OUR MISSION

Local Space is dedicated to delivering affordable and quality social housing in East London and the surrounding areas.
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Welcome to your annual report for 2015/16

It is designed to provide a snapshot of some of the main activities undertaken by Local Space throughout 2015/16 and offers a glance at our upcoming plans.

Each year we create an annual report to let our residents, partners and other interested people know what we have been doing over the last year and why. In this report we provide updates on some of the main areas we have focused on, report back on our performance and overall satisfaction with our services, as well as outline how we are planning for the future. We hope you enjoy it!
We have been through a landmark year at Local Space with the Growth Strategy agreed with Newham and new lending to support these plans. Alongside this work we continue to deliver services to our existing residents providing management and maintenance of our homes. To make sure that we keep up good levels of performance, we measure how we are doing during the year and report this to the board and to the Tenants’ Policy Scrutiny Panel (TPSP). This year we have provided refurbishment works to our homes replacing kitchens, bathrooms, roofs and boilers as well as undertaking day to day and emergency repair works to keep tenants’ homes in good order.

During the year we piloted a programme of house purchases to be used for temporary accommodation by Newham. These homes are located in Essex and this has proved to be a largely popular choice. In total 55 existing homes were purchased with minor works carried out to ensure that they met our letting standards. In this report we hear from some of those people who moved into these homes.

Our homes are much needed and this year we began discussions with the London Borough of Newham (‘Newham’) to see how we can continue to provide even more homes. This resulted in an agreement between us and Newham to provide another 800 homes over the next four years. This agreement is supported by new arrangements with our funders that will help us deliver this major innovative partnership project.

My thanks go to my colleagues on the board of Local Space and to the staff who have worked tirelessly to make this happen. A special thank you is given to Richard Clark – the outgoing Chief Executive – who started the discussions and led on the strategic work. We also welcomed a new Chief Executive, Jitinder Takhar, who joined us in March 2016 and who will keep the organisation’s focus on meeting local housing need.

This year we received one of the highest credit ratings awarded to a Housing Association; an AA rating. This means that we should be able to access better lending rates from funders and we are seen as being financially sustainable. In addition to this our Governance rating of G1 was restored by the Homes and Communities Agency to sit alongside our Viability rating of V1. This makes Local Space a well-regarded organisation that can use this strength to provide additional homes for those in greatest need.

Our staff are our biggest and most valuable resource and my thanks go to my colleagues on the executive team as well as to the wider staff group here at Local Space for meeting the challenges of a particularly testing year. As recognition of the hard work and motivated culture of the organisation we were re-accredited with Investors in People Silver – a great acknowledgement for a small organisation and its dedicated employees.

The organisation has recognised that it will need to adapt to make sure that it meets the new challenges ahead. The board and staff are well underway with a review of the skills needed for the future to make sure that we are as strong as possible in all areas of performance.
Local Space was created in 2006 through a partnership between the Newham and a group of housing professionals. The gifting of 450 properties from Newham to Local Space enabled us to raise £200 million to buy and improve more than 1000 homes across East London within two years of establishment; the majority of these are in Newham. We are based in Stratford, East London and currently employ 28 members of staff.

Local Space owns 1821 homes, mainly in the east end of London. We deliver housing through a ‘purchase and repair’ approach to provide homes for families in need of accommodation. Around 1450 of these properties are managed day-to-day by companies working for Newham. We currently directly manage 370 properties of which 132 are for keyworkers working within the public sector.

Local Space is distinctive because the majority of our homes are used by Newham, enabling it to provide temporary accommodation for homeless households. We also work with other partner local authorities in City of London, Hackney and Waltham Forest.

Local Space is a social landlord with charitable status, dedicated to delivering affordable and quality social housing to people on lower incomes, to help them improve their quality of life.
OUR OBJECTIVES

• Providing high quality accommodation
• Providing customer orientated services
• Being a well managed organisation
• Being a successful business

Acting with integrity
At Local Space acting with integrity means being trustworthy and reliable. When we book an appointment with you we keep it, when we arrange a call back we follow through, if we have made a mistake we will fix it.

Including everybody in the business
At Local Space we regularly ask for feedback to help us improve the business. For example, we took feedback from the Tenants’ Policy Scrutiny Panel when they reviewed the Resettlement Policy. As this is a service that affects those who live in our homes we thought that the best place to get meaningful feedback would be from those who live in our homes.

Putting customers first
At Local Space we aim to get our repairs right first time by working with our residents to ensure that we have all the right information to solve the problem. We are also there when life gets tough and will provide advice and support for our residents to enable them to keep on top of their rent payments and keep their homes.

Realising everyone’s potential
At Local Space we have always provided a good employment package to our staff when competing against larger London organisations. At the heart of helping our staff realise their potential has been providing qualification training, personalised work and career assessments for everyone and supporting apprentices to succeed in the future.

Striving for excellence
Local Space was short-listed in the 2016 Housing Excellence Awards small Housing Association category. We were also recognised for our AA credit rating alongside the top five much larger housing providers who held the rating. This success was behind the loan finance to fund the 800 property growth programme in partnership with Newham.
Local Space has worked well in partnership with Newham and over the years we have always looked to increase the homes we can make available to people in housing need.

The relationship with Newham is an important part of the planned new growth. The board and officers worked together with the Mayor and his staff from Newham to agree this much needed programme of new homes. This is supported by new funding arrangements with our lenders and we were very pleased that we could use our much prized AA credit rating to secure the best deal possible. This means that we are making efficient use of money and making it stretch further.

The growth strategy will provide an additional 800 homes which Local Space will offer to Newham to house those individuals and families looking for safe and good quality accommodation. London is an area where house prices and rents are out of reach for many ordinary people and this new growth will go some way to help these households. We will seek to provide different types of accommodation across Newham as well into Essex where some wish to be housed and where our money can go further.
GOVERNANCE STANDARDS

Good governance is about ensuring that the Board works effectively. The Board is responsible for the overall direction, effectiveness, supervision and accountability of Local Space; all of which are of great importance. Local Space has prioritised governance this year and undertook a thorough review. This included comparing current governance practice against best practice across the sector, and against the requirements of the 2015 NHF Code of Governance in order to assess and meet its future needs. See more about our Board on page 20.
Our pilot project - Local Space Essex - shows how well Local Space and Newham worked together to house people outside the area.

The initial target was 55 properties and we are pleased to report that all have been purchased in Essex and all are now occupied. Housing need has rocketed in London, and house prices and private rents are both at levels that are now sadly out of reach of most ordinary Londoners. Affordable housing provided by housing associations and local authorities is one way that these households can secure safe and good quality accommodation.

By buying properties in Essex, Local Space can make its funds stretch further by buying more homes than would be possible in more expensive areas. We know that relocating out of area can be challenging, so as part of this programme, we provided a resettlement service to all tenants. This helped people settle in more quickly by providing help when needed by, for example, helping with small grants to assist with the purchase of essential furniture.

The homes we have purchased have been in Basildon, Grays and Tilbury. We have created “clusters” of homes so that households moving to Essex will be close to other households who have had a similar experience. This will help if tenants wish to share information about their new area. This will also help us manage properties and resolve issues more quickly.

This project was a pilot to see if the idea would work on a larger scale and to learn lessons. We have gained invaluable experience that will help us plan more effectively for the growth programme.

The success of this initial programme of 55 properties has helped with the discussions and agreement to provide an additional 800 homes across Newham and parts of Essex. We are hopeful that the new individuals and families that we will house in partnership with Newham will be happy in their new homes.
We are happy that our new tenants seem happy with their homes. Here is what a few of them have to say:

“Everything good.”
Miss D Zacharasukine, Chalk End, Essex

“The Resettlement Officer was excellent.”
Ms Sheikh-Faqui, Landermere, Essex

“Compared to other landlords, Local Space is very good.”
Ms S Simmons, Wandsworth, Essex

“I am really happy with my house. I like the kitchen, it’s really wide.”
Ms S Diatta, Rise Park, Essex
COMMUNITY FOCUS

TENANTS' POLICY SCRUTINY PANEL

The Tenants’ Policy Scrutiny Panel was launched in December 2014 with the aim to jointly work with the Board, officers and tenants to direct and influence service delivery and identify improvements that address the needs of all tenants.

The Panel is made up of a group of tenants who are becoming skilled through training and practical experience to understand what an ideal service might look like and explore best practice. The Panel has a ’commissioning’ role, in that it can ask questions of officers, request reports or evidence and compare Local Space’s performance against other landlords.

The outcomes of this year’s Panel is listed below:

**PERFORMANCE MONITORING**
- Hold officers to account for the general service delivery to tenants on key areas of services i.e. rent collection and repairs made on time
- Discussing the improvement plan for the repairs and maintenance contract.

**INFLUENCING AND SHAPING POLICIES AND PROCESSES**
- Resettlement Policy for London Borough of Newham’s Essex Project
- Tenant Involvement and Rewards Incentive Scheme
- Antisocial Behaviour Policy and Procedure
- Domestic Violence and Abuse Policy
- Keyworker Review
- Rent Increase Process

“We have committed, diverse and highly skilled members who have worked hard to establish an understanding with each other and staff. With assistance from Local Space, members have undertaken a range of short training courses which have been hugely beneficial in building our confidence and focusing on how to approach the tasks ahead. We have been able to influence issues such as the Key Worker Review, and are now building towards undertaking our first formal scrutiny of Local Space business.

A word from Bill Page, Chair of the Tenants’ Policy Scrutiny Panel

IF YOU ARE INTERESTED IN JOINING THE PANEL, CONTACT US AT LOCAL SPACE.
MORE THAN JUST BRICKS AND MORTAR
AFFORDABLE WARMTH

Everyone should have the opportunity to live in a home that is warm, comfortable and affordable. We want to deliver sustainable, environmentally friendly homes to all our tenants. To achieve this, Local Space has kicked off a £80,000 programme over the next 10 years.

In the first phase of the affordable warmth programme, we carried out cavity wall insulation, loft insulation and seven hybrid insulation. Following the works households reported increased comfort benefits and felt more in control of the use of energy throughout the household.

In the programme's second phase, we completed renewals to windows and doors, and boiler upgrades to properties identified as least energy efficient. We have also carried out nine electric to gas conversions, installing A-Rated gas boilers with central heating system.

In addition, Local Space arranged training to all our customer service facing staff to provide them with knowledge and understanding of energy efficiency measures. This in turn, has enabled staff to provide good advice to tenants.

As part of an on-going boiler renewal programme, Local Space fit A-Rated energy efficiency boilers with up to date heating controls. A-Rated boilers provide efficient heating and subsequently reduce fuel bills and CO2 emissions.

This year we will carry out Health Energy Checks on some of our properties, the survey will include:

- Energy saving advice
- Tariff advice and support with switching
- Fuel debt advice and advocacy with energy suppliers
- Install small energy saving measures

By carrying out the Health Energy Checks, Local Space hopes to achieve real benefits for our tenants by saving fuel bills and educating our tenants on energy saving tips.
Supporting local Foodbanks

£400 RAISED
Last year Local Space employees voted to sponsor Foodbank charity Trussell Trust which operates within the key locations of Local Space property portfolios.

Foodbanks rely on donations from the local community to provide foods and other supplies to households who are experiencing a range of personal crises and poverty due to low income, benefit delays or even unexpected bills.

To support this, our staff routinely provide food items such as tinned fruit, beans, rice, pasta, cereals, biscuits and toiletries. As part of our Christmas Appeal, Local Space presented a cheque for £210 raised by staff via bids and raffles, and donated 35.46kg of food to Newham Foodbank, based at the Beckton Centre.

“The donation made an immense difference to our 2015 Christmas appeal as it allowed us to give additional Christmas hampers to food recipients over the period.”

Adeola Osunbade, Newham Foodbank Co-ordinator

London Community Credit Union

£10,000 RAISED
We participate in the London Community Credit Union (LCCU) membership scheme which was set up to benefit staff, as well as supporting the local community. LCCU is a not-for-profit financial cooperative run for, and by, its members and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. It is community focussed and provides vital services and support for individuals and neighbourhoods.

Employees of participating employers can join the scheme which will allow them to open a new account, apply for a loan, set up a payroll deduction arrangement or amend an existing one, register relatives and set up savings plans for them. Since June 2015, the staff at Local Space have saved £10,000 which means that the association has raised approximately £10,000. The savings help LCCU to make cheaper loans to local residents who otherwise cannot obtain loans from high street banks.
Supporting DeafBlind UK

FREE USE OF FACILITIES

We were initially approached by Deafblind UK in March 2012 as part of a new Lottery-funded project to set up a Peer Support Group in Stratford for people with combined sight and hearing loss. We were able to offer facilities at our office to support these activities.

Deafblind UK is now in its fifth year of running and meets monthly at Local Space, where the group get together for social events and local speakers. Local Space staff have welcomed members, supported them on their arrival and movement around the building, and made sure that their visit is safe and enjoyable. Local Space have also supported home-based Deafblind staff to be able to recruit volunteers and use facilities to interview and undertake relevant paperwork.

‘Without the continued support of Local Space and the use of their building and facilities the group would have trouble meeting each month... We continue to appreciate all the support and help we receive from all staff.’

DeafBlind UK
THE YEAR IN REVIEW
IN NUMBERS...

92% REPAIRS contractors arrived on time for appointments

97% of repairs completed

96% satisfaction with gas servicing

80% find it easy to get through to the right person

84% RESIDENT SATISFACTION with the quality of repair work
LOCAL SPACE SUCCESSFULLY DELIVERED THE PLANNED MAINTENANCE PROGRAMME

with improvements across homes we managed to renew:

- 41 windows and doors replaced
- 30 roof coverings
- 34 new kitchens
- 39 new bathrooms
- 99 boilers and heating systems installed
- 12 electrical rewires

We have also carried out 250 Stock Condition Surveys; this is to help us identify any works that we may require to be carried out in the future.

Collected rent: 98.10%
OUR PEOPLE
At Local Space we pride ourselves in providing value for money and ensuring that we have a fit for purpose workforce that gives excellent service. In 2016 we reviewed our staffing structure to create a new Development Department so that we contribute to London’s homeless challenge and increase the number of properties we own by an additional 800 new homes for people to live in. We achieved this without increasing our staffing budget but through implementing a lean and smarter structure employing 24 staff.

2016 has been a dynamic year. It started with official confirmation of our re-accredited Investors in People status in January, enabling us to remain in the top 6% of organisations that hold the Silver award. We are very proud to hold this award. Our staff fully participated in the assessment process at a time a lot of work was going into making our plans to grow our housing stock by 800 properties a reality.

Local Space is very fortunate in attracting great people. We appointed a new Chief Executive, Jitinder Takhar who was Group Development Director at large Housing Association. Jitinder’s development background made her our ideal candidate to lead Local Space at this time of growth.

We prepared our staff for change at our successful staff conference where change was a key theme. We had excellent feedback with staff saying it was “the best staff conference they had been to”, combining fun and serious reflection, where staff could explore the future of Local Space and their contributions. This really paid off when we consulted with staff and implemented the new staff structure.

As part of our change programme we consulted the staff on how they wanted to get their views and opinions heard. This resulted in the launch of staff engagement focus groups.

Our first apprenticeship programme has come to an end and past apprentices successfully take on new challenges. Our Business Administrator Apprentice, Teoni Hyde, now works in school administration and our Housing Services Apprentice Dammy Oladipo went on to University. We will be reviewing our apprenticeship scheme for a 2017 in-take.

Local Space has been great to work for, they provided me with support with CV writing and interview practice and given me wider work experience. I now have even more to offer in my next job.

Daniella Jacobs, is our Customer Service Apprentice. She completed her apprenticeship and has provided support in the restructure transition on a fixed term contract basis.
Strategic leadership is provided by a non-executive Board including Newham Council appointees and independent members. Operational management of the organisation is led by the Chief Executive, supported by the Executive Management Team.

We have made significant progress with our governance arrangements this year. These changes include reducing the size of the Board and reviewing our committee structure. All of our governance documentation and our Rules will now be updated. A review of Board members remuneration against similar Housing Associations indicated that Local Space had fallen behind the norm for payments and that there is a need for us to catch up to ensure that we can attract the skills that we need on the Board. We will address this over the next year.

In looking at our compliance with the NHF Governance Code we are pleased to say, that with two exceptions, Local Space is fully compliant with the Code. Work is ongoing to address the two areas of non-compliance by next year.

The Board reviews the major risks facing Local Space on a regular basis. We also ensure that the key areas of the association are audited regularly and that business is conducted in an ethical manner in line with our values.

Last year, Local Space had a Homes and Community Agency governance rating of G2. This was restored to G1 this year following a review of the Value for Money strategy and plan.
John Layton (Chair)
John is a chartered accountant and a former director of PricewaterhouseCoopers (now known as PWC) who helped set up Local Space and was our first chair. He became chair again in October 2015.

Sarah Ebanja (Vice Chair)
Sarah is chair of Newlon Homes. She’s been deputy chief executive of the London Development Authority and Islington Council.

Cllr Ian Corbett
Ian has lived in Newham for over 27 years. He was elected to Newham Council in 1992 and is currently the executive member for infrastructure and environment.

Cllr Andrew Baikie
Andrew has been a Newham councillor since 1992. He has held many different roles on the council and is currently the Lead Member for Housing.

Elaine Bowes
Elaine is a specialist in equality, diversity and inclusion. She has worked mainly in public sector roles and has a strong track record of bringing in improvements in these areas.

Cllr Ian Corbett
Ian has lived in Newham for over 27 years. He was elected to Newham Council in 1992 and is currently the executive member for infrastructure and environment.

Cllr Richard Crawford
Richard has been a Newham councillor since 1998. He was chair of scrutiny before becoming executive member for community affairs. He also worked for local MP Tony Banks.

Caitlin Farrow
Caitlin is a policy and research professional and is currently the Head of Strategy, Planning, Policy and Insight at Peabody. She is also a trustee of Health Improvement Project Zanzibar.

Janet Marsh
Janet has been a resident of Local Space since 2006, and was chair of our tenants’ association for three years. Her work has included our maintenance and scrutiny committees.

Douglas Trainer
Douglas is the Assistant Chief Executive, Corporate Services at Newham Council. He has previously held a number of senior roles in government, the public, private and voluntary sectors.
### Income and Expenditure account

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<td>Turnover £'000</td>
<td>25,576</td>
<td>24,777</td>
<td>24,491</td>
<td>24,248</td>
<td>23,955</td>
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<tr>
<td>Operating surplus £'000</td>
<td>14,536</td>
<td>14,066</td>
<td>14,020</td>
<td>12,056</td>
<td>13,572</td>
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<td>Surplus for the year £'000</td>
<td>(1,842)</td>
<td>6,783</td>
<td>7,241</td>
<td>6,056</td>
<td>6,003</td>
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### Balance Sheet

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<td>Tangible Assets £'000</td>
<td>331,944</td>
<td>330,410</td>
<td>327,473</td>
<td>301,830</td>
<td>297,496</td>
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<td>Loans repayable after more than one year £'000</td>
<td>171,017</td>
<td>172,065</td>
<td>172,001</td>
<td>172,000</td>
<td>184,000</td>
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<td>Reserves £'000</td>
<td>172,260</td>
<td>174,078</td>
<td>131,866</td>
<td>119,103</td>
<td>136,628</td>
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### Accommodation figures

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<tr>
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<th>Units</th>
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<td>Total Housing stock, owned and managed</td>
<td>1,821</td>
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### Key ratios

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<tbody>
<tr>
<td>Operating surplus %</td>
<td>67.2</td>
<td>68.3</td>
<td>67.1</td>
<td>62.9</td>
<td>64.3</td>
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<tr>
<td>Surplus for the year %</td>
<td>7.2*</td>
<td>27.4</td>
<td>29.6</td>
<td>25.0</td>
<td>25.1</td>
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<tr>
<td>Rent Losses %</td>
<td>0.3</td>
<td>0.8</td>
<td>0.5</td>
<td>1.2</td>
<td>0.6</td>
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<tr>
<td>Rent arrears %</td>
<td>1.8</td>
<td>1.9</td>
<td>2.1</td>
<td>2.2</td>
<td>1.6</td>
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<td>Liquidity %</td>
<td>244.7</td>
<td>329.2</td>
<td>283.6</td>
<td>131.8</td>
<td>236.6</td>
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*All figures have been extracted from current and prior years’ audited financial statements. Please refer to our website for full accounts.
## Balance Sheet

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<tr>
<th></th>
<th>2016 £'000</th>
<th>2015 £'000</th>
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<tr>
<td><strong>Tangible Fixed Assets</strong></td>
<td></td>
<td></td>
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<tr>
<td>Housing properties</td>
<td>329,504</td>
<td>328,574</td>
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<tr>
<td>Other fixed assets</td>
<td>1,705</td>
<td>1,541</td>
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<tr>
<td>Investment properties</td>
<td>735</td>
<td>295</td>
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<tr>
<td><strong>Total Tangible Fixed Assets</strong></td>
<td>331,944</td>
<td>330,410</td>
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<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
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<tr>
<td>Trade and other debtors</td>
<td>715</td>
<td>928</td>
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<tr>
<td>Cash and cash equivalents</td>
<td>18,450</td>
<td>21,673</td>
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<td><strong>Total Current Assets</strong></td>
<td>19,165</td>
<td>22,601</td>
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<td><strong>Creditors: Amounts falling due within one year</strong></td>
<td>(7,832)</td>
<td>(6,868)</td>
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<td><strong>Net current assets/liabilities</strong></td>
<td>11,333</td>
<td>15,733</td>
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<td><strong>Total assets less current liabilities</strong></td>
<td>343,277</td>
<td>346,143</td>
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<td><strong>Creditors: Amounts falling due after more than one year</strong></td>
<td>(170,908)</td>
<td>172,001</td>
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<tr>
<td><strong>Provision for liabilities</strong></td>
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<tr>
<td>Pension provision</td>
<td>(97)</td>
<td>(45)</td>
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<tr>
<td>Other provision</td>
<td>(12)</td>
<td>(19)</td>
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<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>172,260</strong></td>
<td><strong>174,078</strong></td>
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<tr>
<td><strong>Reserves</strong></td>
<td></td>
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<tr>
<td>Income and expenditure reserve</td>
<td>40,748</td>
<td>42,566</td>
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<tr>
<td>Revaluation reserve</td>
<td>131,512</td>
<td>131,512</td>
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<tr>
<td><strong>Total reserves</strong></td>
<td><strong>172,260</strong></td>
<td><strong>174,078</strong></td>
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