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Livin Housing Ltd. Report and Financial Statements

For the year ended

31 March 2024

Contents:

General Information

Chair of the Board
Dennis Bradley

Vice Chair
Natalie Wilkinson

Board members
Jennifer Clement
(from 25 September 2023 to 18 September 2024)

Oliver Colling
(until 20 September 2023)

Charlotte Harrison

Norman Rollo

Kevin Thompson

Hannah Underwood
(until 18 September 2024)

Stephen Watson
(from 3 May 2023)

Ryan Appleby
(from 19 September 2024)

Alan Boddy

Sean Brodie

External Auditors:
Beever and Struthers,
Chartered Accountants and Business Advisors,
One Express, 1 George Leigh Street.
Manchester, M4 5DL

Registration Numbers:
Regulator of Social Housing L4538

Registered Society number 30568R

Chief Executive
Alan Boddy

Directors
Sean Brodie
(Finance and Investment)

Graham Darby
(Housing and Communities)

Paul Stephens
(Corporate Services)

Helen Darby
(Transformation) –
appointed 1 October 2023)

Roslyn Littledyke
(Customer Experience and Insight) –
appointed 14 November 2023)

Advisors
Bankers:
NatWest PLC,
12 Market Street, Durham,
County Durham, DH1 3NG

Solicitors:
Towers & Hamlins LLP,
3 Bunhill Row, London, EC1Y 8YZ

Internal Auditors:
TIAA Ltd.,
Artillery House,
Fort Fareham,
Newgate Lane,
Fareham, PO14 1AH

Registered office:
Farrell House,
Arlington Way,
DurhamGate,
Spennymoor,
County Durham,
DL16 6NL

Our Business

We are a local housing provider currently managing over 8,800 homes across County Durham and the Northeast of England.

We are pleased to present this report together with the audited financial statements of Livin Housing Limited (the Association) for the year ended 31 March 2024. This Strategic Report has been prepared in accordance with the principles set out in paragraph 4.7 of the 2018 SORP for Registered Social Housing Providers.

Principal Activities

The Association's principal activities are the development and management of affordable housing.

The Association's head office is based in Spennymoor, County Durham and its homes are mainly in County Durham.

The Association is a Registered Society under the Co-operative and Community Benefit Societies Act with charitable objectives and operates the key business stream of:

- Housing for rent, primarily by people who are unable to rent or buy at open market rates

At a Glance

2024
Operating Margin
23.9%
2023 - 25.4%

2024
EBITDA
£17.829m
2023 - £16.032m

2024
Homes under management
8,883
2023 - 8,670

2024
Number of housing responsive repairs completed
37,656
2023 - 33,348

2024
Void Loss
(all properties)
1.39%
2023 - 1.39%

2024
Total Arrears
(adjusted for housing benefit due)
4.10%
2023 - 4.08%

2024
Investment
(housing developments, acquisitions and improvements to homes)
£53.054m
2023 - £29.668m

2024
Social value generated
£29.7m
2023 - £12.8m

Chair's Statement

Looking back on 2023/24

Improving lives through sustainable homes and places is our Plan A vision. During the year we celebrated 15 years of Livin, throughout which we have developed a strong track record in delivering on our plans, improving our communities and the lives of our customers.

Plan A 2022/25 continues to provide strategic focus, and through its underpinning strategies, agile delivery plans and Level 1 performance measures, the Board has continued to monitor progress.

Importantly, there has been a focus on the six priorities of:

- helping tenants who are most in need to make the most of their money
- growing our stock of affordable, well-designed homes
- working with communities and tenants to create stronger, sustainable and thriving places and addressing areas most in need of improvement
- upgrading our properties to make them more energy efficient and reduce carbon consumption
- providing support for older and vulnerable tenants so they can maintain their independence
- providing a reliable, trackable monitoring service giving customers live, up-to-date information about their repair requests

Over the past twelve months during the challenging economic times that we and our customers found ourselves in, achieving the Plan A vision and priorities has been ever more important. Despite this environment, we have remained financially strong and have progressed our ambitious plans whilst continuing to focus on supporting customers with cost-of-living support as the roll-out of Universal Credit continued to have a significant impact.

Notably, over the year, we have continued to deliver our strategy to provide Quality Sustainable Homes, whilst building and acquiring additional affordable homes and growing our stock to meet the needs of local people in places they are proud to live in.

The major regeneration scheme at the Courts, Shildon progressed successfully during the year providing affordable, modern and energy efficient homes to a range of tenants in a newly designed, safe and attractive environment. We continued to invest in the repairs and maintenance service and in improving the sustainability of homes through investing in retrofitting sustainability measures to improve thermal efficiency and running costs.

Meeting Consumer Standards

During the year we self-assessed against the new Consumer standards that came into force on 1 April 2024 and appointed a dedicated Director of Customer Experience and Insight to provide additional leadership capacity to deliver our Plan A Customer Experience strategy. We invested in customer facing services, reprioritised projects and action plans, strengthened our local presence through additional tenancy visits and community engagement and development initiatives and launched a new customer InsightXChange to formally engage customers in reviewing and scrutinising services.

Our financial viability judgement remained at V2 during the year, a reflection of the challenging economic environment we face. We retained our G1 rating demonstrating the strong governance arrangements we have in place. Our financial statements show we continue to be financially secure and attractive to funders. Shortly after the year-end we were able to increase and extend an existing revolving credit facility by £10m and 24 months providing additional liquidity to help us deliver Plan A. Combined with our current financial headroom this has added to our financial strength and demonstrates our capacity and willingness to deal with the challenges ahead.

I would like to thank my fellow Board members, Executive Management Team and Livin employees, for their tireless work during the year and their continued support.

D. M. Bradley

Dennis Bradley - Chair

Chief Executive's Statement

Transforming Customer Experiences

A key priority of the year has been an increased focus on customers. Already a Plan A key objective set in 2022, our vision is to provide "seamless, reliable and convenient services that customers can influence and trust." To achieve consistently high levels of customer experiences we have invested in customer facing services, delivered an ambitious digital transformation programme and invested in systems and processes for collecting and using important data on our homes and the people living in them as we continue to progress our overall approach to Knowledge and Information Management and data maturity.

We increased resources to prepare for the new consumer regulations, enabling increased tenancy visits and visibility on estates and in communities. Importantly we have worked hard to build trusted relationships with customers, ensuring easy access to services and provisions of accessible information. We are very proud of the results of both transactional customer satisfaction surveys and the annual Tenant Satisfaction Measures, which showed overall satisfaction at 89.69%.

We continued to learn from complaints and we have used these and the Housing Ombudsman spotlight and best practice reports to inform improvement plans and proactively address issues. The established approach to listening to the customer voice was enhanced during the year, offering a broader range of opportunities for customers to influence and shape our services.

We were proud to be recognised regionally and nationally for some excellent services, winning the Northern Housing Awards' 'Best Digital Transformation award' receiving highly commended for Regeneration Scheme of the Year for our work at Travellers Green and winning the Affordable Housing Award for our Livin Futures Resident Employment and Training offer.

As the cost of living continues to impact and the roll out of Universal Credit progresses, the Financial Wellbeing team continues to provide much needed targeted support to customers struggling to pay their rent and their bills, and the Livin Futures team continues to help customers who wish to retrain and gain well paid employment. We know that the further roll out from April 2024 could, if not closely managed, negatively impact our income stream. We have planned for this and are continuing to do all we can to mitigate the impact. This requires a concerted effort over the coming months during which time we will continue to support tenants to pay their rent, heat their homes and feed their families.

Supporting Sustainable Places

Placemaking is at the heart of Plan A for a reason. We believe everyone deserves a fair chance to realise their potential and our vision is to create "beautiful, sustainable and thriving places meeting residents' aspirations and nurturing a sense of pride and belonging."

To achieve this, we have continued to deliver successful place-based and award winning economic, social and physical regeneration schemes and this year have successfully regenerated a large scheme at The Courts, Shildon and made progress on building community capacity at Western Newton Aycliffe in preparation for progressing the regeneration of this community.

Financial Viability

We remain financially strong with an operating margin of 23.9% despite the inflationary and cost pressures we have experienced during the year. We invested significantly in existing homes spending £13.6m on maintaining our homes to the decent homes standard, decarbonisation works and on estate regeneration. We also spent £39.38m on building and acquiring new sustainable homes. We remain committed to our key strategic objective of providing sustainable homes that meet the needs and aspirations of our tenants.

Working Together

During the year we continued to invest in our employee offer, ensuring investment in continuous professional development, competitive pay and benefits, providing an attractive welcoming office environment and enabling a collaborative, supportive team culture. Employee satisfaction levels and net promoter scores remain high and employee feedback is very positive. Our many achievements over the last 15 years could not have happened without the combined effort and commitment of our Board, Management Team and employees who work relentlessly to deliver our services and improvement plans to improve the lives of our customers through delivering sustainable homes and places.

Alan Boddy

Alan Boddy - Chief Executive

Our Business Strategy

We are an award winning not-for-profit housing association based in County Durham. We offer more than just a home. We help improve the lives of the people living in our homes and in our places.

We work hard to make sure those homes are high quality, sustainable and adaptable, while meeting your current and future aspirations. We offer support that helps people into work and training and increases their financial confidence and stability.

In 2022 we refreshed our business strategy, Plan A, to ensure our strategy remains relevant.

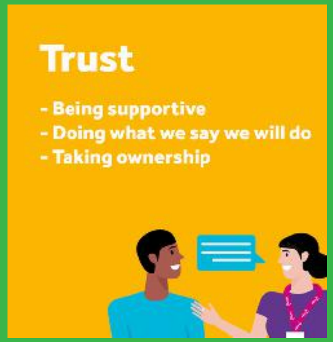
Our Plan A is to...

Improve lives through sustainable homes and places

Plan A sets out 25 ambitious objectives and within this, has six priority areas of focus. This is our third phase which continues the journey with a primary focus on supporting sustainable places. To achieve this our new build and acquisitions programme, tenancy support service, regeneration work and home improvement programme will be focused on improving lives through sustainable homes and places.

Plan A sets out a realistic path to success. It's flexible and able to adapt to changes in the external environment. Importantly it's cohesive, ensuring we are working together with our teams, partners, tenants and residents to maximise the impact we can make.

Our values



Respect

- Listening and caring
- Treating people as individuals
- Valuing difference

Trust

- Being supportive
- Doing what we say we will do
- Taking ownership

Innovate

- Aiming high
- Changing things for the better
- Being future ready

Work together

- Joining up to make things happen
- Being more than the sum of our parts
- Pulling in the same direction

Our Business Strategy
(continued)

Our objectives

Plan A comprises six chapters, which set out strategic objectives and key actions which are brought to life via six underpinning strategies. These are:

1: Transforming Customer Experience and Digital Services

2: Supporting Sustainable Tenancies

3: Providing Quality Sustainable Homes

4: Supporting Sustainable Places

5: Building and Acquiring Sustainable Homes

6: Planet A/ Sustainability

Our Plan A priorities

Our priorities will help us support and sustain our communities by;

- Helping our tenants who are most in need to make the most of their money and sustain their tenancies
- Providing specific support for older and vulnerable tenants, so they can maintain their independence in a home they love
- Upgrade our properties to make them more energy efficient, reducing carbon emissions, and save tenants money on their bills
- Growing our stock of affordable, well-designed homes in beautiful places
- Working with communities and tenants on community regeneration projects to create stronger, sustainable and thriving places
- Providing a reliable, trackable monitoring service giving customers live, up to date information about their repair requests

Finance - Five Year Summary

	2019/20 £'000 (restated)	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Statement of Comprehensive Income					
Turnover	35,522	35,365	36,979	39,313	42,705
Operating Surplus	9,568	10,809	10,372	10,002	10,212
Surplus for year	6,120	7,488	6,583	5,939	4,723
Statement of Financial Position					
Housing Properties (net of depreciation)	143,868	163,255	182,716	204,298	248,918
Investment Properties & Other Investments	7,409	7,309	6,865	6,669	6,524
Other Fixed Assets	3,716	3,717	4,402	5,042	4,871
Total Fixed Assets	**154,993**	**174,281**	**193,983**	**216,009**	**260,313**
Current Assets	7,291	6,808	8,409	11,579	6,447
Current Liabilities	(3,927)	(5,691)	(9,027)	(9,486)	(9,666)
Total Assets less Current Liabilities	**158,357**	**175,398**	**193,365**	**218,102**	**257,094**
Long Term Creditors	110,271	119,204	129,258	147,046	181,785
Pension Deficit	8,090	12,440	7,220	-	-
Revenue Reserve	33,629	37,615	51,279	65,772	70,269
Revaluation Reserve	6,367	6,139	5,608	5,284	5,040
Total Reserves	**158,357**	**175,398**	**193,365**	**218,102**	**257,094**
Net Debt	**89,398**	**95,628**	**101,346**	**111,322**	**143,512**
Other information and key performance measures					
Housing Properties (homes)	8,458	8,474	8,641	8,670	8,883
Operating Surplus as a % of Turnover	26.9%	30.6%	28.0%	25.4%	23.9%
Surplus for the year as % of Turnover (excluding breakage costs)	17.2%	21.2%	17.8%	15.1%	11.1%
Rent losses (voids + bad debt as a % of rent receivable)	2.5%	2.7%	2.4%	2.1%	1.9%
EBITDA	13,921	16,145	15,370	16,032	17,829
EBITDA MRI	9,299	12,562	8,764	3,384	4,158
EBITDA MRI % turnover	26.2%	35.5%	23.7%	13.7%	9.7%
Interest Cover – Loan Covenant (excluding breakage costs)*	3.13	4.22	3.13	4.59	3.18

*Interest cover loan covenant definition amended during the year end 31 March 2023 to exclude MRI costs

Financial Review

Our operating surplus increased by £0.21m to £10.212m. Turnover increased by £3.392m which was due to an increase in housing stock numbers, a result of investing in developing new affordable homes, combined with an annual rent increase applied to customers.

Planned and responsive repair costs increased by £2.652m, a result of high inflation, rising prices, an increase in repairs reported by customers and our proactive approach to dealing with damp and mould issues. Depreciation of housing properties also increased by £0.554m following our ongoing improvement programme and purchase of new build homes.

Overall surplus reduced to £4.723m (2023 £5.939m) due to increased borrowings to fund our development programme which consisted mostly of variable rate debt and therefore increased interest costs due to rising interest rates.

Asset management & property developments

We have fixed assets of £260.313m and invested £13.671m during the year in our residential accommodation to improve the energy efficiency of our housing stock and ensure all our homes continue to meet the Decent Homes Standard. This was an increase of £1.023m compared to the previous year.

We also invested £39.383m during the year to build and acquire new homes.

Future developments

Plan A set out ambitious targets to grow the number of homes owned to at least 9,000 by March 2025 and to meet the sustainable long-term demand for affordable homes in our operating areas. We listen and respond to the needs of our customers using our transactional data and by engaging directly with customers. We use demand led data and ensure the new homes we develop are sustainable, while also ensuring we meet the needs and concerns of our customers.

Two key chapters of Plan A are "Providing Quality Sustainable Homes" and "Building and Acquiring Sustainable Homes". The Board has approved plans to spend approximately £10.226m during the next financial year to improve existing housing and continue the regeneration project at The Courts, Shildon which is

nearing completion. Our business plans also include £29.559m (before grant) to be spent on Building and Acquiring Sustainable Homes. This investment will be funded by existing committed, undrawn loan facilities, our rental income stream and short-term deposits.

Void rent loss

Void rent loss was £0.577m compared to £0.530m in the previous year. This increase was a result of the annual increase applied to rents with slight decreases achieved in relet times for properties and tenancy turnover.

Rent Arrears

Rent arrears in respect of current tenants was 2.94% (2023 3.06%) after accounting for the timing of a housing benefit payment received shortly after the year end. This decrease was a result of our strong and personalised support approach and intensive case management of arrears.

Capital structure and treasury policy

Our treasury management arrangements are set out below.

At the year end our bi-lateral debt facilities totalled £200m with £55m of this available under revolving credit facilities.

A summary of our borrowings at year end is shown in the table below:

Maturity	2024 £m	2023 £m
Within one year	-	-
Between one and two years	26.5	-
Between two and five years	23.5	9.2
After five years	95.0	108.8
	145.0	118.0

Working capital and liquidity management

Our working capital and liquidity requirements are managed through the preparation of regular cash flow forecasts. These are constantly updated to ensure liabilities can be met as they fall due. We hold loans from the Pension Insurance Corporation, AIB Group (UK) plc and Lloyds Bank plc, at both fixed and floating rates of interest. Cash flow is monitored to ensure that loan drawdowns are only made when required, in order to minimise borrowing costs.

At the year-end we had £30m of undrawn facilities available with Lloyds Bank. In April 2024 we extended a £30m revolving credit loan by a further two years and increased the facility by £10m. We also have undrawn facilities of £25m with Clydesdale Bank plc (t/a Virgin Money).

Interest rates

We use fixed rate loans to manage our exposure to interest rate fluctuations. Our treasury management policy targets a maximum of 30% variable rate loans or a maximum of 90% fixed rate loans. At the year end the amount of variable loans outstanding were £35m, resulting in 76% of our borrowings being at fixed rates of interest.

The range of interest rates on the fixed rate loans varies between 2.570% and 3.207% (including margins). Floating loans are priced at SONIA plus margin.

Peak debt

Our Business Plan for 2024-54 has been prepared in accordance with the existing capital structure, and includes a pipeline of developments over the next six years, with peak debt forecast at £208.3m in March 2030. This is an increase of £12.0m compared to last year's Business Plan, due to additional decarbonisation costs, increased build costs for new developments and routine maintenance costs, increased employee costs and higher interest rates. This increased level of peak debt remains within our existing borrowing capacity.

Capital structure and treasury policy

Golden rules

Financial strength is key to delivering Plan A and we have established a set of "Golden Rules." These rules are a series of financial performance measures designed to ensure we are not overly exposed to risk and remain financially robust and attractive to existing and potential funders.

The Board amended the Golden Rules in July 2023 to reflect the new loan agreements in 2022/23 which removed Major Repairs Included (MRI) costs from the interest cover calculation and created additional financial capacity. As a result of this additional capacity Board decided to reduce the interest cover golden rule to a minimum of 1.1 times interest cost and remove the trigger point. To ensure responsible financial planning, and the capacity to cope with stress events or a deterioration in financial performance, the MRI element of the golden rules was retained. Both the interest cover and social housing lettings interest cover golden rules were amended to become five-year averages providing additional flexibility to balance financial performance over the medium term.

Two new golden rules were introduced; headroom to interest cover (covenant breach) and asset cover to ensure that the golden rules provide a full coverage of key loan covenants.

A summary of these Golden Rules, which were in place at the year end, is shown below along with expected performance based on our latest Business Plan:

Area	Golden Rule	Trigger	2024/25	2025/26	2026/27	2027/28	2028/29
Liquidity *	24 months	30 months	37 months	25 months	13 months	1 month	0 months
Covenant – Interest Cover (5 year forward looking average)	Min 1.10x	N/A	1.37	1.38	1.39	1.43	1.39
Covenant - Interest cover headroom	Min £5m	Min £6m	£9.4m	£9.8m	£10.8m	£11.9m	£11.9m
Covenant – Gearing	Max 70%	Max 65%	45%	45%	44%	43%	43%
Market risk	Max 10%	N/A	0%	0%	0%	0%	0%
On-lending	Max £12m	Max £9m	£0	£0	£0	£0	£0
– EBITDA margin	Min 30%	N/A	38%	40%	41%	41%	41%
– Voids	Max 5.0%	Max 3.0%	2.00%	2.00%	2.00%	2.00%	2.00%
– Bad debt	Max 2.65%	Max 1.5%	1.00%	1.00%	1.00%	1.00%	1.00%
Credit rating – Social Housing Lettings Interest Cover (5 year forward looking average)	Min 1.0x	N/A	1.35	1.34	1.31	1.27	1.23
Credit rating – EBITDA : Debt	Max15x	N/A	8.91	9.01	8.78	8.49	8.82
Security value of properties to peak debt	100%	N/A	150%	153%	154%	155%	156%
Covenant – Asset cover	Min 120%	Min 130%	195%	180%	174%	171%	164%

*Liquidity is measured as at the end of the financial year

The Golden Rules show that we will continue to meet the financial targets defined by our Board over the medium term and that current development aspirations will require additional funding before the end of April 2028.

Sustainability and carbon reporting

We have adopted the Sustainability Reporting Standard for Social Housing enabling us to report our Environmental, Social and Governance (ESG) performance in a transparent, consistent and comparable way. Our latest ESG report can be seen on our website.

We have chosen to share our energy performance and carbon emissions data. We monitor progress against our targets each year and produce a report covering our operations, buildings, processes and travel. The key metric we measured is 7.91 tCO_2e per £million of turnover.

Emissions source	Units	2023/24
Scope 1		
Natural gas	tCO_2e	43.51
Fugitive emissions (Refrigerant gases)	tCO_2e	0
Scope 2		
UK National Grid electricity	tCO_2e	90.59
Scope 3		
Category 1 - Purchased goods & Services	tCO_2e	0.12
Category 3 - Fuel and energy-related activities	tCO_2e	85.28
Category 5 - Waste generated in operations	tCO_2e	0.19
Category 6 – Business travel - Mileage claims	tCO_2e	31.09
Category 6 – Business travel - National rail	tCO_2e	1.84
Category 7 - Employee Commute	tCO_2e	85.24
Total Scope 1, 2 & 3	**tCO_2e**	**337.86**
Turnover	£	42,705,000
Full-time equivalent employee (FTE)		127.16
Intensity 1 **Total CO_2e per*£m Turnover on gross scope 1, 2 and 3**	**tCO_2e per million £**	**7.91**
Intensity 2 **Total CO_2e per*FTE on gross scope 1, 2 and 3**	**tCO_2e per FTE**	**2.66**
Total energy consumption	**kWh**	**801,840.57**

Energy efficiency measures taken

We have:

- Developed our practices to maintain reduced resource and energy use to deliver an objective to "adapt day-to-day operations to ensure they are fit for future and achieve net zero" and achieved an overall reduction of 23% in energy consumption.
- Simplified and consolidated our IT infrastructure by reducing the physical server and primary storage hardware, and changed to solid-state disks to increase performance and reduce power and cooling consumption.
- Migrated our telephony system to a state-of-the-art datacentre powered by 100% renewable energy.
- Promoted the benefits of electric car charging bays to employees and partners resulting in 53% of the electric charging bays being used daily, producing a decrease of 30% in the amount of petrol/ diesel mileage.
- Improved our employee salary sacrifice scheme to offer flexible terms on electric vehicles.
- Tracked our scope 1, 2, and 3 emissions using a suite of performance measures to inform actions and improvements.
- Implemented a data-led approach to inform decision-making and to maximise impact using reliable data sets.
- Achieved a 16% reduction (following initial reported reduction of 70%) in printing with net zero appliances only in use.

Energy efficiency - planned measures

We plan to:

- Implement a waste/recycling action plan to maintain the current trajectory of reduced waste and increased recycling.
- Develop smart energy usage using digital energy efficiency advice tools.
- Modernise our IT switch infrastructure to reduce power and cooling requirements.
- Identify scope 1 and 2 carbon hotspots across Livin-managed properties and implement energy-efficient improvements.
- Renew and update Livin headquarters EPC certificate and implement recommendations.

Notes about methodology:

- Livin Housing has adopted an operational control approach to establishing the boundary. The methodology adopted aligns with the Greenhouse Gas Protocol and the BEIS Environmental Reporting Guidelines. The calculations were completed on the SmartCarbonTM Calculator using the UK Government emissions factors.
- CO_2e is the universal unit of measurement to indicate the global warming potential (GWP) of Greenhouse Gases (GHGs), expressed in terms of the GWP of one unit of carbon dioxide. There are seven main GHGs that contribute to climate change, as covered by the Kyoto Protocol: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). Different activities emit different gases. Using CO_2e allows all greenhouse gases to be measured on a like-for-like basis.
- For National Grid electricity consumption, Livin has included factors for the transmission and distribution of electricity (T&D) losses, which occur between the power station and site(s). The emissions from T&D have been accounted for in Scope 3. As with other Scope 3 impacts, reporting T&D is voluntary but is recommended standard practice by the UK Government.

Estimations:

- Communal water figures.

Exclusions:

- Not included purchase of goods and services – greenhouse gas protocol.

Employees

We recognise that the success of our business depends on the quality of our managers and employees. It is our policy that training, career and professional development and promotion opportunities should be available to all employees.

We are committed to equal opportunities and, in particular, we support the employment of disabled people as defined under the Equality Act (2010), both in recruitment and in retention of employees who become disabled whilst employed by us.

Health and Safety

The Board is aware of its responsibilities on all matters relating to health and safety. The organisation has prepared detailed health and safety policies and provides employee training and education on health and safety matters.

Donations

The Association donated £926 (2023 £6,105) to charitable organisations. No political donations were made.

Value for money

Our Value for Money Strategy

We are committed to embedding Value for Money throughout our governance processes, business planning and performance management frameworks, and through our service delivery culture. We recognise that value for money plays a vital role in the achievement of our strategic objectives and in supporting our ongoing viability and future growth.

The overall aim of our Value for Money Strategy is:

"to ensure our strategic and charitable objectives are achieved through the efficient, effective and economic use and management of resources at both the strategic and operational levels while delivering equitable outcomes for stakeholders and minimising our impact on the environment."

Our approach to Value for Money

The Regulatory Standards require registered providers to review and understand their performance against the Value for Money technical metrics set by the Regulator of Social Housing, as well as their own Value for Money targets.

Targets are set annually by our Board based on the approved budget for the year, ensuring they include the strategic objectives contained within Plan A. To ensure that our Board considers the effect of their decisions on the technical metrics established by the Regulator, they are provided with a three year forecast of the technical metrics when setting the annual budget and a thirty year forecast when approving the Business Plan. These forecasts also include our historical performance for each metric and a comparison against the sector as a whole (all registered providers in England with over 1,000 properties) divided into quartiles.

In our analysis below we also consider performance against our Northeast Peer group as defined by the Regulator in their Global Accounts 2023.

Measuring Value for Money – our own performance targets

Our performance management framework is used to measure Value for Money and is monitored and reported to Board on a quarterly basis. Challenging targets are approved each year with key strategic objectives reported on separately so performance against Plan A can be clearly seen.

Our performance management framework was developed to include the 22 new Tenant Satisfaction Measures (TSM) which came into force on 1 April 2023. Twelve of these measures are collected via an annual tenant perception survey and the remaining 10 are collected from management information. We used this first year of recording TSM data to baseline our performance and inform our targets which will be set for 2024/25.

Our performance against key indicators is set out in the table below:

Performance Measure	Target (2023/24)	Result (2023/24)
Transforming Customer Experience and Digital Services		
Percentage of customers satisfied with the overall customer experience	88.00%	87.48%
Percentage of complainants satisfied with the way the complaint was handled	91.50%	93.94%
Percentage of tenants satisfied that their views are being listened to and acted upon	95.50%	96.00%
Net Promoter Score	51	53.39
Planet A		
Total scope 1 and 2 CO_2 emissions	170 tonnes	186.16 tonnes
Total CO_2 emissions per property	2.5 tonnes	2.69 tonnes
Supporting Sustainable Places		
Total number of customers into employment (*see note below re sustainability measures)	350	352
Percentage of sustainable homes	95.50%	95.72%
Total Social Value achieved through social, economic and environmental interventions in communities supported/ delivered by Livin	£11.03m	£29.69m
Improvement score of sustainable communities' indicators - place making communities	18	17

Our performance against key indicators is set out in the tables

Supporting Sustainable Tenancies		
Total rent arrears as a percentage of the rent due (excluding void properties)	3.04%	2.94%
Average re-let time (calendar days) standard properties (excluding major works)	28 days	26 days
Turnover of tenancies as a percentage of overall stock	8.05%	7.51%
Percentage of tenancies using digital means of managing their tenancy	50.00%	51.02%
Percentage of tenants with improved financial confidence following financial inclusion support	90.00%	100.00%

Providing Quality Sustainable Homes		
Percentage of previously identified poorly performing assets addressed and subsequently let/disposed	89.00%	77.06%
Number of properties achieving SAP band C	8,160	7,710
Average SAP score of all properties	72.50	72.38
Percentage of tenants satisfied with planned works	92.00%	88.30%
Percentage of jobs completed at first visit	95.00%	97.24%
Percentage of tenants satisfied with repairs	86.00%	84.89%
Average time taken to complete repairs (calendar days)	12 days	16.32 days
Percentage of damp and mould cases closed within 33 working days	100%	47.3%

Compliance metrics		
Percentage of properties compliant with all safety checks	100%	99.42%
Percentage of properties with a valid electrical safety check	100%	99.65%
Percentage of properties with a valid solid fuel safety check	100%	100%
Percentage of properties with a valid lift service	100%	94.07%
Percentage of properties with a valid lift inspection	100%	95.27%
Percentage of properties with a valid water hygiene check	100%	100%

Our performance against key indicators is set out in the tables

Compliance metrics		
Percentage of properties with a valid asbestos survey	100%	99.9%
Percentage of non-domestic assets covered by current asbestos survey	100%	100%
Percentage of communal areas and shared spaces with a valid fire risk assessment	100%	100%

Building and Acquiring Sustainable Homes		
Number of new units developed and acquired	239	233
Percentage of units secured against Business Plan targets over a three-year period	85.00%	100.96%
New supply delivered (development and acquisitions) - Social housing (VfM Metric 2)	2.68%	2.70%
Total stock number (including leaseholders)	8,932	8,949
Number of new build homes developed and acquired, cumulative over 3 years	338	332
Average SAP rating of land led homes completed	86	85.07
Average SAP rating of acquisitions completed	84	84.04
Percentage of new homes approved which are suitable for older persons and/or disabled people	24.00%	24.05%

Tenant Satisfaction Measures		
Overall satisfaction (TP01)	To be set in 2024/25	**89.69%**
Satisfaction with repairs (TP02)	To be set in 2024/25	**87.89%**
Satisfaction with time taken to complete most recent repair (TP03)	To be set in 2024/25	**85.80%**
Satisfaction that the home is well maintained (TP04)	To be set in 2024/25	**86.74%**
Satisfaction that the home is safe (TP05)	To be set in 2024/25	**89.07%**
Satisfaction that the landlord listens to tenants' views and acts upon them (TP06)	To be set in 2024/25	**83.04%**

Our performance against key indicators is set out in the tables

Tenant Satisfaction Measures		
Satisfaction that the landlord keeps tenants informed about things that matter to them (TP07)	To be set in 2024/25	83.83%
Agreement that the landlord treats tenants fairly and with respect (TP08)	To be set in 2024/25	90.62%
Satisfaction with landlord's approach to handling complaints (TP09)	To be set in 2024/25	48.09%
Satisfaction that the landlord keeps communal areas clean and well maintained (TP10)	To be set in 2024/25	77.22%
Satisfaction that the landlord makes a positive contribution to neighbourhoods (TP11)	To be set in 2024/25	80.25%
Satisfaction with the landlord's approach to handling of ASB (TP12)	To be set in 2024/25	74.53%
Stage 1 complaints received per 1,000 homes (CH01a)	To be set in 2024/25	8.7
Stage 2 complaints received per 1,000 homes (CH01b)	To be set in 2024/25	0.9
Stage 1 complaints responded to in target time (CH02a)	To be set in 2024/25	100%
Stage 2 complaints responded to in target time (CH02b)	To be set in 2024/25	100%
Anti-social behaviour cases received per 1,000 homes (NM01a)	To be set in 2024/25	44.4
Hate crimes received per 1,000 homes (NM01b)	To be set in 2024/25	0.2
Homes that do not meet the Decent Homes Standard (RP01)	0	0
Non-emergency repairs completed within target timescale (RP02a)	To be set in 2024/25	79.3%
Emergency repairs completed within target timescale (RP02b)	To be set in 2024/25	98.9%
Gas safety checks (BS01)	100%	99.98%
Fire safety checks (BS02)	100%	100%

Our performance against key indicators is set out in the tables

Tenant Satisfaction Measures		
Asbestos safety checks (BS03)	100%	100%
Water safety checks (BS04)	N/A	N/A
Lift safety checks (BS05)	N/A	N/A

Financial Metrics		
EBITDA MRI as a % of turnover	13.7%	9.74%
Accuracy of Interest Cover forecasts	90.0%	93.5%
Average vfm score	1.57	1.71

At year end our performance highlighted nine high level indicators which failed to meet target. The new tenant satisfaction measures have been used to set targets within the 2024/25 performance framework.

Although the targets for Planet A were not achieved, it is important to note that this is still a relatively new area of measurement and as such the target for Scope 1 and 2 emissions was based on estimated targets. Data collection has improved enabling more accurate target setting.

Total CO_2 emissions per property did not meet target. There is a national issue with the transfer of data which meant that energy efficiency works completed during the year were not captured for this measure. We use the SAVA IE system to measure the energy performance of our homes and an agreement reached between SAVA and the Department for Levelling Up, Housing and Communities means that data can now be transferred and updated in 2024/25.

The percentage of previously identified poorly performing assets addressed and subsequently let/disposed did not meet target with a score of 77.06% compared to a target of 89.0%. Assets appraisals were completed for all 97 identified properties and despite 84 not requiring further intervention they were not all let at year end. Thirteen units requiring interventions were unable to have works completed due to budget constraints. Work on these units is now planned for 2024/25.

The number of units achieving SAP band C did not meet target due to delays in the SHDF wave 2 project and a number of tenants omitting their homes from our energy efficiency programme. We have

increased the number of resident liaison officers to support tenants and have increased the types of energy efficiency upgrades being offered to improve performance.

The average time taken to complete repairs was also outside of target due to the significant increase in the number of repairs requested during the year. We have sought to mitigate this through more efficient working practices rather than increasing resources which would ultimately increase the cost of the repairs and maintenance contract and reduce resources elsewhere. Improvements in managing van stock, zonal working and increasing multi-skilled operatives has resulted in improvements in this area.

The percentage of damp and mould cases closed within 33 working days failed to meet target. This measure is a combination of the time taken to carry out an inspection and the time taken to complete the mould treatment. Additional repairs inspectors were employed to address the backlog of inspections further increasing the number of cases identified, however this improvement did not enable the target to be met due to the size of the backlog at the start of the year following our proactive approach to encourage customers to report issues. During the year our contractor also increased resources and their capacity to complete damp and mould remediation work. We continue to try to access properties where access is being refused and prioritise tenants with known vulnerabilities. Damp and mould performance remains a spotlight measure monitored by Board.

The percentage of properties with a valid lift service was 94.07% and did not meet target of 100%. At the year end seven properties had overdue lift maintenance visits due to difficulties in gaining access to the properties.

EBITDA MRI as a % of turnover failed to meet target due to increased capital expenditure on the Courts regeneration scheme at Shildon.

Average VfM score was 1.71 and failed to meet the target of 1.57, this is covered in more detail below.

Seven measures were below target but within tolerance.

The percentage of tenants satisfied with planned works failed to reach the target. 20 of 171 respondents were either neutral or dissatisfied with the quality of the improvement works. The reasons for dissatisfaction are analysed monthly with actions taken to improve the service, including increasing the number of quality checks undertaken.

The percentage of tenants satisfied with repairs highlighted 351 respondents were either neutral or dissatisfied with their repair. The results were analysed monthly to identify specific types of repairs that customers were dissatisfied with, and feedback shared with operatives and supervisors to improve future performance. We have appointed a surveying manager to work with our contractor to further improve performance.

Three building and acquiring sustainable homes measures failed to meet target but were within tolerance. Two of these related to six homes being delayed at the Laburnum Grove site due to poor weather.

The other measure was the average SAP rating of land led homes which failed to meet target as the 107 homes completed during the year included several units which were delayed from 2022/23 and designed to earlier building standards.

The percentage of properties with a valid landlord gas certificate was within tolerance with two overdue gas services at year end. Both were due to difficulties gaining access to the properties and were completed shortly after the year end.

Eight thorough lift inspections were unable to be carried out at year end due to difficulties in accessing the properties. All eight customers have been contacted after year end to arrange a thorough lift inspection.

In addition to the above metrics three sustainability performance measures are reported for loan agreement purposes. The "Total customers supported in employment" (included above) is one of the three sustainability measures. The other two measures are:

Performance Measure	Target	Result
Percentage of existing housing properties at 1 April 2022 with EPC rating C or above	90.0%	86.3%
Completed new build properties with EPC B and above (cumulative from 1 April 2022)	338	332

The percentage of existing properties at EPC rating C or above failed to meet target due to delays in energy efficiency works and tenants refusing works.

The number of new build properties with an EPC rating of B or above missed target due to the six completions at Laburnum Grove which were delayed due to the weather.

Value for Money Performance – Regulators Metrics

In addition to the performance measures used to track progress against strategic objectives, we also use the Regulator's VfM metrics to measure our performance, setting targets based on the Board approved Business Plan.

When considering the headline social housing cost per unit performance we consider that lower cost is better as this demonstrates greater efficiency when considered alongside the delivery of key strategic objectives as measured in our performance framework.

We operate in a deprived area where social rents are below national averages and repairs and maintenance costs are also lower than other areas. We review this performance alongside decent home compliance, our commitment to repairs being right first time and resolving damp and mould issues, thereby ensuring we provide a quality repairs service, and maintain properties to a high standard whilst protecting our operating margin and the longer term viability of our social housing assets.

	Value for Money metric	Target	Performance
1	Reinvestment %	19.6%	21.3%
2a	New Supply Delivered % (Social Housing Units)	2.68%	2.70%
2b	New Supply Delivered % (Non- Social Housing Units)	0%	0%
3	Gearing %	57.5%	57.1%
4	EBITDA MRI Interest Cover %	101.0%	76.2%
5	Headline Social Housing cost per unit	£4,264	£4,388
6a	Operating Margin % (Social Housing Lettings only)	14.8%	18.7%
6b	Operating Margin % (overall)	18.1%	22.6%
7	Return on Capital Employed %	3.6%	4.0%

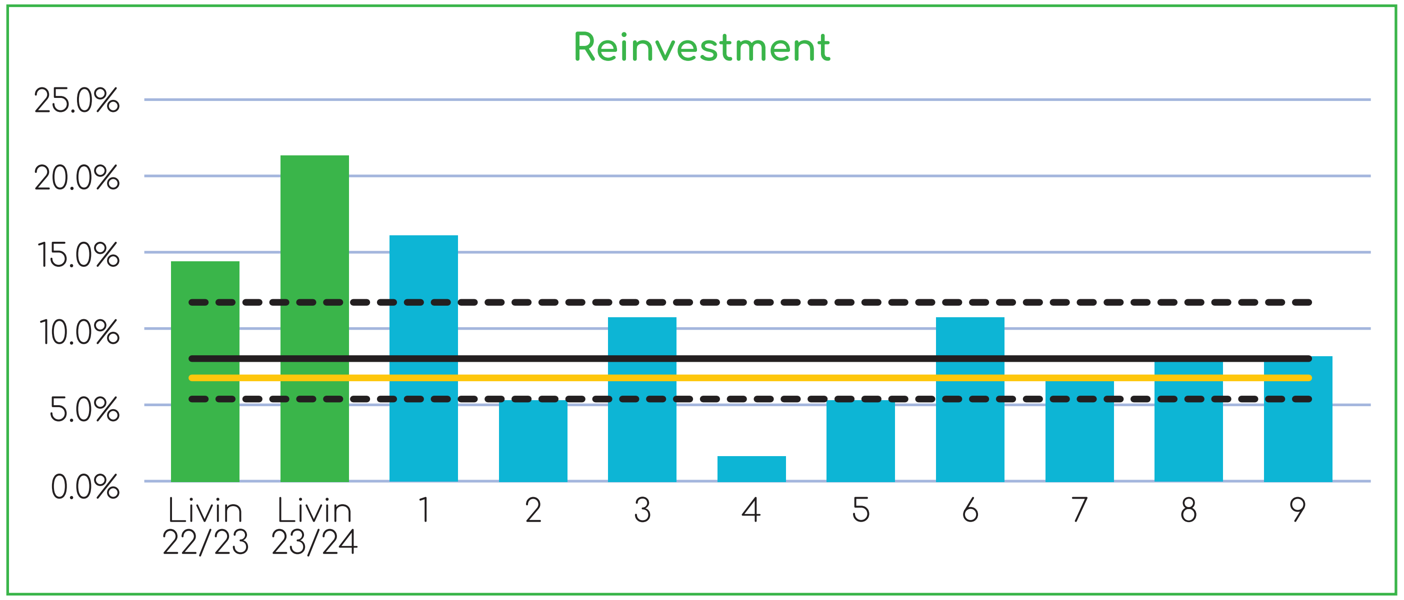
EBITDA MRI Interest cover failed to meet the target for two main reasons. Additional major repairs expenditure was incurred during the year on energy efficiency works. This highlights our commitment to meeting our SAP banding target and reducing the costs of heating homes for our customers. We utilised social housing decarbonisation fund grant to deliver this work, however, the grant received is specifically excluded from this VfM metric.

The second reason was an increase in capital expenditure relating to our regeneration scheme at the Courts, Shildon. Following independent adjudication additional costs were incurred relating to service diversion works.

These two factors also impacted on the Headline Social Housing Cost per unit measure preventing that metric from meeting its target but being within tolerance.

Value for Money Performance – Peer Group Comparison

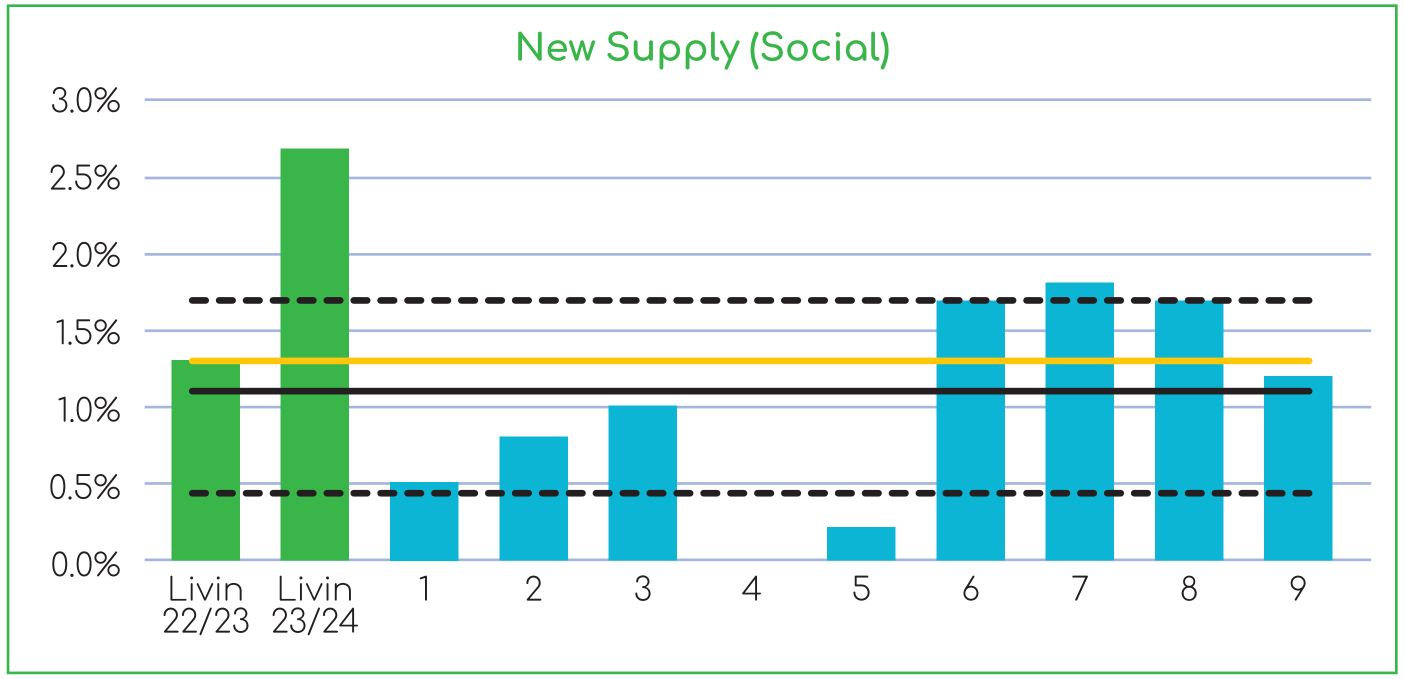
The tables below compare our performance in 2023/24 against the 9 other members of the Northeast Peer Group as defined in the Regulator's Global Accounts 2023 (latest set available at the time of preparing this report). The dashed black lines on each graph show the upper and lower quartiles for the Peer Group with the solid black line being the Peer Group median. The solid orange line is the sector median as per the Regulator's Global Accounts 2023.



Reinvestment

Our performance was top quartile in comparison to both our regional peer group and the sector as a whole. During the year we invested in new social housing properties, with 233 additions to our housing stock. Our plans are on track to reach our ambitious target of 9,000 homes by March 2025.

Our plans include delivering increased volumes of major works, including further energy efficiency works with the assistance of SHDF grant which will assist in reducing customer's heating costs.



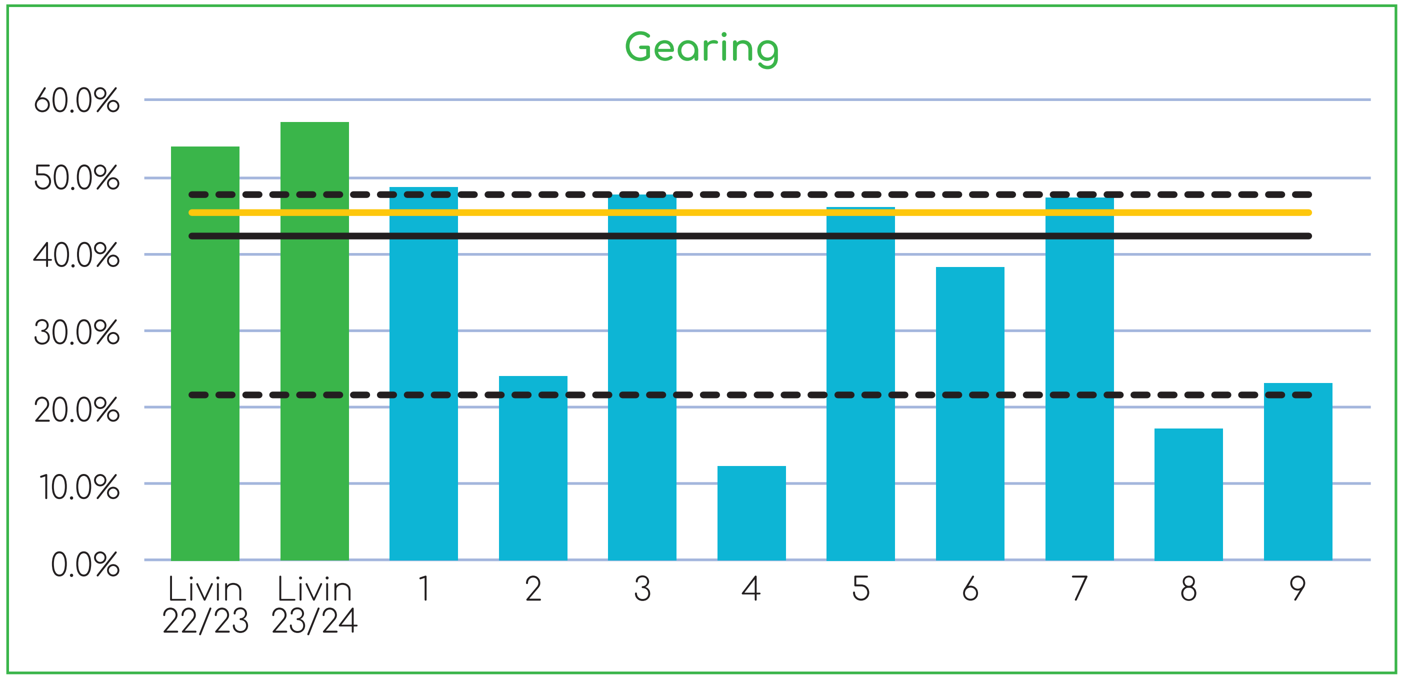
New supply delivered (Social Housing)

This is an area where our performance improved placing us in the top quartile when compared to our peer group and the sector as a whole. Delays in the completion of 51 homes in 2022/23 resulted in these being completed in 2023/24 and significantly improving our performance. We continue to build or acquire 2 to 4 bedroom properties for affordable rent while looking to increase the number of homes suitable for elderly or disabled persons.

Our ambitious development programme aims to deliver 661 new homes over the next 6 years with 295 of these being delivered within the next 2 years. At the end of the financial year, we had already secured 101% of our next three year's development target.

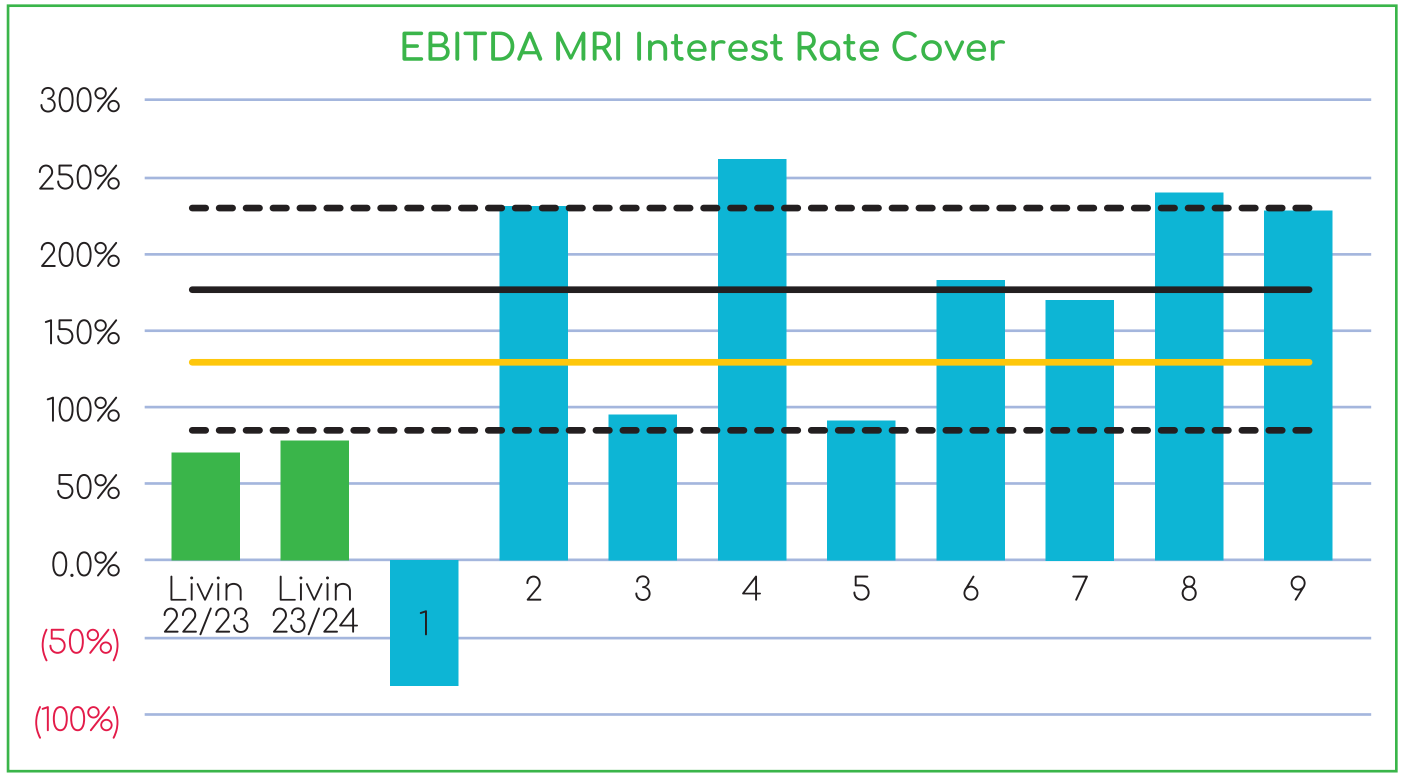
New supply delivered (Non-Social Housing)

This is an area in which only three of the peer group delivered properties. Our strategy focuses on delivering new much needed Affordable Housing or Low Cost Home Ownership properties therefore we do not expect this metric to increase in future years.



Gearing

This was top quartile when compared to both our peer group and the sector as a whole. In April 2024 we increased one of our revolving credit facilities by £10m and extended the term for two additional years. This liquidity will enable us to continue with our Plan A strategic objectives. Gearing is not a major limiting factor to our development capacity and does not restrict our future development plans.

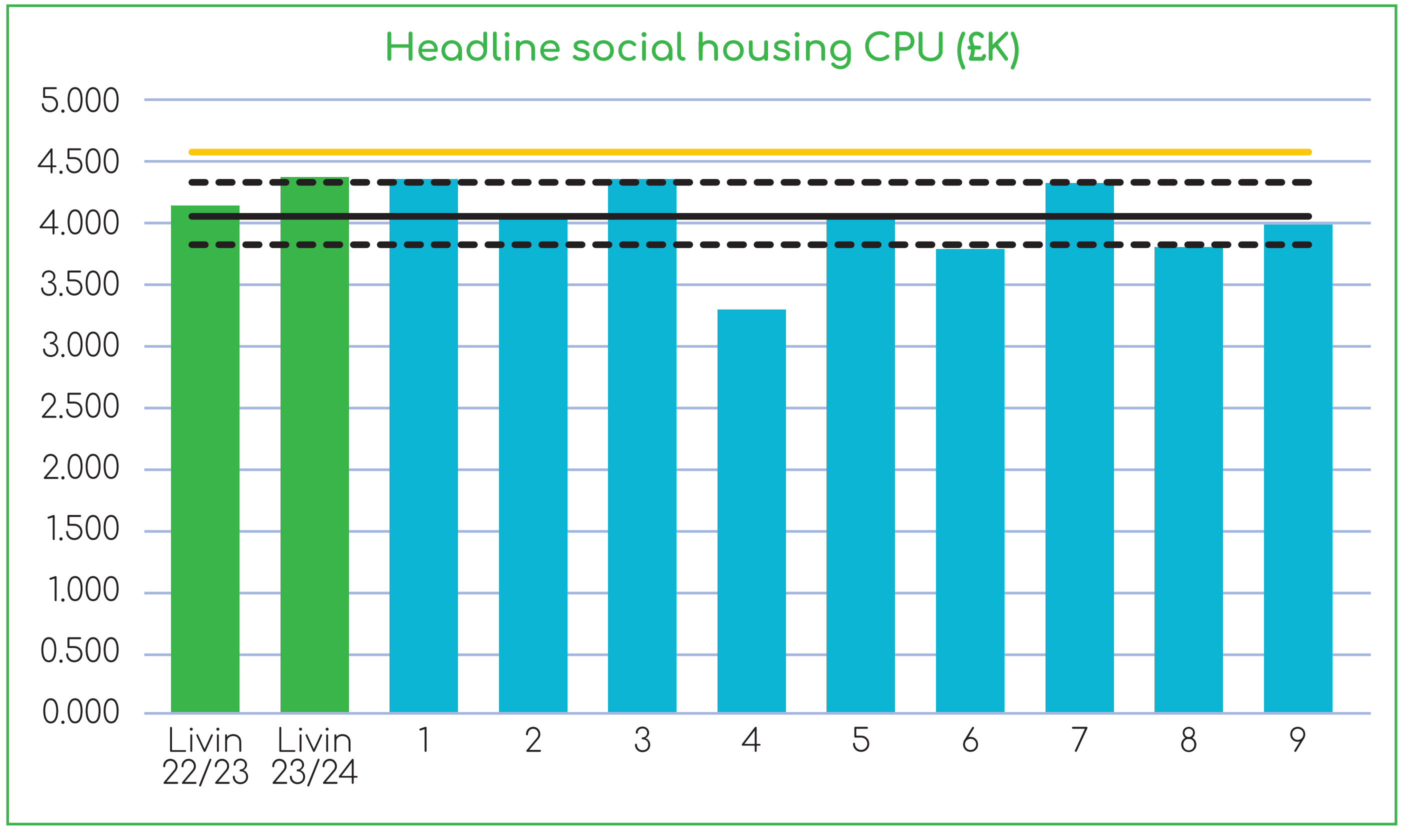


EBITDA MRI Interest cover

This has fallen to lower quartile when compared to our peer group and the sector as a whole. The Regulator's quarterly survey (Q4 January to March 2024) indicated that levels of interest cover have deteriorated across the sector and are set to remain depressed in the short term. Our liquidity and viability remain strong but performance against this metric has fallen due to additional costs for diversion works at the Courts regeneration scheme and our commitment to energy efficiency works.

We continue to utilise the Social Housing Decarbonisation Fund grant we received, partially offsetting the grant against capital expenditure incurred on the energy efficiency works completed during the year. Grant of £0.662m was received but is specifically excluded from the calculation of this VfM metric which reduced performance by 12%.

We expect this metric to improve in the short-term as we complete our Social Housing Decarbonisation Fund energy efficiency measures and benefit from higher levels of rent due to the homes that were completed during the year.



Headline Social Housing Cost per Unit

Performance was lower quartile compared to our regional peer group and upper median compared to the sector as a whole.

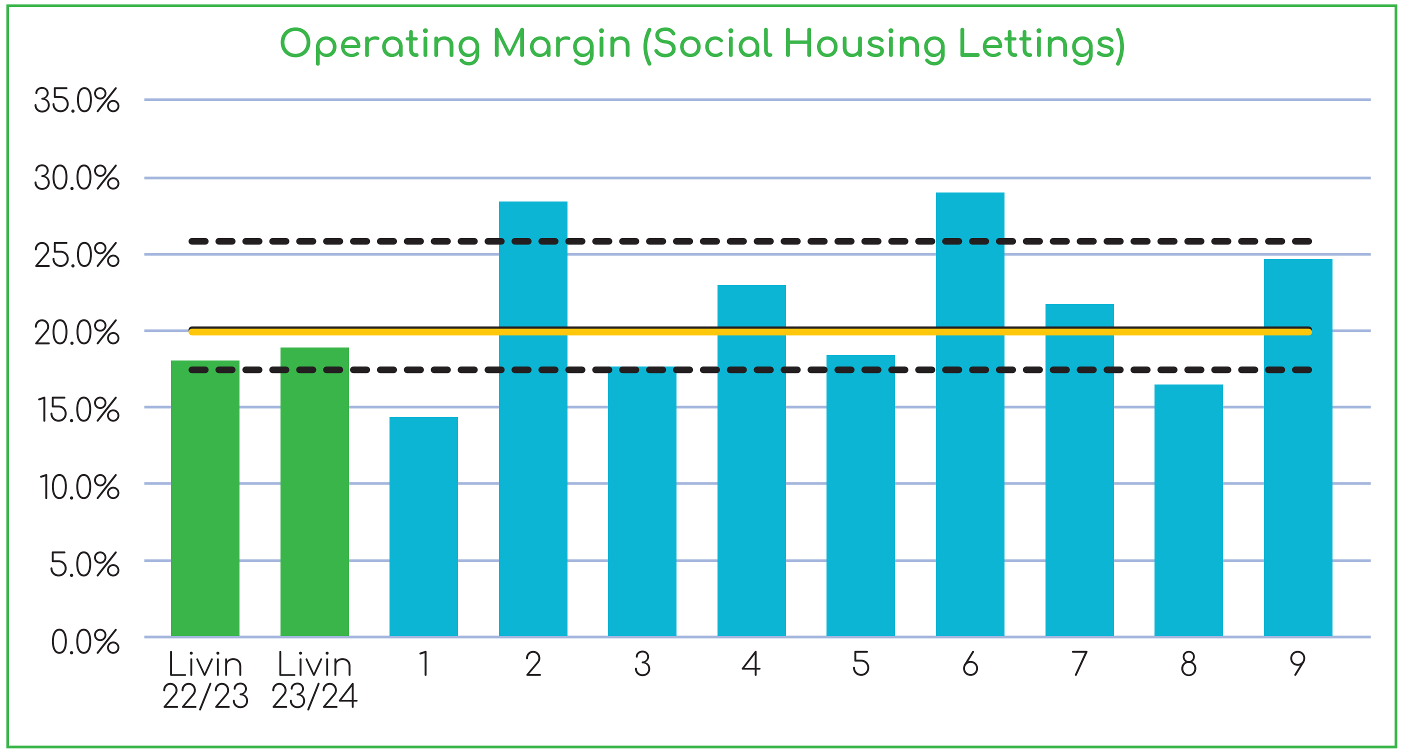
Social housing cost per unit increased by £230 as shown in the next table. This was a result of a combination of factors: Management costs have decreased by £110 per property due to the annual actuaries adjustment to pension costs; Repairs costs have increased by £267 per property as a result of inflationary cost pressures, increased level of works completed on void properties and treatment of damp and mould. Major works costs have increased by £51 per property as a result of accelerated component replacement work to take advantage of the Vat shelter agreement which expired in March 2024 but allowed the recovery of Vat on first time replacement components.

Understanding our Social Housing Cost per Unit

Our social housing cost per unit is reported as part of our regulatory value for money metrics. This can be further analysed as shown below:

	2023/24	2022/23	Performance
Management costs	£1,007	£1,117	(£110)
Repairs	£1,608	£1,341	£267
Major works	£1,619	£1,568	£51
Service charges	£29	£21	£8
Other	£125	£111	£14
Total	**£4,388**	**£4,158**	**£230**

During the year we performed an in-depth review of our repairs costs as these had been identified as being lower compared to the sector as a whole. The review included comparisons with benchmarking groups and data from registered providers and found that our allocation of costs did not align with other organisations. Previously, in-house employee costs relating to repairs and major works had been classified within management expenses rather than as repairs. We have since reclassified these in-house employee costs under repairs and major works. Adjustments have been made to 2022/23 to accurately represent this change and clarify the yearly trends.

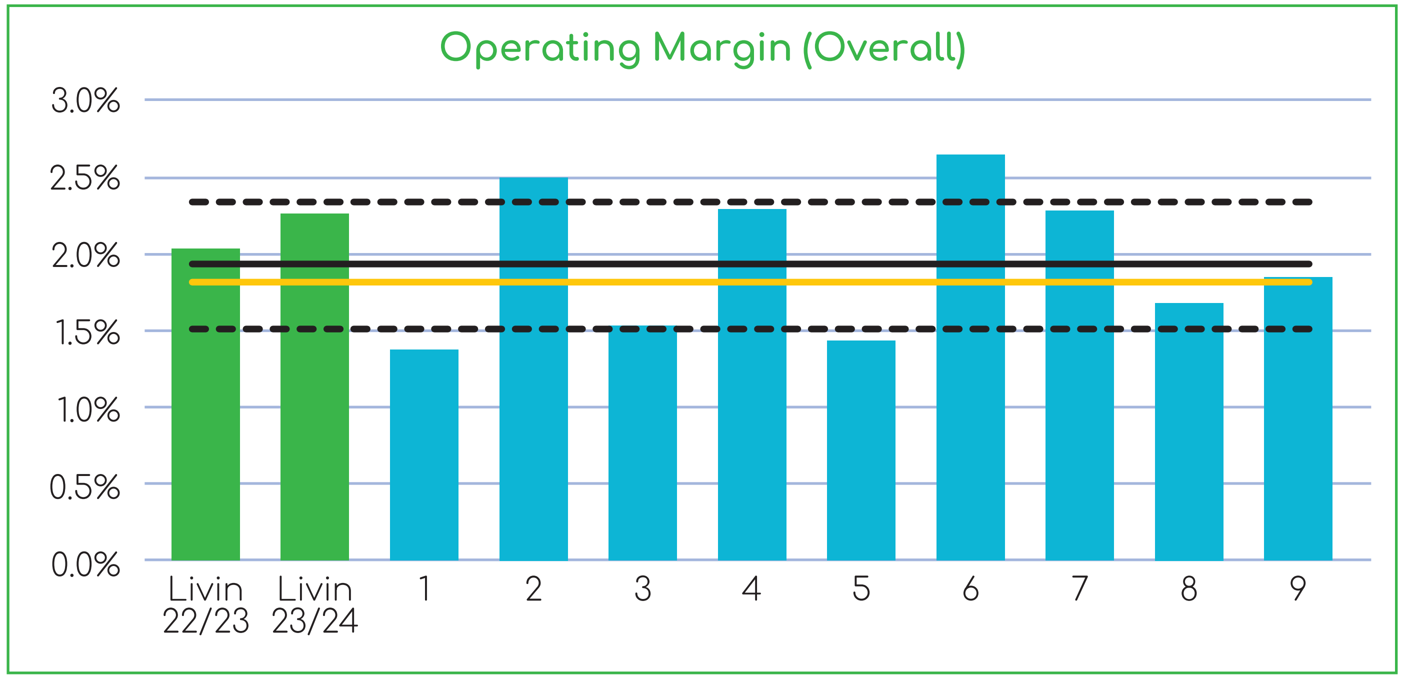


Operating Margin Social Housing Lettings

This performance improved from 18.3% to 18.7% which placed us in the lower median quartile when compared to both our peer group and the sector as a whole. Our cost base increased due to increased employee costs, repairs and maintenance costs, impairment charges for properties earmarked for sale at the Courts regeneration scheme and increased depreciation charges a result of new developments and increased major expenditure on existing homes. These were offset by the increase in annual rental income therefore slightly improving our social housing margin.

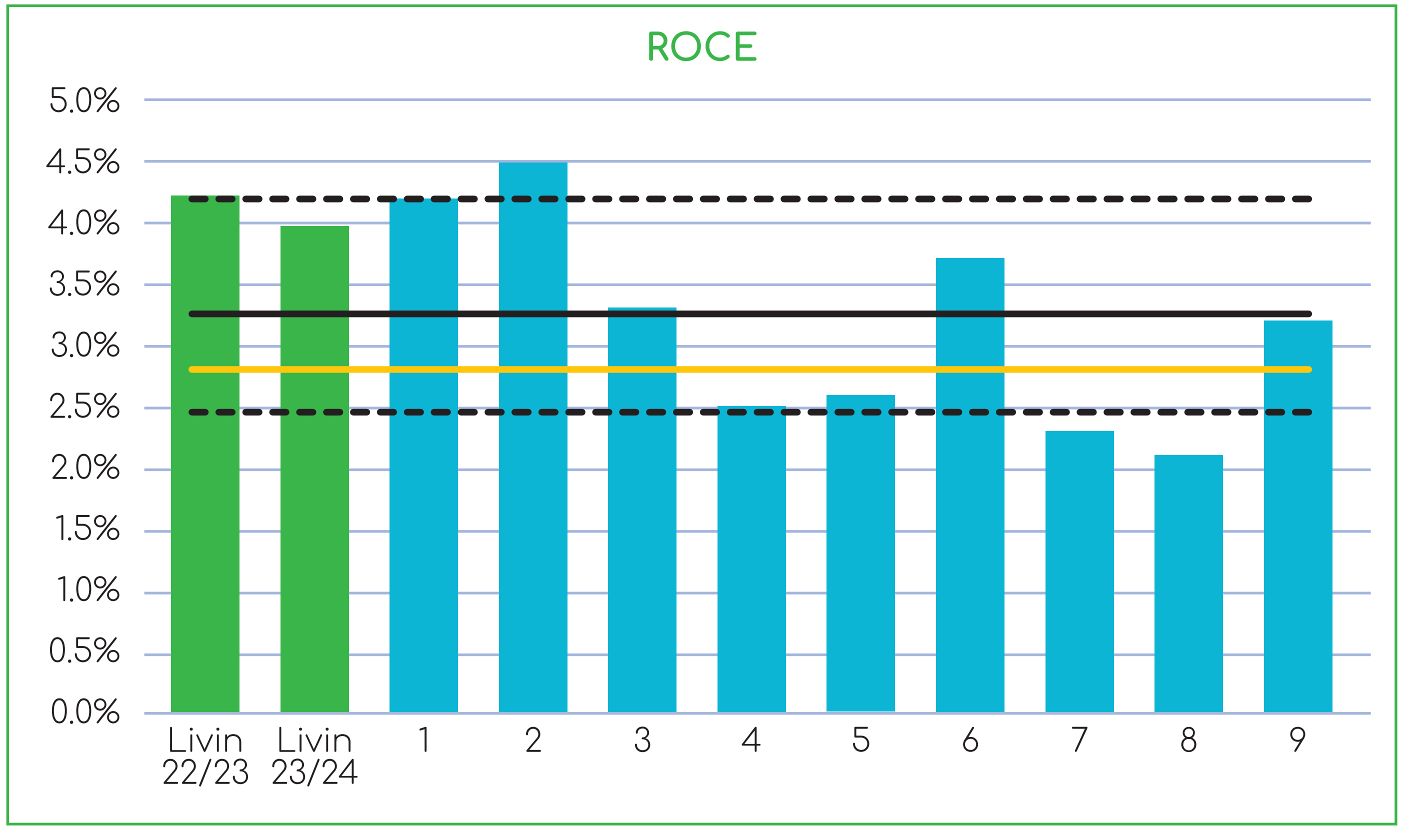
We continue to operate in areas where our average weekly rent charge is relatively low compared to the majority of our peer group. These lower than average rental charges mean our social housing lettings margin is relatively low.

This metric is, however, forecast to improve over the next four years as increased costs and housing depreciation are more than offset by the increased rental income received from new affordable rent properties and the inflationary increases applied to existing social housing rents.



Operating Margin Overall

This performance improved to upper median quartile compared to the Northeast peer group, and remained upper median quartile compared to the sector as a whole. Our operating margin performance overall improved from 20.3% last year to 22.6% assisted by strong margins on commercial lets and other turnover. Our performance is expected to fall in the next year to 20.0% and remain at a similar level for a further five years. This is partly due to our prudent Business Plan assumptions before the positive impact of rental income from completed developments takes effect.



Return on Capital Employed (ROCE) %

This performance has fallen to upper median quartile when compared to the Northeast peer group but remains in the top quartile when compared to the sector as a whole. ROCE is expected to fall next year, as further capital is employed to deliver our ambitious development programme and as we invest in energy efficiency measures to deliver our strategic objective of 97% of properties achieving EPC band C or above by 2025.

Overall Performance

The Board aims to achieve a balanced performance across the Regulator of Social Housing's Value for Money technical metrics, aiming for our blended average performance to be above median across the technical metrics as a whole.

Our methodology for this is to apply a score of 1 for best quartile performance and 4 for worst quartile performance. We reverse the headline social housing cost per unit as previously mentioned and using this methodology, historical, current and future performance is shown in the table below (when compared to the sector as a whole based upon the 2023 Global Accounts):

Metric	2022/23		2023/24		2024/25 forecast		2025/26 forecast		2026/27 forecast	
	Performance	Quartile	Performance	Quartile	Performance	Quartile	Performance	Quartile	Performance	Quartile
Reinvestment %	14.5%	1	21.3%	1	14.2%	1	11.3%	1	8.2%	2
New supply delivered – social housing (%)	1.3%	3	2.7%	1	1.9%	2	1.4%	2	1.0%	3
Gearing (%)	53.8%	1	57.1%	1	58.8%	1	59.5%	1	59.1%	1
EBITDA MRI Interest Cover (%)	88.8%	4	76.2%	4	133%	2	121%	3	157%	2
Headline Social Housing Cost Per Unit (£)	£4,158	3	£4,388	2	£4,113	2	£4,252	2	£4,114	2
Operating Margin (Overall)	22.2%	2	22.6%	2	20.0%	2	20.9%	2	20.4%	2
Return on Capital Employed	4.6%	1	4.0%	1	3.7%	1	3.7%	1	3.6%	1
Average for all metrics		2.1		1.71		1.57		1.71		1.86

An organisation which demonstrated median performance in all measures would show an average performance of 2.5. Our overall performance in all years under review is better than this average.

Using this methodology for measuring performance against the Northeast Peer Group, our performance was also in the top quartile.

Measurable plans to address underperformance

The Board has considered those areas where performance against the Value for Money technical metrics, defined by the Regulator of Social Housing, are below median when compared with the sector as a whole.

In 2024/25 performance is forecast to be strong with metrics expected to be above the sector median.

In future years there are two metrics forecast to be below the sector median; they are **EBITDA MRI Interest Cover** and **New supply delivered.**

EBITDA MRI Interest Cover % is forecast to fall in 2025/26 due to increased levels of major repairs and interest payable. Heating, window and kitchen replacement schemes are being accelerated to create operational capacity and avoid potential supply issues in future years. Additional borrowings will be required to fund developments which will increase interest costs.

New supply delivered is forecast to fall in 2026/27 as development targets are reduced. Our original development programme to March 2030 was front loaded to meet our strategic target of owning and managing 9,000 homes by March 2025. After March 2026 our annual target falls to 95 new homes per annum.

Conclusions

Value for Money is embedded in our culture and governance structure; we appreciate that delivering effective and efficient services benefits our customers and their communities.

Our performance is published separately on our website and referred to in our annual report to tenants enabling further scrutiny of performance.

Performance in 2023/24 shows a continued commitment to Value for Money. In comparison to our peer group and the sector as a whole we are able to demonstrate strong performance against the Technical Metrics defined by the Regulator and have assessed our long-term Business Plans and forecasts in light of these metrics.

We have identified an area where there is underperformance in comparison to other providers, defined as performance which is below median against the sector as a whole. This is EBITDA MRI interest cover and is expected to improve over the next few years and we have explained the reasoning behind this.

The Board is satisfied that our financial plans to deliver our business strategy, Plan A, provides a balanced performance across the value for money metrics and that current performance is achieving above median across the technical metrics as a whole.

Leadership and Governance

Our Board Members

Board members at the date of approval of these financial statements are:

Dennis Bradley

Chair of the Board

Dennis has been a Board member since November 2016 and prior to that he was Chair of our Scrutiny Group. He previously chaired the Finance and Development Committee and is a member of the Finance and Investment and HR and Remuneration Committees.

With two Masters degrees, he has over 40 years' experience in the public sector. Driven by a strong social conscience and experience of the workings of large, complex organisations he spends his time since retiring assisting as a Chair of Governors as well as his work with Livin.

Dennis believes that a secure, affordable home is a necessity for all and is committed to bringing his experience and skills to help support the Board.

Kevin Thompson
Board Member

As a former County Councillor for the Spennymoor and Middlestone Ward and Town Councillor for Byers Green, Kevin has always held community and local priorities firmly at the forefront of his responsibilities. He is the chair of the Housing and Communities and a member of the HR and Remuneration committee.

As a school Governor Kevin has a strong interest in matters around education, as well as social housing and welfare reform. At Durham County Council his key area of interest was planning. Kevin strongly believes that the transparency of the public agenda is paramount at a grass roots level, working for the benefit of the community. Kevin has previously served on our Board through periods of significant transformation and contributed to developing Livin as an efficient and sustainable business, supporting tenants to improve their lives.

In line with the Housing Ombudsman's Complaint Handling Code, in April 2024, Kevin was appointed as our Member Responsible for Complaints (MRC) and is responsible for making sure our Board receives regular information on complaints, that provide insight on our complaint handling performance.

Norman Rollo
Board Member

Norman has been a Board member since November 2016. He is currently Chair of the HR and Remuneration Committee and a member of the Audit and Risk Commitee.

With a professional career in human resources and management consultancy, Norman has also, in previous roles, been responsible for developing community services and providing excellent customer support.

Brought up in a council house, Norman is proud of what good social housing can offer to tenants and the respect and self-worth it can bring to those it supports. He is committed to ensuring our tenants receive great services delivered with care, courtesy, fairness and respect.

Charlotte Harrison
Board Member

Charlotte has been a Board member since February 2017. She is currently on the Housing and Communities and the HR and Remuneration committees.

With over 20 years' experience in the housing sector across a variety of housing organisations, Charlotte began her career in London working for a Latin American Housing Co-operative which was part of a wider network of agencies working with the Latin American community. Since then Charlotte worked in the South West and North East before joining the Northern Housing Consortium where she led the policy and public affairs service for 12 years. Charlotte is passionate about the role housing can play in supporting opportunities for both individuals and communities and is committed to bringing her experience and knowledge to the Board.

Ryan Appleby
Board Member

With nearly 20 years of sector experience from his previous roles within social housing providers to his current role as Director of Asset Strategy & Investment at The Guinness Partnership, Ryan is Chair of the Finance and Investments Committee and a member of the Audit and Risk Committee.

Ryan is a Chartered Member of the Institute of Building, Association of Building Engineers and Institute of Engineer & Technology, and has a wealth of specialist knowledge in construction, building and engineering, asset management, and a clear understanding of financial acquisitions and investment.

Ryan is keen to make a difference to the local area, support the provision of vital services that meet the diverse needs of communities and to help support tenants and prospective tenants to access warm, affordable and safe homes.

Natalie Wilkinson

Board Member

Natalie is passionate about regenerating communities, improving homes and the environment and supporting residents to live happily and independently in places they are proud of. She is experienced in leadership, strategy development and project delivery having worked for multiple local authorities, most recently Middlesbrough Council, for many years.

Natalie brings to the Board knowledge and experience of the housing sector, development, regeneration, and corporate services. In her most recent role as Head of Development, she worked on a range of transformational projects to grow high-quality housing supply and in doing so formed successful partnerships with Registered Providers, Homes England, housebuilders, and central government. She is a member of the Finance and Investment Committee and Housing and Communities Committee and is the Chair of the InsightXchange.

With a strong social purpose, Natalie is dedicated to supporting youth and community groups, volunteering in her spare time to help raise funding and use her knowledge to help local groups to continue to offer vital opportunities to local people.

Stephen Watson

Board Member

Stephen joined the Board in May 2023 bringing a wealth of knowledge and experience in audit and risk from his 30-year career working with organisations such as the Chartered Institute of Internal Auditors, Home Office, DEFRA (RPA), Baker Tilly, RSM, Northumberland County Council, and Durham University.

He is a Fellow member of the Chartered Institute of Internal Auditors (CFIIA), holds an MSc in Audit and Consulting, and has Platinum accreditation as a Certified Information Systems Auditor (CISA)

Stephen is dedicated to using his personal experience to add value to the work local organisations deliver. He believes strong leadership and governance are vital to building safer, more cohesive communities. He is the chair of the Audit and Risk Committee and a member of the Finance and Investment Committee.

Alan Boddy

Chief Executive and Board Member

Alan has a track record of delivering transformational change since joining us when we were established in 2009. He is a housing, performance and human resources professional with a people centric approach and an advocate of excellent customer service.

He holds postgraduate diplomas in Housing and Human Resources, a Masters Degree in Strategic Human Resource Management and is a member of both the Chartered Institute of Housing and Chartered Institute of Personnel and Development.

Having grown up in one of our communities he is aware of the social and economic challenges that many face. He is committed to making life changing improvements for people and their communities, and has dedicated 30 years to delivering a range of housing, property and support services.

Sean Brodie

Executive Director and Board Member

With over 19 years of direct housing experience Sean's career has spanned both industry and the charitable sector, joining us as an Executive Director in July 2015.

Sean has a wealth of expertise and leads the Finance, Property Services and Development teams. He also has Executive responsibility for managing the Construction Related Services Contract with Mears plc. He is a Fellow of the Association of Chartered Certified Accountants and is also a qualified Corporate Treasurer.

Board member appointments during the year:

Board Member	Date of appointment
Stephen Watson	3 May 2023
Jennifer Clement	25 September 2023

Board member retirements during the year:

Board Member	Date of retirement
Oliver Colling	20 September 2023

Board Attendance

The table below shows each Board member's attendance of the Board and Committee meetings they were able to attend during the financial year:

Board Member	Board	Audit & Risk	Finance & Investment	Housing & Communities	HR & Remuneration
Dennis Bradley	7/7		4/4		4/4
Kevin Thompson	7/7			3/3	3/4
Oliver Colling	2/2	2/2	2/2		
Charlotte Harrison	7/7			3/3	4/4
Norman Rollo	7/7	5/5			4/4
Hannah Underwood	5/7	5/5	3/4		
Natalie Wilkinson	7/7		3/4	2/3	
Jennifer Clement	5/5	3/3		2/2	
Stephen Watson	7/7	5/5	2/2	1/1	
Alan Boddy	7/7				
Sean Brodie	7/7				

The Directors are the Chief Executive, Executive Director of Finance and Investment, the Executive Director of Corporate Services, the Director of Housing and Communities, the Director of Transformation and the Director of Customer Experience and Insight. They hold no interest in the Association's shares and act as directors within the authority delegated by the Board.

The Association has insurance policies which indemnify Board members and employees against liability when acting for the Association.

Regulatory Judgement and Financial Viability Review

The Regulator of Social Housing conducted a stability check in January 2024 and concluded in the following regulatory judgements on Livin:

Viability (V2) – Compliant
The provider meets our viability requirements. It has the financial capacity to deal with a reasonable range of adverse scenarios but needs to manage material risks to ensure continued compliance.

Governance (G1) – Compliant
The provider meets our governance requirements.

Risks and uncertainties

In accordance with the Regulator of Social Housing's Governance and Financial Viability Standard, the Board retains ultimate responsibility for ensuring that an effective risk management framework is in place. Structured reporting processes ensure that the Board receives a quarterly update on key risks facing the organisation, takes risk management considerations into account when making key decisions, and reviews the effectiveness of the risk management framework on an annual basis.

Our Risk Appetite

Risk appetite is defined as the level of risk the organisation is prepared to accept in the pursuit of its strategic objectives.

Livin is a not-for-profit organisation with the principal purpose of providing housing and services for people in necessitous circumstances. As custodians of Livin's social housing assets, the Board acknowledges the need to maintain a long-term perspective when managing risk and not to put short-term gain ahead of the long-term viability of the business.

The Board acknowledges that different risk appetites can exist across a range of key areas. Some types of risk pose a threat to the long-term viability of its business and the Board will seek to reduce the risk score of identified risks in these areas to within appetite wherever practicable. The scores of strategic risks are compared with the Board's risk appetite on a regular basis to ensure that business decisions remain aligned to the level of tolerable risk agreed by Board.

Strategic Risk Register

The Audit and Risk Committee takes an active role in scrutinising the organisation's Strategic Risk Register, considering the adequacy of the controls in place to manage these risks and the outcomes. The key strategic risks considered by the Audit and Risk Committee on 25 July 2024 are set out in the table below.

Key risk	Summary of key controls and assurances in place/in delivery
Failure to manage costs and inflation	• Robust budgetary and cash flow management processes. • Stress testing undertaken linked to strategic risks to ensure business resilience, including planned mitigations. • Robust scrutiny of quarterly management accounts by Finance and Investment Committee and then Board. • Golden rules and loan covenant monitoring. • Governance framework enabling effective decision making.
Failure to evidence the condition of properties	• Providing Quality Sustainable Homes Strategy/Delivery Plan, Asset Management and Repairs and Maintenance Policies. • Stock Condition Survey Procedure, including a rolling internal programme to ensure 100% of stock is surveyed every five years, with a further 10% of properties surveyed by an external consultant every three years. • Stock condition database with periodic internal audits. • Home Improvement Programme (HIP) informed by stock condition data. • Quarterly Property Services Progress Update to Finance and Investment Committee, including stock condition and HIP updates. • Relevant KPIs within PMF and quarterly performance reports to the Board.
Failure to meet decarbonisation aspirations and targets	• Planet A Strategy/Delivery Plan. • Asset solutions and investment programmes. • Grant funding in place for decarbonisation works. • Use of smart carbon measuring tools to effectively calculate, report on, and reduce our carbon footprint. • Decarbonisation targets embedded across the PMF. • Decarbonisation targets integrated in regeneration schemes. • Monitoring and reporting of SAP/EPC data. • Ongoing engagement with tenants and the workforce to encourage a focus on sustainability.

Key risk	Summary of key controls and assurances in place/in delivery
Failure to maintain data integrity and effectively utilise data	• Transforming Customer Experience and Digital Services Strategy/Delivery Plan. • Knowledge and Information Strategy including Data Maturity Assessment, Data Needs Analyses and ongoing automation of data quality monitoring. • Appropriate data quality audit procedures and metrics. • Inclusion of data quality assessments within Board and committee reports. • Reporting to the Board through Strategy Delivery Board and Leadership Conference. • Periodic internal audit reviews.
Failure to access or retain labour and skills	• Annual review of remuneration package and ongoing salary benchmarking. • Work/Life Balance Policy and underpinning procedures in place to promote flexibility in working arrangements aligned to the needs of the business in an increasingly competitive jobs and skills market. • Annual employee survey and satisfaction monitoring. • Annual employee check-ins to identify capacity levels across key areas. • Continuous professional development to invest in professional qualifications and competencies of the workforce and retain loyal and committed employees. • Succession planning and talent management. • Appropriate KPIs relating to employee capacity, L&D impact, satisfaction, turnover/attrition and absence and associated monitoring, review, and audit arrangements.

Failure to identify and effectively manage damp and mould cases	• Multi-layered approach through the following touchpoints:
	  • External Stock Condition Surveys.
	  • Internal Stock Condition Surveys.
	  • Housing tenancy visits (at least biennially).
	  • Void inspections.
	  • Servicing of gas/solid/fuel/ASHPs.
	  • Electrical inspections.
	• Proactive identification of damp and mould issues via campaigns to tenants and analysis of repairs, complaints, and disrepair claims.
	• Comprehensive information for tenants on how to identify and report damp and mould on website.
	• Training all front-line staff to identify damp and mould in properties.
	• Damp and mould dashboards for: repairs work in progress, follow-up cases, and summary performance.

Key risk	Summary of key controls and assurances in place/in delivery
Failure to manage new-build constructionprocess risks	• Thorough financial checks on prospective contractors. • Detailed monitoring of financial viability of existing contractors. • Specialist procurement advice and support where appropriate. • Regular meetings with development partners to review performance and quality. • Monthly KPIs completed on all live development schemes monitoring performance on quality of work. • Parent company agreements or insolvency cover obtained to limit financial risk.
Failure to provide fair access, consider diverse needs and deliver equitable outcomes	• Transforming Customer Experience and Digital Services Strategy/Delivery Plan. • Equality, Diversity and Inclusion and Customer Vulnerability Policies. • Equality and Vulnerability Assessments. • Corporate Values, Employee Code of Conduct and Behaviours, Attitudes and Values (BAV) competency framework. • Non-digital approach/tenancy visit programme. • Translation and interpretation services. • Customer data dashboards including service usage by service and protected characteristics. • Relevant KPIs within PMF, including CSAT and TSMs. • Vulnerability data/access and support requests (User Defined Characteristics) within CX system.
Failure to ensure the security of data	• Robust IT security policies and protocols. • Controls aligned to ISO 27001, Cyber Essentials and NCSC 10 Steps to Cyber Security. • Security and operating software regularly patched. • Access to systems restricted by role with centralised logging and monitoring and controlled by multifactor authentication, where appropriate. • Robust monitoring processes to identify vulnerabilities and attempted attacks. • Regular training and awareness campaigns for all employees. • Internal audit reporting.

Key risk	Summary of key controls and assurances in place/in delivery
Failure to effectively deter and tackle anti-socialbehaviour and hate incidents	• Supporting Sustainable Tenancies and Supporting Sustainable Places Strategies/Delivery Plans. • Neighbourhood and Communities Policy and procedures. • Anti-Social Behaviour Policy and procedures. • Condition of Property Policy and procedures. • Active membership in strategic partnership group: Safer Durham Partnership. • Relevant KPIs within PMF, including CSAT and TSMs and quarterly reporting to the Board. • Anti-Social Behaviour Annual Report, Neighbourhoods and Communities Annual Report and quarterly Housing Services Progress Update report considered by the Housing and Communities Committee. • Periodic internal audits of anti-social behaviour.
Failure to recognise and effectively respond to cases of safeguarding and domestic abuse	• Supporting Sustainable Tenancies Strategy/Delivery Plan • Safeguarding and Domestic Abuse Policies and procedures. • Appropriate training for all employees. • Annual Safeguarding Report, Annual Allocations and Lettings Report and quarterly Housing Services Progress Update report considered by the Housing and Communities Committee. • Periodic internal audits of safeguarding.
Failure to respond to the regional and national operating environment	• Ongoing horizon scanning. • Membership of the National Housing Federation and Northern Housing Consortium and active participation in its structures to progress strategic objectives. • Ongoing engagement with Durham County Council, local town and parish councils and MPs. • Lead role in the North East Housing Partnership and emerging structures of the North East Mayoral Combined Authority relating to housing and regeneration. • Continuous updating of Plan A Delivery Plans to ensure they remain responsive to the operating environment. • Reporting of progress to the Board.

Key risk	Summary of key controls and assurances in place/in delivery
Failure to deliver effective repairs, maintenance and planned improvement services	• Providing Quality Sustainable Homes Strategy/Delivery Plan and Repairs and Maintenance and Damp and Mould Policies and procedures. • Contract management arrangements/mechanisms and KPIs. • Home Improvement Programme (HIP) informed by stock condition data. • Relevant KPIs within PMF, including CSAT and TSMs and quarterly reporting to the Board. • Quarterly Property Services Progress Update to Finance and Investment Committee, including repairs and maintenance and planned works performance. • Annual report on performance of the contract, undertaken by external consultant, reported to Finance and Investment Committee or Board.
Failure to manage rent collection and arrears	• Arrears Management Policies and Procedures • Relevant KPIs within PMF and quarterly reporting to the Board. • In-depth monthly rent arrears analysis and reporting. • Ongoing monitoring of dashboards relating to arrears performance. • Financial Inclusion team providing tailored interventions to sustain tenancies. • Livin Futures team supporting tenants into employment. • Suite of money support resources on company website, including self-service tools and a new tool to support claim for Universal Credit.
Failure to deliver value-for-money	• Value for Money Strategy. • VfM considerations embedded within budgeting, procurement, business planning and performance management processes. • Quarterly review of VfM metrics through the performance management framework. • Annual Value for Money reporting in Financial Statements.

Key risk	Summary of key controls and assurances in place/in delivery
Failure to manage landlord health and safety obligations	• Regular inspections of our properties, including gas safety checks, electrical inspections, and monitoring of asbestos materials. • Regular inspections of communal areas and flat blocks, including fire safety assessments, undertaken by appropriately qualified individuals. • Regular re-inspections of a sample of safety checks by third parties, to ensure that the quality of our internal checks remains high. • Regular compliance reports to the Board and the Audit & Risk Committee. • Internal audit reviews and other external reviews of Health and Safety processes.
Failure to manage covenants on existing debt	• Annual covenant certificates prepared for funders. • Golden rules set above covenant levels to maintain headroom. • Board approved budgets and Business Plan set to maintain performance above golden rules. • Quarterly budget and golden rules monitoring by Finance and Investment Committee including forecast year end covenant performance.
Failure to maintain investor appetite for new debt	• Golden rules set above covenant levels to ensure financial headroom and maintain investor appetite. • Board approved budgets and business plan set to maintain performance above golden rules. • Stress testing considered by Board. • Quarterly budget and golden rules monitoring by Finance and Investment Committee including forecast year end covenant performance.
Failure to understand or manage pension costs	• Business Plan stress testing. • Triennial pensions review. • Pensions review performed by third party pensions expert.

Key risk	Summary of key controls and assurances in place/in delivery
Failure to demonstrate compliance with/ breach of RSH requirements, including Regulatory Standards	• Policy and strategy framework in place to achieve compliance with individual standards. • VfM and risk management strategies approved by Board. • Monitoring and approval process for regulatory returns. • Annual self-assessments against Governance and financial viability standards and Consumer standards. • Business Plan stress testing. • Monitoring of RSH regulatory activity and lessons learnt reported to Audit and Risk Committee. • Triennial review of governance undertaken by independent third party.
Failure to make best use of housing stock	• Supporting Sustainable Tenancies Strategy/Delivery Plan. • Lettings Policy and procedures, including Durham Key Options Policy/Procedure. • Tenancy Policy and procedures. • Aids and Adaptations Policy and procedure. • Anti-Fraud, Bribery and Corruption Policy, Tenancy Fraud Procedure. • Active participation in County Durham Housing Strategy Forum and full partner and Board member of Durham Key Options. • "Right-sizing" initiatives and support for tenancy sustainment to respond to tenant needs are in place. • Relevant KPIs within PMF, including CSAT measures, with quarterly reporting to the Board. • Annual Allocations and Lettings Report and quarterly Housing Services Progress Update reports considered by the Housing and Communities Committee.
Failure to provide services that support tenants to maintain their tenancy	• Supporting Sustainable Tenancies Strategy/Delivery Plan. • Tenancy Policy and procedures. • Rent Arrears Policy and procedure. • Condition of Property Policy and procedure. • Safeguarding and Domestic Abuse Policies and procedures. • Aids and Adaptations Policy and procedure. • Relevant KPIs within PMF, including CSAT and TSMs, with quarterly reporting to the Board. • Annual Neighbourhoods and Communities Report and quarterly Housing Services Progress Update reports considered by the Housing and Communities Committee.

Key risk	Summary of key controls and assurances in place/in delivery
Failure to maintain existing stock quality	• Conduction both external (independent) and internal stock condition surveys. • Monitoring of SAP/EPC data. • Asset solutions and investment programmes. • Monitoring through performance framework and audit arrangements. • Customer voice in investment plans. • Net present value monitoring and reporting.
Failure to provide meaningful opportunities for customers to influence and scrutinise services and to learn from customer insight	• Transforming Customer Experience and Digital Services Strategy/Delivery Plan. • Customer Voice Policy and annual Customer Voice Programme including scrutiny review programme. • Customer guide to giving feedback for complaints and customer engagement (website and non-digital accessible versions) and website performance information. • Relevant KPIs within PMF, including CSAT and TSMs and quarterly reporting to the Board. • Customer Voice biannual reports considered by the Housing and Communities Committee. • Quarterly updating on website of customer voice outcomes. • Annual Report to Tenants.
Failure to properly investigate, resolve and learn from complaints	• Complaints, Compliment and Feedback Policy and procedures. • Customer guide to giving feedback for complaints and customer engagement (website and non-digital accessible versions) and website performance information. • Website and management controls relating to the provision and updating of key online information. • Monthly complaints review meetings. • Relevant KPIs within PMF, including CSAT and TSMs and quarterly reporting to the Board. • Quarterly learning and case review report considered by the Housing and Communities Committee. • Annual Performance and Service Improvement report for Housing Ombudsman and published to tenants, reported to the Board.

Key risk	Summary of key controls and assurances in place/in delivery
Failure of a counterparty to deliver maintenance services	• Ongoing financial and customer satisfaction performance monitoring. • Retained procurement advisors. • Flexible investment programme to deal with fluctuating market and sector conditions. • Partnering adviser appointed to support contract management. • Annual third-party contract and open book review reported to Board. • Business Continuity Plans in place. • Monthly service delivery meetings and regular contract meetings. • Ongoing financial monitoring of credit worthiness.
Failure to set rents correctly	• Board approval of annual rent setting process. • Audit & Risk Committee annual review of rent increases (post rent setting uplift). • Robust procedures for calculating and applying affordable and social rents. • Internal audit review.
Failure to prevent or identify fraud	• Procedures for adding and/or amending supplier information. • Segregation of duties. • Multifactor authentication for payment processes. • Internal audit reviews. • Fraud awareness training.

Credit Risk

Our principal credit risk relates to tenant arrears. This risk is managed by providing support to eligible tenants with their application for Housing Benefit or Universal Credit and by closely monitoring the arrears of self-funding tenants. We borrow and lend only in sterling and so are not exposed to foreign currency exchange rate risk.

Going concern

Our business activities, current financial position and factors likely to affect our future development are set out within this Strategic Report. We have in place long-term debt facilities (including £55 million of undrawn facilities at 31 March 2024 which provide adequate resources to finance committed property acquisitions and development programmes, along with day to day operations. Our ability to service these debt facilities and comply with lenders' covenants is monitored through cashflow forecasts, quarterly budget and Golden Rules reports to the Finance and Investment Committee and Board, and the long-term Business Plan. Recent reports confirmed that we are in compliance with our loan covenants at the Statement of Financial Position date and the Board expects to remain compliant in the foreseeable future.

Therefore, the Board has a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Internal controls assurance

The Board acknowledges its overall responsibility for establishing and maintaining the overall system of internal control and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the association is ongoing and has been in place throughout the period commencing 1 April 2023 up to the date of approval of the report and financial statements.

Key elements of the control framework include:

- adoption of, compliance with, and annual self-assessment against the National Housing Federation's Code of Governance 2020;
- the forward planning of key meeting dates and reporting requirements, which are reviewed annually;
- Board-approved terms of reference and delegated authorities for the Audit and Risk, Housing and Communities, Finance and Investment, and Human Resources and Remuneration Committees;
- Board-approved detailed Financial Regulations, and a scheme of delegations to the Chief Executive and Executive Management Team;
- clearly defined management responsibilities for the identification, assessment, management, and evaluation of significant risks;
- robust strategic and business planning processes, with detailed financial budgets and forecasts;
- formal recruitment, retention, training and development policies and procedures for all employees;
- appropriate business continuity arrangements;
- established authorisation and appraisal procedures for significant new initiatives and commitments;
- a strategic approach to treasury management which is subject to external review each year;
- regular reporting to the appropriate committees on key business objectives, targets, and outcomes;
- Board-approved Whistleblowing Procedure;
- Audit and Risk Committee-approved anti-fraud and corruption policies, covering prevention, detection, and reporting, together with recoverability of assets; and
- regular monitoring of loan covenants, golden rules, and requirements for new loan facilities.

A fraud register is also maintained, and any identified frauds are reported to the Audit and Risk Committee on a quarterly basis.

The Board cannot delegate ultimate responsibility for the system of internal control but has delegated authority to the Audit and Risk Committee to regularly review the effectiveness of the system. The Board receives minutes of meetings of the Audit and Risk Committee and where applicable would initiate follow up actions. The Audit and Risk Committee has received the Chief Executive's annual review of the effectiveness of the system of internal control for the Association, and the annual report of the internal auditor, and has reported its findings to the Board.

Our internal audit service was delivered by TIAA Limited and internal audit arrangements continued to work well. The recommendations made on all reports have been reviewed and action plans have been established to ensure that they are all implemented. Internal audit work not only focuses on reviewing controls and risks but also on adding value by making best practice recommendations.

National Housing Federation (NHF) Code of Governance 2020

Livin has adopted the National Housing Federation's Code of Governance 2020 and considers compliance against this Code annually. This fulfils the requirement of the Regulator of Social Housing's Governance and Financial Viability Standard to 'adopt and comply with an appropriate code of governance'. In addition, Livin has adopted the National Housing Federation's Code of Conduct 2022, and this Code was also operational during 2023/24.

The Board considers that it is compliant with these Codes at the date of signature of these financial statements.

Compliance with the Regulator of Social Housing's Governance and Financial Viability Standard

The Board considers the adequacy of its governance arrangements on an ongoing basis, and specifically considered its compliance with the Governance and Financial Viability Standard at its meeting on 29 July 2024 and again at the date of signature of the financial statements. The Board has concluded that the association complies with the standard.

Statement of the responsibilities of the Board for the report and financial statements

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the Income and Expenditure for the period of account.

In preparing those financial statements the Board is required to:

- Select suitable accounting policies and apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Annual general meeting

At their meeting on 20 July 2023 shareholders reviewed changes recommended by the Board to the governing rules of the Association which are based on the National Housing Federation's model rules 2015. Approval was given to remove the requirement to hold an annual general meeting in line with the Association's closed shareholding arrangements, with the financial statements being presented to the Board in their capacity as shareholders at their meeting held on 19 September 2024.

Disclosure of information to auditors

At the date of making this report each of the Association's Board members, as set out on page 4, confirm the following:

- So far as each Board member is aware, there is no relevant information needed by the Association's auditors in connection with preparing their report of which the Association's auditors are unaware; and
- Each Board member has taken all the steps that he / she ought to have taken as a Board member in order to make themselves aware of any relevant information needed by the Association's auditors in connection with preparing their report and to establish that the Association's auditors are aware of that information.

External auditors

In September 2022 Beever and Struthers were re-appointed as auditors on a three year contract, with an optional two year extension.

Statement of compliance

In preparing this Strategic Report and Board report, the Board has followed the principles set out in the SORP 2018.

The Strategic and Board report was approved by the Board on 19 September 2024 and signed on its behalf by:

Dennis Bradley

Chair

Independent Auditor's Report to the Members of Livin Housing Limited

Opinion

We have audited the financial statements of Livin Housing Limited ('the Association') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Strategic Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Livin Housing Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept adequate accounting records; or
- the Association's financial statements are not in agreement with books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 72, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Miss tatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.

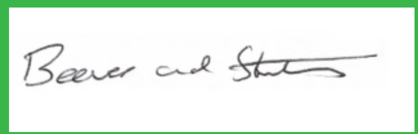
Independent Auditor's Report to the Members of Livin Housing Limited (continued)

- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Association's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.



Beever and Struthers
Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 20.09.24

Statement of Comprehensive Income
Year ended 31 March 2024

	Note	2024	2023
		£'000	£'000
Turnover	3	**42,705**	**39,313**
Operating costs	3	(33,981)	(31,336)
Operating surplus (before housing sales and other income)		**8,724**	**7,977**
Gain on disposal of property, plant and equipment	6	548	1,288
Other Income	3	940	737
Operating surplus		**10,212**	**10,002**
Interest receivable and Other Income	7	211	66
Interest payable and similar charges	8	(5,456)	(3,813)
Unrealised (loss) on the revaluation of investment properties	14	(244)	(316)
Surplus on ordinary activities before taxation		**4,723**	**5,939**
Tax on ordinary activities		-	-
Surplus for the year		**4,723**	**5,939**
Actuarial (loss)/gain in respect of pension schemes	9	(470)	8,230
Total comprehensive income for the financial year		**4,253**	**14,169**

The accompanying notes form part of these financial statements.

All activities of the Association are classed as continuing.

Historical cost surpluses and deficits were identical to those shown in the Statement of Comprehensive Income account.

The financial statements were approved and authorised for issue by the Board of Directors on 19 September 2024 and were signed on its behalf by:

D. M. Bradley

Dennis Bradley
Chair

N. J. Wilkinson

Natalie Wilkinson
Vice chair

P. Stephens

Paul Stephens
Secretary

Statement of Changes in Reserves
For the year ended 31 March 2024

	Income and expenditure reserve	Revaluation reserve	Total
	£'000	£'000	£'000
Balance as at 31 March 2022	51,279	5,608	56,887
Transfer between reserves	316	(316)	-
Actuarial gain on pension scheme	8,230	-	8,230
Surplus/(Deficit) for the year	5,947	(8)	5,939
Balance as at 31 March 2023	65,772	5,284	71,056
Transfer between reserves	244	(244)	-
Actuarial (loss) on pension scheme	(470)	-	(470)
Surplus for the year	4,723	-	4,723
Balance as at 31 March 2024	70,269	5,040	75,309

The accompanying notes form part of these financial statements.

Statement of Financial Position
As at 31 March 2024

	Note	2024	2023
		£'000	£'000
Tangible fixed assets			
Housing properties	11	248,918	204,298
Other tangible fixed assets	12	4,871	5,042
Investments	13	4	4
Investment Properties	14	6,520	6,665
		260,313	216,009
Current assets			
Stock	15	-	105
Debtors	16	4,959	4,796
Cash at bank and in hand	17	1,488	6,678
		6,447	11,579
Creditors: Amounts falling due within one year	18	(9,666)	(9,486)
Net current (liabilities)/assets		(3,219)	2,093
Total assets less current liabilities		**257,094**	**218,102**
Creditors:			
Amounts falling due after more than one year	21	181,785	147,046
Provisions for liabilities			
Defined benefit pension liability	9	-	-
		181,785	147,046
Capital and reserves			
Income and expenditure reserve		70,269	65,772
Revaluation reserve		5,040	5,284
Total Reserves		75,309	71,056
		257,094	**218,102**

The financial statements were approved and authorised for issue by the Board of Directors on 19 September 2024 and were signed on its behalf by:

Dennis Bradley
Chair

Natalie Wilkinson
Vice chair

Paul Stephens
Secretary

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the year ended 31 March 2024

	Note	2024	2023
		£'000	£'000
Net cash generated from operating activities	25	17,923	15,711
Cash flow from investing activities			
Purchase and refurbishment of tangible fixed assets		(53,393)	(30,880)
Proceeds from sale of tangible fixed assets		936	1,861
Grants received		7,303	6,746
Interest received		180	57
		(44,974)	(22,216)
Cash flow from financing activities			
Interest paid		(5,139)	(3,471)
New secured loans		27,000	12,000
Repayments of borrowings		-	-
		21,861	8,529
Net change in cash and cash equivalents		(5,190)	2,024
Cash and cash equivalents at beginning of the year		6,678	4,654
Cash and cash equivalents at end of the year		1,488	6,678

The accompanying notes form part of these financial statements.

Notes to the report and financial statements
For the year ended 31 March 2024

1. Legal status

The Association is registered in England under the Co-operative and Community Benefit Societies Act 2014 and is a registered provider of social housing. The registered office is Farrell House, Arlington Way, DurhamGate, Spennymoor, County Durham, DL16 6NL.

Livin owns 100% of the ordinary share capital (£1) of Livin Developments Limited (Registered Company No: 10474352). This subsidiary did not trade during the year and was dormant at 31 March 2024.

2. Accounting Policies

Basis of accounting

The financial statements are prepared in accordance with UK Generally Accepted Accounting Principles (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements are presented in Sterling (£) and are rounded to the nearest thousand (£000).

The Association is a Public Benefit Entity (PBE) and has applied the provisions for FRS102 specifically applicable to PBEs.

Livin holds a share in a joint venture, Spirit Regeneration and Development Co LLP. This interest has been disclosed as an investment in these accounts.

Going Concern

The Association's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. Livin has long term debt facilities in place which provide adequate financial resources for reinvestment and development programmes along with financial cover for day to day operations. Livin also has a 30 year Business Plan which shows it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

On this basis, the board has a reasonable expectation that there are adequate resources to continue operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates.

Significant management judgements include:

Financial instruments

Livin Housing Limited has put in place Facility Agreements with a portfolio of lenders, for the purposes of funding its stock improvement and new development programmes.

The Association has accounted for these loan instruments on the amortised cost basis.

Impairment

Livin Housing Limited considers whether indicators of impairment exist in relation to tangible assets. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value less costs to sell or its value in use.

Notes to the report and financial statements
For the year ended 31 March 2024

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Useful life of depreciable assets

Management reviews its estimate of useful economic lives of depreciable assets at each reporting date. Uncertainties in these estimates may relate to changes in technology and decent homes standards which may impact on the depreciation rate used.

LGPS - Defined Benefit Obligation (DBO)

The actuaries' estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, property values and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in note 9).

Investment Properties

Livin carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income.

Management uses valuation techniques to determine the fair value of investment properties (where active market valuations are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the asset.

Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices.

Investment in subsidiaries and unlisted company shares

Investments in subsidiaries and unlisted company shares are accounted for at cost less impairment.

Turnover

Turnover represents rental income receivable for the period (i.e. rent due (rent debit) less rent loss due to voids), service charges receivable, any revenue grants receivable, amortised capital grant, revenue grant received from Homes England and local authorities, income from shared ownership first tranche sales and other properties developed for outright sale and income from any other goods or services included at invoiced value (excluding VAT where recoverable) and commission on water rates collection.

Revenue Recognition

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Income from first tranche sales and sales of properties built for sale are included in turnover and operating costs and are recognised at the point of legal completion of the sale.

Revenue grants are recognised when the conditions for receipt of agreed grant funding have been met.

Notes to the report and financial statements
For the year ended 31 March 2024

Service Charges

Service charge income and costs are recognised on an accruals basis. Livin operates variable service charges on a scheme by scheme basis in full consultation with residents. The charges include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered they are held as creditors or debtors in the Statement of Financial Position.

Social Housing Grant

Social Housing Grant (SHG) includes grant receivable from Homes England, local authorities and other government organisations.

Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land), under the accruals model.

SHG due from government organisations or received in advance is included as a current asset or liability.

SHG received in respect of revenue expenditure is recognised as turnover in the same period as the expenditure to which it relates, once reasonable assurance has been given that Livin will comply with the conditions and that the funds will be received.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in the Statement of Comprehensive Income.

SHG is subordinated to the repayment of loans by agreement with the RSH. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the individual component is released to the Statement of Comprehensive Income. Upon disposal of the associated property, the Association is required to recycle these proceeds, as such a contingent liability is disclosed to reflect this.

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Website development costs

The Association has developed an app and website which is used to promote its activities and as a management tool for monitoring and evaluating responsive repairs. Planning, design and content development costs are charged as operating costs as incurred. Ongoing costs of maintaining and operating the app and website are also charged as operating costs as incurred.

Notes to the report and financial statements
For the year ended 31 March 2024

Housing properties and other fixed assets

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally available for rent and are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, development costs, incidental costs of acquisition and directly attributable development administration costs. Cost also includes expenditure on the replacement of key building components incurred as part of the planned improvement programme.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income, over the lives of the properties, therefore enhancing the economic benefits of the assets, are capitalised as improvements.

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover. The remaining element is classed as a fixed asset and included in housing properties at cost, less any provision for depreciation or impairment.

Where expenditure is incurred on an asset which does not meet the definition of capital expenditure, such as general repairs to the housing stock, it will be charged to the Statement of Comprehensive Income in the year in which it is incurred.

Any single repair costing £1,000 or more will be separately assessed to determine whether capitalisation is appropriate.

The Association will not capitalise expenditure on assets such as land, equipment and computer software which costs less than the following de-minimus thresholds and it will be charged to the Statement of Comprehensive Income in the year in which it is incurred.

Asset	
Land	£ 1,000
Office equipment and furniture	£10,000
Computer equipment and software	£ 5,000
Vehicles and plant	£10,000

Properties held on leases are amortised over the life of the lease or the estimated useful economic life, if shorter.

Assets under construction

Housing properties under construction are stated at cost. Cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements.

No depreciation is charged during the period of construction.

Depreciation of tangible fixed assets

Depreciation charges reflect the write down of the net book value of fixed assets to their estimated residual value over their estimated useful lives, on a straight-line basis. No depreciation is charged for land.

The following useful economic lives for identified components have been applied:

Notes to the report and financial statements
For the year ended 31 March 2024

Fixed Asset Classification	Asset Life
New Build Property Structure	up to 100 years
Existing Structure	50 years
Kitchens	20 years
Bathrooms	30 years
Central Heating	20 years
Roofing and External Works	up to 80 years
Rewiring Works	up to 50 years
Doors and Windows	up to 40 years
Other Fixed Assets	
Office Equipment and Furniture	5 years
Computer Equipment	3 years
Offices	up to 50 years
Electric car charging points	8 years

Impairment
Housing properties are assessed annually for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the asset's carrying amount to its recoverable amount. Where the carrying amount of an asset is deemed to exceed the recoverable amount, the asset is written down to its recoverable amount, this is likely to be the value in use of the asset based on its service potential. The resulting impairment loss is recognised as operating expenditure. Where an asset is currently deemed not to be providing service potential to the association, its recoverable amount is its fair value less costs to sell.

Leased assets
Rentals payable under operating leases will be charged on a straight line basis over the term of the lease.

Properties for sale
Shared ownership first tranche sales, completed properties for outright sales and properties under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Provision for liabilities
Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that the Association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at the present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the Statement of Comprehensive Income in the period it arises.

A provision is recognised for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Notes to the report and financial statements
For the year ended 31 March 2024

Fixed asset Investments
Investment properties consist of commercial properties and other properties not held for the social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in fair value recognised in the Statement of Comprehensive Income.

Pensions
The Association participates in the Durham County Council Local Government Pension Scheme, which is a defined benefit final salary scheme. The assets of the scheme are invested and managed independently of the Association.

Pension costs are assessed in accordance with the advice of an independent qualified actuary. For the Durham County Council Local Government Pension Scheme, assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates.

The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the Statement of Financial Position. A net surplus is recognised only to the extent it is recoverable by the Association either through reduced contributions in the future or through refunds from the plan.

The current service cost and costs from settlement and curtailments are charged against operating surplus. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs. Actuarial gains and losses are reported in other comprehensive income.

Rental arrears
A provision for bad and doubtful debts is made on an estimation of those debts at the Statement of Financial Position date which are considered to be potentially irrecoverable.

Value Added Tax (VAT)
The Association is VAT registered, but the majority of its income (from rents) is classified as an exempt supply for VAT purposes. Payments that are subject to VAT (Input VAT) that cannot be re-claimed are, therefore, recorded inclusive of the irrecoverable VAT. The balance of VAT payable or recoverable at the year end is included as a current liability or asset respectively.

Development agreement
The Association has entered into agreements with Durham County Council (the Council) whereby the undertaking of catch up repairs and improvement works remained with the Council with that obligation subcontracted to the Association. The contract was for a fixed sum of £248.694m equal to the expected costs of the work. At transfer, the Association contracted with the Council to acquire the benefit of the Council's obligation to carry out the refurbishment works.

Right to Buy and Right to Acquire Sales
The gains or losses on disposal of Social Housing Properties under Right to Buy or Right to Acquire arrangements are calculated as being the difference between the proceeds of a sale of a

Notes to the report and financial statements
For the year ended 31 March 2024

property and the net book value of that property.

The gains or losses on disposal of Right to Buy or Right to Acquire Social Housing Properties are recognised in the Statement of Comprehensive Income at the date of legal completion after deducting the element of proceeds that is payable to the local authority under the Right to Buy sharing arrangement.

Financial instruments

Financial Instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model.

Basic Financial instruments are recognised at amortised historic cost.

Debtors

Short term debtors are measured at transaction price less any impairment.

Creditors

Short term creditors are measured at the transaction price.

Annual leave accrual

A liability is recognised to the extent of unused holiday pay entitlement which has accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

Interest

Interest payable is charged to the Income and Expenditure account in the year.

Loan finance issue costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, less capitalised issue costs of debt. Where loans are redeemed during the year, any redemption penalty and any connected loan finance costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

Liquid resources

For the purposes of the Cash Flow Statement, cash comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand. Liquid resources are current asset investments that are readily disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying values.

Taxation

The Association has charitable status and therefore is outside the scope of Corporation Tax on its charitable activities by virtue of Part 11 Corporation Tax Act 2010 and from capital gains tax by virtue of Section 256 Taxation of Chargeable Gains Act 1992.

Reserves

Livin establishes restricted reserves for specific purposes where their use is subject to external restrictions.

Revaluation reserve

The difference on transition between the fair value of investment properties and the historical cost carrying value is credited to the revaluation reserve.

Notes to the report and financial statements
For the year ended 31 March 2024

3. Particulars of turnover, cost of sales, operating costs and operating surplus

2024	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing lettings	41,235	(33,513)	7,722
Other social housing activities			
Garage lettings	651	(174)	477
Non-social housing activities			
Lettings	238	(294)	(56)
Other Income	581	-	581
Total	**42,705**	**(33,981)**	**8,724**

2023	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing lettings	37,850	(30,906)	6,944
Other social housing activities			
Garage lettings	639	(166)	473
Non-social housing activities			
Lettings	247	(264)	(17)
Other Income	577	-	577
Total	**39,313**	**(31,336)**	**7,977**

Other Operating Income

Included in the statement of comprehensive income under other income is VAT shelter income of £940,426 (2023 £736,702).

Notes to the report and financial statements
For the year ended 31 March 2024

3. Particulars of turnover, cost of sales, operating costs and operating surplus (continued)

	General needs housing	Housing for elderly	Low cost home ownership	2024 Total	2023 (restated) Total
	£'000	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	28,439	12,291	40	40,770	37,222
Service income	52	25	-	77	82
Net rental income	**28,491**	**12,316**	**40**	**40,847**	**37,304**
Other income (grant amortisation)	262	126	-	388	546
Turnover from social housing lettings	**28,753**	**12,442**	**40**	**41,235**	**37,850**
Management and support services	(6,046)	(2,903)	-	(8,949)	(9,685)
Service charge cost	(196)	(66)	-	(262)	(182)
Routine maintenance	(8,691)	(4,128)	-	(12,819)	(10,305)
Planned maintenance	(987)	(474)	-	(1,461)	(1,323)
Major repairs expenditure	(476)	(229)	-	(705)	(947)
Bad debts	(167)	(80)	-	(247)	(299)
Depreciation of housing properties	(5,326)	(2,560)	(28)	(7,914)	(7,369)
Impairment	(219)	-	-	(219)	-
Payment to Durham County Council (VAT sharing agreement)	(621)	(298)	-	(919)	(722)
Other costs	(12)	(6)	-	(18)	(74)
Operating costs on social housing lettings	**(22,741)**	**(10,744)**	**(28)**	**(33,513)**	**(30,906)**
Operating surplus on social housing lettings	**6,012**	**1,698**	**12**	**7,722**	**6,944**
Void losses	**449**	**128**	**-**	**577**	**530**

Notes to the report and financial statements
For the year ended 31 March 2024

3. Particulars of turnover, cost of sales, operating costs and operating surplus (continued)

2023 costs have been restated with salary costs of £1.081m associated with routine maintenance and planned maintenance transferred from management and support services (£0.559m to routine maintenance and £0.522m to planned maintenance).

Management cost (headline social housing cost) per unit was £4,388 (2023 £4,158).

Particulars of turnover from non-social housing lettings	2024	2023
	£'000	£'000
Commercial properties	196	201
Other	41	46
	237	247

Notes to the report and financial statements
For the year ended 31 March 2024

4. Accommodation in management and development

At the end of the year accommodation in management for each class of accommodation was as follows:

	2023	Additions	Disposals	Other	2024
	No.	No.	No.	No.	No.
Social housing					
General housing					
- social rent	6,988	68	(23)	19	7,052
- affordable rent	1,630	155	-	(17)	1,768
- shared ownership	15	-	(1)	-	14
- intermediate rent	37	19	-	(7)	49
Total owned and managed	**8,670**	**242**	**(24)**	**(5)**	**8,883**
Units under construction					
General needs affordable rent	89				57
General needs housing social rent	-				35
Low cost home ownership	21				2
Intermediate rent	-				-
Total units under construction	**110**				**94**

Notes to the report and financial statements
For the year ended 31 March 2024

5. Operating surplus

The operating surplus is arrived at after charging:

	2024	2023
	£'000	£'000
Depreciation of housing properties	7,940	7,386
Depreciation of other tangible fixed assets	403	421
Impairment of social housing assets	219	-
Gain on disposal of property, plant and equipment	548	1,288
Operating lease rentals		
- land and buildings	6	14
- office equipment and computers	40	48
- motor vehicles	14	13
Auditors' remuneration (excluding VAT)		
- for audit services	26	21
- tax compliance services	-	-
- other services	1	1
Total non-audit services	1	1

Notes to the report and financial statements
For the year ended 31 March 2024

6. Gain on disposal of property, plant and equipment

At the end of the year accommodation in management for each class of accommodation was as follows:

				2024	2023
	RTB/ RTA	Low cost home owenership	Other Disposals	Total	Total
	£'000	£'000	£'000	£'000	£'000
Disposal proceeds	881	142	91	1,114	1,946
Less administration charges	(53)	-	-	(53)	46
Less amount payable to Durham County Council	(125)	-	-	(125)	(131)
Net disposal proceeds	703	142	91	936	1,861
Carrying value of fixed assets	(203)	(82)	(64)	(349)	(573)
	500	60	27	587	1,288
Recycled Capital Grant Fund	-	(39)	-	(39)	-
	500	21	27	548	1,288

7. Interest receivable and other income

	2024	2023
	£'000	£'000
Interest receivable	180	57
Other Income	1	9
Interest on pension scheme	30	-
	211	66

Notes to the report and financial statements
For the year ended 31 March 2024

8. Interest payable and similar charges

	2024	2023
	£'000	£'000
Loans and bank overdrafts	5,456	3,623
Interest costs for pension scheme	-	190
	5,456	3,813

9. Employees

Average monthly number of employees expressed as full time equivalents (calculated based on a standard working week of 37 hours):

	2024	2023
	No.	No.
Administration	42	51
Property and Development	25	24
Housing and Communities	60	60
	127	135

Employee costs:	2024	2023
	£'000	£'000
Wages and salaries	5,371	5,204
Social security costs	531	522
Other pension costs	1,232	951
	7,134	6,677

Included in Employee costs are early retirement and voluntary redundancy costs totalling £nil (2023 £100,584).

The Association's employees are eligible to be members of Durham County Council Local Government Pension Scheme (LGPS). Further information is given below.

Notes to the report and financial statements
For the year ended 31 March 2024

9. Employees (continued)

Durham County Council Local Government Pension Scheme

Durham County Council Pension Fund (DCCPF)

The DCCPF is a multi-employer scheme, administered by Durham County Council under the regulations governing the Local Government Pension Scheme, a defined benefit scheme. The most recent formal actuarial valuation was completed as at 31 March 2012 and rolled forward, allowing for different financial assumptions required under FRS 17, to 31 March 2024 by a qualified independent actuary.

Pension assets are restricted to comply with FRS102 and recognise a plan's surplus as a defined benefit asset only to the extent that it is able to recover the surplus either through reduced contributions in the future, or through refunds from the plan. These criteria were not considered to be met at 31 March 2024 and an asset was therefore not recognised.

The employers' contributions to the DCCPF by the Association for the year ended 31 March 2024 were £1,232,231 (2023 £950,611) at a contribution rate of 26% of pensionable salaries.

Estimated Current service costs to the DCCPF during the accounting period commencing 1 April 2024 are £730,000.

	31 March 2024	31 March 2023
	% per annum	% per annum
Discount rate	4.8%	4.7%
Future salary increases	3.6%	3.7%
Future pension increases	2.6%	2.7%
Pension accounts revaluation rate	2.6%	2.7%
Inflation assumption – CPI	2.6%	2.7%

Notes to the report and financial statements
For the year ended 31 March 2024

9. Employees (continued)

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

The assumed life expectations on retirement at age 65 are:

	2024	2023
	No. of years	No. of years
Retiring today:		
- Males	21.7	22.2
- Females	24.0	23.5
Retiring in 20 years:		
- Males	23.0	23.5
- Females	25.1	25.5

Analysis of the amount recognised in surplus or deficit:

Year ended 31 March	2024	2023
	£'000	£'000
Current service cost	790	1,790
Past service cost	-	40
Amounts charged to operating costs	790	1,830

Year ended 31 March	2024	2023
	£'000	£'000
Net Interest	(30)	190
Amounts charged to other finance costs	(30)	190
Remeasurement (loss)/gain recognised on defined benefit pension scheme	(470)	8,230
Actual return on scheme assets	3,490	(2,160)

Notes to the report and financial statements
For the year ended 31 March 2024

9. Employees (continued)

Amounts recognised in the statement of financial position

Net pension at 31 March	2024	2023
	£'000	£'000
Present value of funded obligation	(36,670)	(36,180)
Fair value of scheme assets (bid value)	46,990	42,750
Net asset	10,320	6,570
Unrecognised asset	(10,320)	(6,570)
Value to be recognised in financial statements	-	-

Amounts recognised in the statement of financial position of the present value of scheme liabilities

	2024	2023
	£'000	£'000
Opening scheme liabilities	(36,180)	(51,550)
Current service cost	(790)	(1,790)
Past service cost	-	(40)
Interest cost	(1,690)	(1,390)
Contributions by scheme participants	(340)	(330)
Remeasurements	1,510	18,160
Benefits paid	820	760
Closing scheme liabilities	(36,670)	(36,180)

Notes to the report and financial statements
For the year ended 31 March 2024

9. Employees (continued)

Reconciliation of opening and closing balances of the fair value of scheme assets

	2024	2023
	£'000	£'000
Opening fair value of scheme assets	42,750	44,330
Remeasurements	1,460	(3,360)
Interest income	2,030	1,200
Contributions by employer	1,230	1,010
Contributions by scheme participants	340	330
Benefits paid	(820)	(760)
Closing fair value of scheme assets	46,990	42,750

Major categories of plan assets as a percentage of total plan assets

Equities	54.3%	53.7%
Gilts	10.3%	12.7%
Bonds	9.6%	4.4%
Property	6.6%	7.8%
Cash	1.8%	1.8%
Multi Asset Credit	15.2%	15.1%
Other	2.2%	4.5%

Notes to the report and financial statements
For the year ended 31 March 2024

9. Employees (continued)

History of asset values, present value of liabilities and surplus

	Year ended 31March 2024	Year ended 31March 2024
	£'000	£'000
Fair value of assets	46,990	42,750
Present value of liabilities	(36,670)	(36,180)
Surplus	10,320	6,570
Unrecognised surplus	(10,320)	(6,570)
Liability to be recognised in financial statements	-	-

10. Key management personnel

	Basic salary	Benefits in kind	Pension Contributions	Total 2024	Total 2023
				£'000	£'000
Board Members	61	-	-	61	59
Executive Directors	696	-	149	845	637

Notes to the report and financial statements
For the year ended 31 March 2024

10. Key management personnel (continued)

The full time equivalent number of employees, including Directors, who received remuneration payable, including pensions, car allowances and compensation for loss of office in relation to the period were as follows:

	2024 No. of employees	2023 No. of employees
£60,001 and £70,000	7	8
£70,001 and £80,000	8	2
£80,001 and £90,000	3	4
£90,001 and £100,000	1	-
£100,001 and £110,000	-	2
£110,001 and £120,000	1	1
£120,001 and £130,000	2	-
£130,001 and £140,000	-	1
£140,001 and £150,000	-	1
£160,001 and £170,000	2	1
£180,001 and £190,000	1	1
£210,001 and £220,000	1	-
	26	21

Notes to the report and financial statements
For the year ended 31 March 2024

10. Key management personnel (continued)

Individual Board Members levels of remuneration	2024	2023
	£'000	£'000
Dennis Bradley (Chair)	15	14
Kevin Thompson	7	7
Adele Barnett until 31.03.2023	-	7
Hannah Underwood	7	7
Oliver Colling until 20.09.2023	3	7
Norman Rollo	8	7
Charlotte Harrison	5	5
Natalie Wilkinson	6	5
Stephen Watson from 03.05.2023	7	-
Jennifer Clement from 25.09.2023	3	-
	61	59

The highest paid Director is the Chief Executive. Their emoluments including an adjustment for FRS 102 annual leave accrual, but excluding pension contributions, were £178,001 (2023 £152,022).

The remuneration payable to the highest paid director divided by the total number of social housing units at year end was £20.04 (2023 £17.53).

The total aggregate amount of remuneration paid to directors (including board members) divided by the total number of social housing units was £102.07 (2023 £80.28).

The Chief Executive is a member of the Durham County Council Pension Fund. The pension contributions made during the period were £38,129 (2023 £29,580).

They are an ordinary member of the pension scheme and no enhanced or special terms apply. The Association does not make any further contribution to an individual pension arrangement for this Director.

The number of directors accruing benefits under the pension scheme at 31 March 2024 was 6 (2023 4).

Board members

Board remuneration levels and calculations are recommended following the receipt of independent advice and adoption of an appropriate remuneration policy in accordance with Livin's rules and probity policy. Performance assessment is conducted through collective and individual annual appraisal of Board and Role Profiles and contracts for services are agreed with all Board Members to assist in assessing performance.

Board remuneration as a percentage of turnover is 0.1% (2023 0.1%).

Notes to the report and financial statements
For the year ended 31 March 2024

11. Tangible fixed assets – properties

Housing properties	Social housing properties held for letting	Non-social housing properties held for letting	Housing properties for letting under construction	Completed Shared Ownership Housing properties	Total housing properties
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2023	253,292	1,587	10,818	1,025	266,722
Additions	34,535	-	4,848	-	39,383
Works to existing homes	13,621	50	-	-	13,671
Schemes completed	10,308	-	(10,308)	-	-
Disposals	(917)	-	-	(35)	(952)
Transfer between investment assets	-	8	-	-	8
At 31 March 2024	310,839	1,645	5,358	990	318,832
Depreciationand impairment					
At 1 April 2023	62,134	126	-	164	62,424
Charged in year	7,885	27	-	28	7,940
On disposals	(653)	-	-	(16)	(669)
Impairment	219	-	-	-	219
At 31 March 2024	69,585	153	-	176	69,914
Net Book Value					
At 31 March 2024	241,254	1,492	5,358	814	248,918
At 31 March 2023	191,158	1,461	10,818	861	204,298

The carrying value of assets with restricted title or pledged as security is £206.5m (2023: £175.4m)

Notes to the report and financial statements
For the year ended 31 March 2024

11. Tangible fixed assets – properties (continued)

Expenditure on works to existing homes

	2024	2023
	£'000	£'000
Amounts capitalised as components	12,057	11,984
Amounts charged to the income and expenditure account	705	947
	12,762	12,931

Housing properties book value, net of depreciation and grants

Impairment

Livin considers individual schemes to be separate Income Generating Properties when assessing for impairment, in accordance with the requirements of Financial Reporting 102 and SORP 2018. An impairment charge of £219,148 (2023: £nil) has been made this year. This impairment charge relates to fifteen properties for sale which were improved as part of a regeneration scheme in Shildon, County Durham.

Social Housing Grant

Total accumulated Social Housing Grant Received or receivable at 31 March	2024	2023
	£'000	£'000
Capital grant	40,394	32,370
Recognised in the Statement of Comprehensive Income	2,565	2,177
Revenue grant	7	7
	42,966	34,554

Notes to the report and financial statements
For the year ended 31 March 2024

12. Tangible fixed assets – other

	Offices	Computers and office equipment	Total
	£'000	£'000	£'000
Cost			
At 1 April 2023	6,727	527	7,254
Additions	-	232	232
Disposals	-	-	-
At 31 March 2024	6,727	759	7,486
Depreciation			
At 1 April 2023	1,966	246	2,212
Charged in year	258	145	403
On disposals	-	-	-
At 31 March 2024	2,224	391	2,615
Net Book Value			
At 31 March 2024	4,503	368	4,871
At 31 March 2023	4,761	281	5,042

Notes to the report and financial statements
For the year ended 31 March 2024

13. Investments

	2024	2023
	£'000	£'000
Investment in Spirit Regeneration and Development LLP	4	4

Livin is a member of the Spirit Regeneration and Development Co. LLP. This is an agreement which allows Livin to deliver its development programme in line with Homes England requirements.

Livin owns 100% of the ordinary share capital (£1) of Livin Developments Ltd. The subsidiary did not trade during the year and was dormant at 31 March 2024.

14. Investment properties: Non-social housing properties held for letting

	2024	2023
	£'000	£'000
At 1 April	6,665	6,861
Works to Investment Properties	107	151
Revaluation (loss)	(244)	(316)
Disposals	-	(8)
Transfer	(8)	(23)
At 31 March	6,520	6,665

Investment properties were valued as at 31 March 2024. The associations' investment properties have been internally valued using a 10% yield by Livin's Land and Property Valuer, who is a member of the Royal Institution of Chartered Surveyors. The full valuation was undertaken in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors.

15. Stock

Shared ownership properties:	2024	2023
	£'000	£'000
Completed properties	-	105

Notes to the report and financial statements
For the year ended 31 March 2024

16. Debtors

	2024	2023
	£'000	£'000
Due within one year		
Rent and service charges receivable	2,447	2,909
Less: provision for bad and doubtful debts	(756)	(670)
	1,691	2,239
Trade debtors	342	264
Less: provision for bad and doubtful debts	(301)	(226)
Other debtors	588	410
Social housing grant receivable	1,030	309
Prepayments and accrued income	965	1,138
	4,315	4,134
Due after more than one year		
Other Debtors	644	662
	4,959	4,796

Debtors due after more than one year relates to a bond for construction works and legal charges held on private dwellings that are situated within regeneration schemes.

17. Cash and cash equivalents

	2024	2023
	£'000	£'000
Money Market Investments	1,423	4,810
Cash at bank	65	1,868
	1,488	6,678

Notes to the report and financial statements
For the year ended 31 March 2024

18. Creditors: amounts falling due within one year

	2024	2023
	£'000	£'000
Overdraft	-	-
Debt (note 22)	-	-
Trade creditors	3,905	3,232
Rent and service charges received in advance	556	595
Deferred Grant Income (note 19)	618	601
Recycled capital grant fund (note 20)	-	-
Other taxation and social security	146	118
Other creditors	1,032	833
Accruals and deferred income	3,409	4,107
	9,666	9,486

Included in Other creditors is £907,500 (2023 £736,701) owed to Durham County Council in respect of the VAT shelter.

Included in Accruals is £36,289 (2023 £30,305) relating to holiday pay accrued as a result of services rendered in the current period which employees are entitled to carry forward. The amount is measured as the salary cost payable for the period of absence.

Notes to the report and financial statements
For the year ended 31 March 2024

19. Deferred Capital Grant

	2024	2023
	£'000	£'000
At 1 April	31,100	24,541
Grant received in the year	8,024	7,055
Recycled capital grant	-	75
Released to income in the year	(388)	(546)
Grants disposed during the year	-	(25)
Recycled in the year (note 20)	(39)	-
At 31 March	38,697	31,100

	2024	2023
	£'000	£'000
Amounts to be released within one year	618	601
Amounts to be released in more than one year	38,079	30,499
	38,697	31,100

20. Recycled capital grant fund

	2024	2023
	£'000	£'000
At 1 April	62	137
Grants recycled	39	-
Other adjustments	1	-
Withdrawals	-	(75)
At 31 March	102	62
Amount 3 years or older where repayment may be required	-	-

Withdrawals from the Recycled capital grant fund are used for the purchase of housing properties.

Notes to the report and financial statements
For the year ended 31 March 2024

21. Creditors: amounts falling due after more than one year

	2024	2023
	£'000	£'000
Debt (note 22)	145,000	118,000
Less debt issue costs	(1,396)	(1,515)
	143,604	116,485
Deferred Grant (note 19)	38,079	30,499
Recycled capital grant fund (note 20)	102	62
	181,785	147,046

22. Analysis of changes in net debt

	At Beginning of the year	Cashflows	Non-Cash Movements	At End of the year
	£'000	£'000	£'000	£'000
Due in one year				
Cash and cash equivalents	6,678	(5,190)	-	1,488
Bank loans	-	-	-	-
Private placement	-	-	-	-
	6,678	(5,190)	-	1,488
Due after more than one year				
Cash and cash equivalents	-	-	-	-
Bank loans	(29,000)	(21,000)	-	(50,000)
Private placement	(89,000)	(6,000)	-	(95,000)
	(118,000)	(27,000)	-	(145,000)
Net Debt	**(111,322)**	**(32,190)**	**-**	**(143,512)**

Notes to the report and financial statements
For the year ended 31 March 2024

22. Analysis of changes in net debt (continued)

Security

The bank loans and private placement debt are secured by fixed charges on individual homes.

Terms of repayment and interest rates

The percentage of loans at fixed rates of interest was 76% at the year end.

The weighted average cost of capital at 31 March 2024 is 3.39% (2023 3.34%)

At 31 March 2024 the Association had available further bank loan facilities of £55m (2023 £76m). Based on the lender's earliest repayment date, borrowings are repayable as follows:

	2024	2023
	£'000	£'000
Within one year or on demand	-	-
In one year or more but less than two	26,500	-
Between two and five years	23,500	9,250
Five years or more	95,000	108,750
	145,000	118,000

23. Non-equity share capital

	2024	2023
	£	£
Shares of £1 each issued and fully paid		
At 1 April and 31 March	8	10

The shares provide members with the right to vote at general meetings of the Association, but do not provide any rights to dividends or distributions on a winding up.

24. Reserves

Revaluation Reserve

This comprises of unrealised surpluses or deficits on the revaluation of investments.

Revenue Reserve

This includes all current and prior year retained surpluses and deficits.

Notes to the report and financial statements
For the year ended 31 March 2024

25. Cash flow from operating activities

	2024	2023
	£'000	£'000
Surplus for the year	4,723	5,939
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	8,343	7,807
Impairment of tangible fixed assets	219	-
Unrealised loss on revaluation of investments	244	316
Defined benefit pension scheme operating charge	790	1,830
Defined benefit pension scheme contributions paid	(1,230)	(1,010)
Surplus on the sale of Social Housing	(548)	(1,288)
Loss on Non-Social Housing disposals	-	8
Decrease/(Increase) in Debtors	558	(1,041)
(Decrease)/Increase in Creditors	(138)	45
Decrease/(Increase) in Stock	105	(105)
Adjustments for investing or financing activities:		
Interest receivable	(211)	(57)
Interest payable	5,456	3,813
Government grant amortised	(388)	(546)
Net cash inflow from operating activities	17,923	15,711

Notes to the report and financial statements
For the year ended 31 March 2024

26. Capital commitments

	2024	2023
	£'000	£'000
Capital expenditure		
Expenditure contracted for but not provided in the accounts	23,142	29,707
Expenditure authorised by the Board, but not contracted	22,842	24,476
	45,984	44,984

The above commitments will be financed through borrowings, operating surpluses and Homes England grant.

27. Contingent assets / liabilities

The Association had no contingent assets or liabilities as at 31 March 2024 (2023 £nil).

28. Leasing commitments

	2024		2023	
	Landand Buildings	Other Assets	Landand Buildings	Other Assets
	£'000	£'000	£'000	£'000
In one year or less	6	55	14	62
Between one and two years	-	52	-	26
Between two to five years	-	91	-	40
Over five years	-	11	-	11
	6	209	14	139

Notes to the report and financial statements
For the year ended 31 March 2024

29. Related parties

During the year, the aggregate amount received in rent for Board Members was £4,946.76 (2023 £nil). The arrears relating to tenant board members at the year end was £nil (2023 £nil).

Finance of £25,000,000 was provided by Clydesdale Bank Plc on the 3 March 2023. This is a revolving credit facility and there have been no withdrawals made during the year (2023 £nil). Clydesdale Bank Plc is the only member of The Virgin Money Foundation, a charitable organisation that board member Hannah Underwood resides as a Director and Trustee.

An apprenticeship scheme is in place with the Advance Learning Partnership Multi Academy Trust of which Alan Boddy is the Chair of Governors. As part of this scheme Livin recruit up to three apprentices from members of the Trust under a two year apprenticeship. No payments or receipts are made between Livin and the Trust.

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