from home where it is safer to do so. Health & Safety risk assessments are on the SLH website, and staff will continue to use PPE and will ask you to respect 2m social distancing to keep you and staff safe. Of course, if anyone has symptoms or is self-isolating then services will be postponed until a later date.

To become a COVID Secure workplace we will be completing the following 5 steps:

Status:
✓ : Completed
⊙ : In-progress

-  1 We will carry out a COVID-19 risk assessment and share the results with staff. 
-  2 We will have cleaning, handwashing and hygiene procedures in place that are in line with guidance. 
-  3 We will take all reasonable steps to help people work from home. 
-  4 We will take all reasonable steps to maintain a 2m distance in the workplace. 
-  5 Where people cannot be 2m apart, we will do everything practical to manage transmission risk. 



Our thoughts go out to anyone who has lost a loved one, friend or colleague during this incredibly sad time. It has been a difficult time for everyone especially for those who live alone and have not been able to see family and friends.

Thank you to our customers, staff, partners and contractors for helping to keep essential services running and for restarting services effectively.

Get Involved



All of our tenants and leaseholders have the opportunity to get involved, and we are keen to support you to make this happen. We want to empower our customers to play an informed and active role in decision making at South Lakes Housing. There are a number of ways to get involved from joining our Tenants Committee to taking part in estate walkabouts. We're committed to ensuring that our customer's voice is heard and listened to. If you would like to get involved or find out more then please contact our Community Engagement Officer via community@southlakeshousing.co.uk



Support



SLH Income Team

Our aim is to ensure that tenancies are sustainable. To that end the SLH Income Team can provide as much advice, information and support as tenants may require further to their income and expenditure. This includes advice about benefit entitlement, managing claims and dealing with any issues that may arise; Guidance around budgeting, arranging a bank account, managing utility bills and saving energy; Help with sourcing furniture, carpets and white goods and organising home contents insurance.

In addition, as well as having a close working relationship with the SLDC Benefits Team, DWP and local Job Centre Plus Offices, the Income Team also work with a range of partners in the community to whom tenants can be referred for more specialist income related advice and support. This includes the following organisations for Debt and Money Advice; Welfare Benefits; Fuel Efficiency; Emergency Food; Credit Union and a full range of general advice, help and support that may be required.



Developing New Homes

Developments and Property Acquisitions Due for Completion in 2020/21



Boarbank Lane, Allithwaite: SLH are redeveloping a former garage site into 2 x 2 bedroom bungalows for affordable rent. Due for completion November 2020.

Whinfield Gardens, Allithwaite: A development by Russell Armer, SLH will be acquiring 3 x 2 bedroom bungalows for affordable rent. Due for completion September 2020.

Forge Weir View, Halton: A development by Wrenman Homes, SLH will be acquiring 4 x 1 bedroom flats for affordable rent. Due for completion January 2021.

Castle Rise (Parkside Road), Kendal: SLH are redeveloping a garage site with Tyson Construction into 5 new 3 bedroom properties. 3 will be for affordable rent and 2 will be available to purchase via shared ownership. Due for completion February 2021.

Solway Drive, Walney: 22 properties including 4 bungalows and 18 houses. 14 of these will be made available for purchase via shared ownership and 6 will be for affordable rent and 2 for rent to buy. Due for completion July 2021.

Great Places, Lancaster: SLH are acquiring 11 houses as a part of a stock transfer from Great Places. These will be for rent, and comprise of 1 x 2 bed, 9 x 3 bed and 1 x 4 bed houses. Due for completion November 2020.

Ulverston Town Hall



The refurbishment and conversion of the former town hall in Ulverston has been completed and will provide 17 much needed new affordable homes for rent to local people. South Lakes Housing has a strong commitment to increasing the supply of affordable homes for local people and has invested substantial financial resources and project management capacity into delivering the Ulverston Town Hall development.

This innovative project breathes new life into a historic and much-loved building in the centre of Ulverston which had previously been underused and difficult to maintain. The impressive outcome demonstrates South Lakes Housing's commitment to positively investing in communities across South Lakeland and beyond.

Some of the original features of this historic civic building have been preserved including the wooden sash windows which have been fitted with secondary glazing to reduce any heat loss, the ceiling in the previous council chamber has been preserved with the installation of a secondary ceiling and the two original wooden front entrance doors have been retained and updated with weatherproofing strips to reduce possible draught.

The overall project has been jointly funded by South Lakes Housing, South Lakeland District Council and Homes England.

Universal Credit



Universal Credit is a payment for working-age individuals to help with living costs. It replaces six of the existing Legacy Benefits that individuals may previously have been entitled to, including Housing Benefit. It's normally paid calendar monthly and you may be able to get it if you're on a low income, out of work or you cannot work. Currently, 683 or approximately 22% of our tenants are in receipt of Universal Credit, including the Housing Cost Element (HCE), with 34% of those tenants moving on to Universal Credit since the beginning of March 2020 and the start of the Pandemic. However, over the next few years, most of our tenants currently in receipt of Legacy Benefits will be migrated on to this benefit. By the end of 2023, we expect 1200 tenants to receive the HCE as part of their Universal Credit.



One of the key features of UC is that it is paid monthly in arrears directly to the claimant and includes a housing cost element previously covered by Housing Benefit. Claimants should usually receive their first payment one month and seven days after they make their initial claim. However, it is the initial waiting period and on-going uncertainty, which has proved to increase the possibility of considerable rent arrears accruing. To counter this our Income Team is available to help tenants navigate their way through the claims process and can provide guidance with respect to the management of awards and online accounts. It can also advise where issues may arise with respect to those claims



There is a facility for the DWP to make payments directly to the landlord in certain circumstances, but overall tenants are expected to pay their rent. However, SLH does recognise that UC is not easy to navigate. Our approach is to encourage tenants to take responsibility for budgeting and to prioritise paying their rent, but we will always support those who need assistance.

Digital Repairs Handbook



Our Responsibilities As Your Landlord			Your Responsibilities as a Tenant		
<p>As a social housing landlord we have a duty of care to our customers and the homes where they live. We can't fix issues if we do not know about them, if you have a repair then you must report it.</p> <p>As a basic guide, we are responsible for things such as:</p>					
<p>Roofs, Walls and Floors</p>	<p>Windows, Frames and External Doors</p>	<p>Heating/Hot Water Equipment, Sanitaries and Safety Checks</p>	<p>Decoration & Flooring</p>	<p>Fixtures and Fittings</p>	<p>Outdoor</p>
<p>External Decorations</p>	<p>Taps, Sinks, Baths, Baths and Toilets please note we do not replace plugs, chairs and toilet seats</p>	<p>Paths, from Front Door to Gate</p>	<p>Vermin</p>	<p>Anything you said for, fitted yourself or gifted</p>	<p>Lost, Damage or Misuse</p>
<p>Kitchen Fittings (including your own appliances)</p>	<p>Electrical Wiring</p>	<p>Communal Washers and Dryers, Communal Lights and General Maintenance</p>	<p>Gas Servicing and Electrical Checks</p>	<p>Contents Insurance</p>	<p>Break-ins and Vandalism</p>
<p>Mould and Condensation</p> <p>As condensation is usually generated through lifestyle choices, it is your responsibility to report and prevent it. It is caused either through activities such as drying clothes indoors, cooking, showering/bathing and where ventilation is poor. Moisture settles on places such as cold walls, around windows or behind furniture as condensation which results in mould growing. Only in severe cases of mould will we send a Surveyor to assess the situation.</p>					

We have recently launched a new digital Repairs and Maintenance Handbook which is a helpful tool for both customers and staff and outlines what repairs you are responsible for as a customer and what repairs we as responsible for as your landlord. The handbook also covers the different types of repairs – emergency, appointable and planned and includes information on rechargeable repairs, aids and adaptations and alterations and improvements. The handbook can be found [here](#).

Community Events



Craft Bag Deliveries

During the summer holidays, we delivered 50 craft bags all over South Lakeland to SLH tenants and leaseholders. These bags were free and made by Rag Tag Arts. The bags were funded by Cumbria County Council and included basic craft supplies such as PVA glue, scissors, pencils, and oil pastels there was also a selection of creative resources (felt, fabric, buttons, ribbon and collage materials).



Big Energy Saving Week

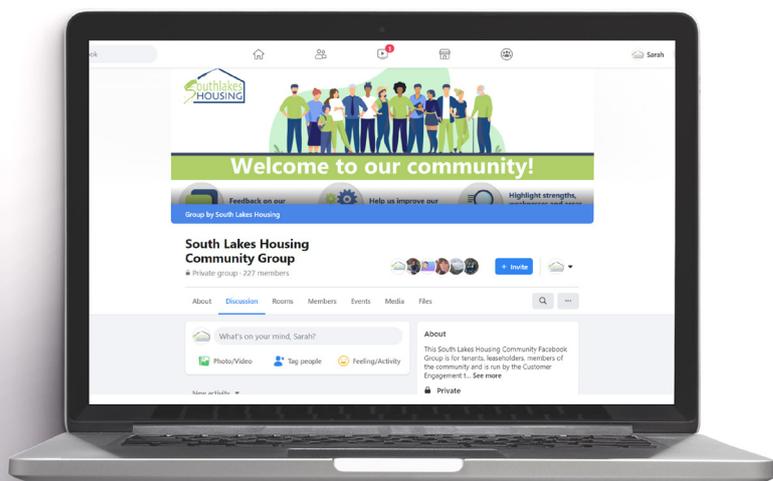
SLH took part in Big Energy Saving Week which is a national campaign to raise awareness on how to save money on energy costs. We held three events for Big Energy Saving Week at Hallgarth Community Centre, Booths in Kendal and Edgecombe Court in partnership with Cumbria Action for Sustainability (CAFS). We were able to make referrals to the Cold to Cosy Homes scheme run by CAFS where tenants can receive advice on energy tariffs and referrals for other energy improvements.



Hallgarth Street Safe

We attended the Hallgarth Streetsafe event where we worked with South Lakes Police, Kendal Fire Station, Home Group and local councillors to meet with residents to give them the opportunity to address any issues.

Facebook Group



We have recently set up a Facebook Community group for SLH tenants, leaseholders and members of the community. The purpose of the group is to provide our customers with the opportunity to have their say and engage with South Lakes Housing and other customers. It is a digital consultation channel that recognises that more and more customers are transacting with us online. We understand that not everyone can commit to attending regular meetings if you have a busy lifestyle and this group will allow our customers to interact with us at a time that is convenient for them. It ensures that the customer's view is supported and gives the opportunity for tenants and leaseholders to provide feedback.

You can join the group [here](#).

Financial Overview

SLH is in a strong financial position. The key points of note from the Financial Statements are summarised as follows:

01.

Turnover has increased in the year by £658k principally by the inclusion of £273k of income from first tranche shared ownership sales and increased activity in delivering services to other social housing organisations.

02.

16 new properties were acquired / built during the year and a further £6.0m was spent on the improvement of existing dwellings.

03.

The surplus on disposal of fixed assets of £209k relates to Right to Buy (RTB) sales of which there were 22 during the year (2019: 15). This represents the amount retained by SLH after amounts due to South Lakeland District Council under the RTB clawback agreement.

04.

The Society invested £5.1m in the development of new social housing and during the year (2019: £5.1m) and undertook major repairs reinvestment in its existing properties of £4.3m (2019 £6.0m).

05.

The LGPS pension scheme deficit has reduced by £97k and the deficit now stands at £2,547k. The SHPS pension scheme deficit has increased by £30k and the deficit now stands at £177k (2019: 147k). The combined deficit of both schemes stands at £2,724k (2019 - £2,791k).

06.

Loan balances with the funders as at 31 March 2020 are unchanged at £30.0m from the previous year (2019 £30.0m) with £10.0m of secured facilities available to draw (2019: £10.0m).

07.

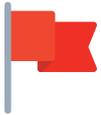
Reserves have increased by £2.7m from £42.3m to 45.0m.



Regulatory Standards

The Regulator for Social Housing (RSH) has published a Regulatory Framework which all social landlords have to comply with. Each year, SLH assesses its compliance against the seven Regulatory Standards. The tables below highlights; a summary of the standards, the evidence that SLH can show to prove they comply with the standard and a performance verdict from the Executive Management Team. Where applicable, there is also reference to tenant scrutiny reviews which provides additional assurance that SLH is achieving the standards. This helps the SLH Board to a self-assess its compliance with the Regulatory Framework.

Key



Red flag = SLH does not comply with the national standards and has not got a plan in place to comply within a reasonable time-frame



Amber flag = SLH can do more and has a plan in place to comply with the national standards



Green flag = SLH fully complies with the national standards



Tenant Involvement & Empowerment Standard

This is about:

- Customer service and choice
- How they deal with your complaints and feedback
- How SLH keeps you informed and involving you in decision making
- Agreeing local offers for service delivery
- Whether they understand the different needs of tenants
- It applies to both tenants and leaseholders

SLH Evidence

Services can be accessed by telephone, online, live chat, reception and post. There is currently tenant involvement in the choices for improvements works such as kitchen and bathroom layouts for example. The choice is also available for rent payments, direct debit options, complaints, allocations and frequency of independent living calls.

There has been an increase in online transactions by 50% (41% in 18/19) and a decrease in telephone calls by 2% (11% in 18/19). The new 'My Account' portal now has 866 users (326 in 18/19). The coronavirus pandemic has accelerated some digital plans, including rolling out electronic tenancy agreements and a new lettings service.

The Customer Relationship Management (CRM) records customer enquiries and assigns them to individuals with specialist knowledge and skills to handle the enquiry, with 6,131 cases in 19/20, compared to 6,165 cases in 18/19 and 1,484 in 17/18.

Tenants are able to provide feedback through the phone, website, complaints and surveys. SLH launched new digital engagement methods during the coronavirus pandemic, including a Facebook community page and MailChimp emails. 516 residents have been engaging with us through these tools. A customer insight survey was also completed by 33% of tenants.

Advice on making a comment or complaint is available on the SLH website. There is a Tenant Complaints Panel in place, registered with the Housing Ombudsman Service.

There have been 27 complaints received during the year, compared to 22 in 18/19 and 19 in 2017/18. 8 out of the 10 complaints were either 'upheld' or 'partially upheld' and have been resolved through a combination of putting things right and by apologising. One complaint – relating to concerns about exposure to radon gas has been resolved by the installation of a sump system.

The average time to provide full responses to complaints was 7 working days (target time of 5 days, customers contacted in every occasion to inform of the reason for the delays), compared to 8 working days in 18/19. The majority of complaints related to repairs (41%) which are always top of the list, housing management (22%) and choice-based lettings (11%). All staff attended a customer care workshop, facilitated by an external trainer.

Two Housing Ombudsman enquiries were found to be in SLH's favour.

The Tenants' Committee monitors the performance against service standards, performance and tenant scrutiny recommendations.

Personal data is recorded securely on IT systems and is used to tailor services around the needs of individuals.

SLH meets this standard.

The Resident Engagement Strategy is being reviewed during 2020.



Home Standard

This standard is about:

- The overall quality of your home and whether this complies with the Government's Decent Homes Guidance – including agreeing a local offer
- How SLH maintains and improves your home – including cost-effectiveness and customer choice
- Meeting all applicable health and safety requirements
- It applies mainly to tenants but leaseholders do pay for and benefit from major repair upgrades

SLH Evidence

At the end of March 2020, all properties met with the requirements of the Decent Homes Standard as well as the SLH Home Standard.

£4M was spent on the major works programme which included upgrading kitchens (68), bathrooms (40), roofs (93), heating systems (139) etc. Included within the £4m there was a significant investment on health and safety, £200k on asbestos removal and surveys, £23k on electrical works arising from condition reports and £142k on fire prevention. £111k was spent on adapting homes to help people live independently. A further £3.3M was spent on routine repairs with an additional £1.5m spent on cyclical compliance and maintenance.

SLH completed 8,658 repairs (9,987 in 18/19) repairs throughout the year, at an average rate of £148 per repair and cost of voids £2,851. A full-service review has been carried out with consultancy support. Customer satisfaction has improved, with 13% of tenants reporting outstanding works after the first visit in March 2020 compared to 58% in April 2019. Savings include; £40k from reducing paired work, reduced inspections from 67% to 10% and improved operative productivity from 3.8 repairs to 4.5 repairs per day. Customer satisfaction for all repair contracts ranges from 80 to 100%, with improvement being seen in the satisfaction for the internal repairs team.

Tenants are given a choice of repairs appointments and a repairs receipt, SLH is putting in a new IT system which will update tenants on the progress of repairs via text messaging/emails.

On Health & Safety, the Board receives an annual report and quarterly reports. All areas of compliance were up-to-date until the coronavirus pandemic, where access was denied (mostly those with shielding letter). SLH remained compliant with the guidance from the regulators. As of 31st March, the current status of Health & Safety compliance was as follows;

- Fire – 100% compliant
- Gas servicing – 99.82% of properties had an up-to-date gas safety certificate by the end of March 2020. All 5 overdue properties had tenants who had refused access due to Covid-19. This was permitted under the advice of the Regulators.
- Electrical – 100% of SLH properties hold a valid 10-year Electrical Inspection Condition Report (EICR) in a 'Satisfactory' condition. 98% on 5-year SLH policy but was suspended due to Covid-19.
- Legionella – 100%.
- Radon – SLH carried out a detailed monitoring programme alongside Public Health England (PHE). Over 500 detectors (66%) were returned of those sent out were returned to PHE for analysis. A programme of remedial works to reduce radon levels for all risk categories is in place.
- Asbestos – 100% compliance in asbestos reporting for sheltered and general needs communal areas.
- Lifts - 100% passenger lift testing and certificates up-to-date.

SLH met this standard before the outbreak of Covid-19 and has contingencies in place to regain full Health & Safety compliance for those who were shielding.



Tenancy Standard

This standard is about:

- How SLH makes best use of available housing
- How SLH let their homes
- Mutual exchanges
- Meeting all applicable statutory and legal requirements in relation to the use of tenancy agreements
- How they manage rent arrears
- The financial support and advice available from SLH
- It applies mainly to tenants but financial support is also available for leaseholders

SLH Evidence

SLH is a member of the Cumbria Choice Based Lettings partnership with other Housing Association and Local Authorities.

There are 3,780 people registered for housing with South Lakes and over 95% have completed their applications online in the last year. For the size of the property, the most in-demand is for one-bedroom properties. Bungalows and ground floor flats are in the greatest demand along with 2/3 bed houses in Kendal. The least popular are rural settlements and some sheltered housing where access is poor.

The number of SLH lettings has increased in the last year – 230 in 19/20, compared to 187 in 18/19, 189 in 17/18 and 234 in 16/17.

Application for a Mutual Exchange can be made by email via the SLH website. The application is receipted within 7 days and the applicant will be informed whether their application is successful or not. There were 27 mutual exchanges in 19/20, compared to 25 in 18/19, 22 in 17/18 and 18 in 16/17.

All tenants are provided with a copy of their Tenancy Agreement when they sign for their home. Copies can also be requested (free of charge). SLH offers three standard types of tenancies; Assured Shorthold, Assured and Assured with Protected Rights. The Tenancy Management Team undertook 168 'settling in' visits for new tenants (153 in 18/19), carried out 141 'introductory tenancy' visits (143 in 18/19).

SLH will respond to requests for a 'succession' (where a family member wishes to succeed to the tenancy of the deceased tenant) or 'assignment' (where a tenant wishes to assign their tenancy to another person in the family) within 30 days. SLH dealt with 22 successions (26 in 18/19) and 26 assignments in 19/20 (20 in 18/19).

Evictions are always the last resort and only after previous offers of financial advice and enforcement has failed. There were 6 evictions in 19/20, compared to 8 evictions in 18/19, 6 in 17/18 and 5 in 16/17.

SLH collected 100.6% of rent owed (99.7% in 18/19), including arrears collected from previous years.

SLH has a member of staff dedicated to helping tenants with welfare benefits and financial issues.

SLH meets this standard.



Neighbourhood and Community Standard

This standard is about:

- Managing and investing in neighbourhoods and communal areas
- Dealing with complaints of anti-social behaviour
- Working with partners in the community
- It applies to both tenants and leaseholders

SLH Evidence

SLH has a dedicated Tenancy Management Team who take the lead in managing tenancies, estates and communal areas. SLH also supports Residents' Associations with support grants.

The SLH website includes Anti-Social Behaviour (ASB) reporting toolkit and a free Noise App download. The Noise app has assisted 33 nuisance cases so far (1257 recordings). This compares to 26 cases in 18/19 and 935 recordings.

SLH works with partners to prevent and deal with ASB, including the South Lakeland Multi-Agency Safer Communities hub, Multi-Agency Risk Assessment Conference (MARAC), drug & alcohol teams and Mediation Services.

The Tenancy Management Team deal with 209 ASB cases in 19/20 (222 in 18/19); closing 235 cases, serving 14 ASB contracts, served 8 notices to end tenancies, obtained 5 court orders and undertook 3 evictions. This is an increase of legal actions taken against tenants for ASB compared to the previous year (3 evictions, 11 ASB contracts and two court orders served in 18/19). The team have also dealt with 368 cases on estate management matters such as communal fire safety, safeguarding, fly-tipping, abandoned vehicles and decanting tenants.

SLH has spent £595k on environmental improvements including; drainage works, communal space refurbishments, fencing and paths (£675k in 2018/19).

The tenant-led Grant Applications Panel spent £7k on environmental projects, including contributions to; external areas of Swan Street, Ulverston grasscrete at Kirk Flatt, Urswick refurbishment of a shed at Drummermire sheltered scheme in Ambleside contributions to summer events organised by Kirkbarrow and Sandylands Residents' Associations in Kendal contribution to Queen's Play Park, Windermere garden equipment for Ullswater Close, Ulverston.

SLH supported community projects including Wildlife Day at Ullswater Close in Ulverston, Windermere Comes Alive family fun day, joint working with Residents Associations to provide activities on Kirkbarrow, Waterside, Owllet Ash Fields and in Burneside.

Specific health and well-being projects have included working with tenants at Swan Street and Hart Street to regenerate their outside communal area. This project has received good support and resources from Bell Group, one of our contractors.

Cumbria and North Lancashire Residents and Tenant forum have continued to offer a place for tenants to come together to share their views and to benchmark different services.

SLH meets this standard.



Governance & Financial Viability Standard

This standard is about:

- Making sure the business is run properly and in compliance with the law and regulations
- Managing finances, including maintaining viability and protecting social housing assets
- It applies to both tenants and leaseholders

SLH Evidence

SLH was awarded the top viability rating (V1) from the Regulator of Social Housing (RSH) following the annual stability check in 2019.

SLH is compliant with the RSH's Governance and Financial Viability Standard – the annual report & financial statement includes a statement on compliance with the standard. The last Board review of the Code of Practice was August 2020.

Governance has been strengthened following Board recruitment in 2019 and 2020. The Board has been meeting regularly and monitoring KPIs during the coronavirus pandemic. The Board also revised its budget, risk appetite, financial plan and stress testing.

SLH is in a strong financial position. The key points of note from the Financial Statements are summarised as follows:

- Turnover has increased in the year by £658k principally by the inclusion of £273k of income from first tranche shared ownership sales and increased activity in delivering services to other social housing organisations.
- 16 new properties were acquired / built during the year and a further £6.0m was spent on the improvement of existing dwellings.
- The surplus on disposal of fixed assets of £209k relates to RTB sales of which there were 22 during the year (2019: 15). This represents the amount retained by SLH after amounts due to the Council under the RTB clawback agreement.
- The Society invested £5.1m in the development of new social housing and during the year (2019: £5.1m) and undertook major repairs reinvestment in its existing properties of £4.3m (2019 £6.0m).
- The LGPS pension scheme deficit has reduced by £239k and the deficit now stands at £2,405k. The SHPS pension scheme deficit has increased by £30 and the deficit now stands at £177k (2019: 147k). The deficit for both schemes stands at £2,582k (2019 - £2,791k).
- Loan balances with the funders continue at £30.0m (2019 £30.0m) with £10.0m of secured facilities available to draw.
- Reserves have increased by £2.7m from £42.3m to 45.0m.



Value for Money Standard (VfM)

This standard is about:

- Board strategy for delivering value for money
- Strategies for delivering homes that meet a range of needs
- Performance against the regulator's value for money metrics
- Targets for measuring performance and comparisons to others
- Options for improving performance.
- It applies to both tenants and leaseholders

SLH Evidence

Reinvestment is 8.2% and higher than the national average of 6.2% due to SLH's investment in its existing homes, particularly investment to deliver the strategic themes of 'Growing' and 'Greening' with the strategy being to develop, or start, over 500 hundred new homes and to improve the energy efficiency of our homes in ensuring no home will be below band 'C' average EPC rating by 2025.

New Supply social housing is 0.5% and is below the national average of 1.5% in the 2019/20 year, though the Growing Business strategic theme will deliver, or start, over 500 new homes by 2025. The Society has the capacity (see Gearing below) to invest to develop these new homes and is assembling a development programme as shown by the forecast investment of 5.2% by 2022/23.

The Society's balance sheet is strong, as reflected by Gearing metric of 28.1% being lower than the national average. Gearing is forecast to increase as a result of the investment in new homes in accordance with our Growing strategic theme.

EBITDA (earnings before interest, taxes, depreciation, and amortisation) is 165.1% and is below the national average of 184% due to the investment in major repairs and also the decision to decommission a sheltered housing scheme with poor demand during the 2019/20 financial year. The costs of decommissioning in 2019/20 were £140k that has reduced the EBITDA: MRI ratio.

Cost Per Unit is £4.4k and will remain broadly static across the Business Strategy period due to the investment in our homes, as forecast Major Repairs cost per unit increases are offset by reductions in Management costs per unit.

Operating margin is 17.3% and is below the National median of 25.8% this reflects that SLH has targeted to keep its social and affordable rents below the median for social housing in Cumbria, and our benchmarking confirms our rent levels are lower than our Cumbrian peers.

The Return on Capital Employed (RoCE) ratio, that compares the operating surplus to total assets less current liabilities, of 2.1% is below the National median although the ratio is projected to rise during future years. As SLH has an existing VAT Shelter arrangement this impacts the calculation of the RoCE ratio. FRS10 2 requires registered providers to state both a debtor for the full amount and short and long term creditors for the remaining value of the works. The regulator's definition includes the debtor full amount but not the long-term creditor and this suppresses the ratio RoCE derived. Should the VAT Shelter be excluded from the calculation the RoCE for the year 2020/21 would have been 2.8% (an improvement of 0.6%).



SLH meets this standard. A copy of the 2020 Value for Money Report is part of the Annual Report & Financial Statements is available on the SLH website.



Rent Standard

This standard is about:

- Making sure SLH follows government policy on rent
- How they set rents and service charges
- Providing tenants with clear information about how rents and service charges are set and changed
- Making sure SLH is financially viable for the future
- It applies only to tenants

SLH Evidence

SLH rents are set annually and follows the government rent formula. SLH's Rents and Service Charge policy was approved by the Board in November 2019.

SLH has reduced rents by 1% for the period 2016-2020, in accordance with the Welfare Reform and Work Act 2016. The annual rent setting and service charges are subject to annual approval by the Board. The Board Strategy Day in March 2020 received assurance that rents are affordable.

Homes let on Affordable Rent terms are set at a rent level of up to 80% of gross market rents (inclusive of service charges where applicable) or under the conditions of a Section 106 Agreement. SLH owns 72 affordable rented properties, compared to 67 in 18/19 and 45 in 17/18.

There is a policy of requesting tenants to pay rent in advance, with an increase of £67k since last year of accounts in credit. Overall arrears have grown by £120k since last year, Universal Credit (UC) arrears have increased from £81k to £153k, however £134k of this was owed when they started claiming UC. The end of the year was also impacted by Covid-19, as tenants were still having their claims processed.

SLH charges tenants for additional services such as the cleaning of communal areas etc based on the actual costs of the services provided.

Sheltered amenity charges for individual sheltered schemes are set at levels to match the estimated costs over the coming year adjusted by an amount overcharged or undercharged on the actual costs of the last full financial year.

SLH introduced service charges for new tenants of flatted dwellings during 2018/19 for services including; lighting and cleaning of communal stairwells.

A letter is sent to all tenants showing rent owed and service charges. Rent statements available within 'My Account'.

SLH now meets this standard.





You can contact Customer Services at customerservices@southlakeshousing.co.uk or telephone 0300 303 8540 if you require any further information detailed in this annual report.

Registered Office Address

Bridge Mills Business Centre,
Stramongate, Kendal LA9 4BD
Tel: 0300 303 8540

Email: customerservices@southlakeshousing.co.uk

Kendal office opening times
Monday to Friday 8.45am – 5.00 pm