

# Strengthening community spirit

**We have enjoyed another successful year on the Lyng, with lots of popular community activities and well-supported day trips.**

I am pleased to see the estate, our residents and community spirit continuing to go from strength to strength as Lyng Community Association (LCA) marks its 21st anniversary year.

More than 150 people joined us for our summer trip to Barry Island in 2018 to enjoy a beautiful sunny day at the seaside.

Our last winter trip was to York, a beautiful city where there was lots to do, but many of our regular day-trippers would prefer somewhere closer to home so this Christmas we will be visiting Bath – and we hope lots of you will come along.

We were sad to see resident Board members Eileen Etheridge and Emma Neads leave over the past year – I would like to thank them both for their contribution. David Hollis has joined as a resident Board member and is helping us get a better understanding of how we can improve what we do by offering a tenant's view of our services.

More residents have moved onto Universal Credit, after the new benefit was extended across the West Bromwich area

last November. We continue to offer support to help people cope with the changeover and also run a weekly job club to help those looking for work.

2018/19 was the third year of the government's four-year social housing rent reduction. Although residents have benefited from these cuts, they have had a significant impact on LCA and reduced the amount we can spend on building homes or offering more services.

However, we are committed to continuing to deliver value for money services that are shaped by our tenants and meet the highest possible standards.

Looking to the future, the government has announced that, from April 2020, housing association rents will increase by the Consumer Price Index plus 1%. This will help improve our finances and, because LCA has charitable status, we will look to reinvest our surplus funds in providing new homes or services.

We are keen to develop more new homes locally and are looking for suitable sites to develop on the Lyng. We will, of course, keep you updated as our plans evolve.

**Wendy Bodenham**

*Chair of Lyng Community Association*



**Wendy Bodenham**

## Fun for all ages

**We are delighted that our youth groups have really taken off on the Lyng.**

Our Toddler Group, Media Club, Youth Club – and, from this summer, the 5-11 Club too – offer a host of fun activities to cater for all ages.

The past year's programme of events has included an Easter trip to Chester Zoo, graffiti art workshops, dance sessions and a trip out for a 'Nerf war' experience.



**Media Club members create graffiti designs**

# Making every penny count

## Lyng Community Association (LCA) continued to deliver progress against its Value for Money (VFM) strategy throughout 2018-19.

We also carried out a self-assessment against the VFM standard set by our regulator, the Regulator for Social Housing, which requires housing providers to 'articulate and deliver a comprehensive and strategic approach to achieving value for money in meeting the organisation's objectives'.

Our approach to VFM is linked to our Strategic Business Plan:

**Customer experience** – our ambition to deliver outstanding customer service that meets the diverse needs and aspirations of our tenants and other users of our services.

**Growth** – to look for local opportunities to develop vacant sites to provide more social rent homes for people in need.

**Operational excellence** – to achieve consistently high standards for our operational key performance indicators; and to invest in and support our staff, promoting a culture of high performance, and achieving VFM in everything we do.

## How we will achieve VFM

We must show an understanding of what we are spending, and how we can best achieve our strategy. It can be achieved in a number of ways:

- procurement/re-tendering of new contracts (estate services, assets tenders)
- ongoing process review and improvement, and new operating models
- an asset management strategy which ensures we are making best use of our existing stock
- benchmarking against similar high performing organisations
- budgeting and forecasting as an ongoing process, requiring management to evaluate existing expenditure and strive to make VFM savings through various initiatives.
- achieving top quartile performance on unit costs and operating margin.

As part of these requirements, housing associations are expected to publish comparative performance information in specific categories. The table below outlines our performance against these set indicators.

Performance measure	2019	2018	2017	Peer group	Notes
<b>Reinvestment (how much we reinvested in our homes)</b>	0.27%	0.2%	4%	2.42%	<i>This figure will rise as old equipment and fittings are replaced.</i>
<b>New supply – social housing</b>	0%	0%	5.3%	0%	<i>We did not build any new homes in 2018-19 but plan to in future.</i>
<b>Gearing (ratio of loan capital to equity)</b>	33.69%	35.92%	37.7%	17.07%	<i>Assesses the amount of debt as a percentage of our underlying assets.</i>
<b>EBITDA MIR (interest cover)</b>	212.97%	227%	214%	231%	<i>Measures adjusted operating surplus to net interest payable.</i>
<b>Overall social housing cost per unit (covers management, service charge, maintenance, major repairs and other social housing costs)</b>	£3,108	£3,049	£2,945	£4,358	<i>Our costs are less than the median for all housing associations, and compare favourably with smaller associations in our peer group.</i>
<b>Operating margin – social housing lettings</b>	42.39%	44.04%	45.4%	22.74%	<i>The operating surplus (deficit) from social housing lettings divided by turnover from those lettings.</i>
<b>Return on capital employed (rate of return from our housing assets)</b>	3.72%	3.9%	3.9%	2.72%	<i>We are above average for our peer group although, due to the last three years' rent decreases, returns are reducing.</i>

We have used similar sized housing associations to benchmark our performance against. LCA is part of a national benchmarking club that allows comparison not only against smaller housing associations (with less than 1,000 homes).

## How are we doing?

### Over the past year:

- 513 repairs were carried out (629 last year)
- 95.1% of these were completed on time (96% last year)
- 12 homes were re-let (7 last year)
- we had no homes empty at the end of March 2019
- we lost 0.28% of our rent due to homes being empty (0.14% last year)
- rent arrears reduced to 3.42% at the end of March 2019 (from 4.3% in March 2018).

<b>Turnover</b>	<b>£1,089,757</b> (£1,089,817 last year)
<b>Surplus</b>	<b>£208,256</b> (£219,204 last year)
<i>This is used to provide services, cover repairs and further improve our community.</i>	
<b>Average rent and service charges</b>	
One-bedroom flat	<b>£81.33</b> (£82.15 last year)
Two-bedroom flat	<b>£90.70</b> (£91.62 last year)
Two-bedroom house	<b>£91.62</b> (£92.55 last year)
Three-bedroom house	<b>£100.18</b> (£101.19 last year)
Four-bedroom house	<b>£116.45</b> (£117.63 last year)