



London Rebuilding Society | 2018 Annual Review

We believe that every house should be a home.

A home that is warm, dry, safe and secure.
A home fit for living: a home to be proud of.

“Half of all households in poverty are homeowners.”

Joseph Rowntree Foundation
(JRF) report, February 2018



£624 million is the cost of poor housing to the NHS for households aged 55 years or older

1.4 million low income older owner-occupiers living in older non-decent housing

£1.5 billion is what home hazards cost to the economy annually (BRE)

7.8 million elderly homeowners have no central heating

750,000 elderly people need special adaptations because of a medical condition or disability (NHF)

The homes of older homeowners in poverty require £2 billion investment to bring them up to the Government's Decent Homes Standard.

JRF report, February 2018

“My severe anxiety was made worse by the state of the house, now my depression and anxiety are much better.”

Mary, homeowner

Lasting impact

A solution for older homeowners in real need for essential house repairs

A home fit for them to live in for the long-term

Makes their home energy efficient and reduces energy costs

Improves their health and well being

Ensures they access all appropriate grants and benefits

Savings to the public purse: health, care, housing

70% reduction in carbon emissions from property

Access to private sector finance otherwise unavailable

Secures better community health, wellbeing

Reduced urban blight in the community

Word from the Chair

Some 9 years ago when at Energy Savings Trust I first started to work with London Rebuilding Society (LRS) on projects to address fuel poverty, becoming a Director in 2012, and 3 years later the Chair. I look back with pride at what the Society has achieved against much adversity, and I am excited about our prospects going forwards.

LRS is known for its fearlessness and innovation – developing new approaches to, seemingly intractable, problems: designing person centred ways of working, testing them out and seeking finance and partners to grow them to scale.

In 2014 the Society made a bold decision, influenced by the political and economic environment, and to ensure the Society's survival for its community – those whose lives we aim to change for the better. All the Society's focus shifted to where we have the greatest impact and the greatest potential to transform people's lives: the Home Improvement Scheme: Making Every House a Home.

Our collaboration with Partnership Assurance launched in 2014, ended in 2015 after changes in the pension and annuity regime. Determined to survive despite the difficult situation we faced, we rescheduled our existing debt with supportive lenders – RBS Social and Community Capital, and

Partnership (now merged with JUST), the Board approved that the Society seek a new partner, and raise finance to re-launch the Home Improvement Scheme.

Negotiations with Legal and General Home Finance, now the country's largest provider of equity release began in earnest, and Age Partnership, the country's largest provider of retirement advice have come to fruition. We have tested the waters with some pilot case studies (a couple are illustrated in the review), and now, finally, we are ready to re-launch the Home Improvement Scheme.

In 2016, the Society secured its permission from the Financial Conduct Authority (FCA) to manage its existing Home Improvement Scheme portfolio, and embarked on a major finance raising strategy. LRS joined the Social Stock Exchange (SSX) and secured Social Investment Tax Relief status (SITR).

With fantastic support from i-for-change, through SSX, and Amberside Capital, via the Ethex platform (www.ethex.org.uk) LRS raised £240k, matched by Big Society Capital. A further £300k has



“LRS has always been known for its fearless innovation”

been raised in social investment from Esmée Fairbairn Foundation. We thank all of our prior and new investors for their continuing belief in London Rebuilding Society and its unique Home Improvement Scheme.

Finally, I must thank our brilliant staff and consultants who have worked tirelessly to make sure LRS thrives to deliver this exemplary scheme, the Directors and Members, and all of our fantastic old and new partners and friends who are named at the back of this review. Here is to an exciting new chapter in the Society's history.

Ben's story a new beginning

Ben is 68 years old living alone in the family home in Leyton where he was born. He suffers from a form of autism which makes him very vulnerable and his cousins help him with his affairs.

His house is in a state of severe disrepair so he lives and sleeps in one room, which is barely habitable. With no heating, hot water, working bathroom or toilet and no running water, the house is damp and a large hole in the roof allows rain into the rear of the property. The ceilings to all the back rooms have collapsed.

Thankfully, this is not how Ben is living now.

Age Partnership, our independent equity release advisors recommended to Ben a lifetime mortgage to fund the Home Improvement Scheme.

We arranged for him to stay in a local friendly hotel, whilst work started on his house in January, completed in April.

When the lenders saw the house they said *"We are very impressed with the transformation of the property and very pleased that Ben's health has improved enormously."*

His cousins tell us Ben does not get ill or depressed now and is much more engaged with his neighbours.

Before the house was refurbished it was valued at £250k, and £500k post works. A local estate agent estimated it to be closer to £600k.



Sandra's story a much needed transformation

Sandra and Fred have lived in their house for over 30 years but they feel as if they just bought a new one.



Going from overcrowded distressed living conditions where they lived with their four children (all in their twenties and thirties) in a three bedroom house, their home has now been converted to a five bedroom house thanks to £190,000 equity released to fund the Home Improvement Scheme.

The house, valued at £200k in its pre-refurbishment state, is now valued at £650k. But the benefits go beyond – their daughter's asthma is vastly improved, two of the children now work and they have started socialising more.



This success story was picked up by Inside Housing who, impressed with the transformation, interviewed Sandra and in August 2018 wrote an article titled *"Helping vulnerable homeowners pay for essential repairs"*.



Inside Housing is read by many people in local government we want to work with and will help us reach more homeowners living in this situation. Many homeowners find themselves trapped as neither public nor private funds are available to them due to the state of their property.

Challenge and Opportunity

A decade since the economic crash of 2008 we still face economic and political uncertainty. Life has become harder – individuals, the public sector, small businesses, charities and Social Enterprises are no exception.

But we are still here – alive and kicking! Our goals remain to create a fairer, more just and ethical society with projects and services that make lives better. We are re-launching our Home Improvement Scheme: Making Every House a Home.

This is our way of helping the invisible poor – elderly people living in homes in disrepair. We enable them to live for as long as they like in a home which is warm, dry, energy efficient, safe and comfortable. These people would otherwise be forgotten.

Our partners Legal and General Home Finance introduced a Property Refurbishment Lifetime Mortgage, designed to meet the needs of home owners who can take up our Scheme. Currently they only offer the product

through London Rebuilding Society and Age Partnership, although they are working to deliver the product through other trusted partners across the country. It's taken time, but it has been worth it.

We have not shouted loudly and long enough about what we do, and that is changing. We have a new opportunity to pursue our mission, change lives for the better by improving health, wealth, and well being. We deliver lasting, measureable social impact illustrated in our annual Social Impact Report.

We are proud to work with Legal and General Home Finance. There is real support for our work at the most senior level in government, NHS, and from key figures in civil society.



We are proud of our relationship with such a progressive organisation as Age Partnership – the country's leading retirement advisors.

We are proud that we have raised £780k from individual social investors, Big Society Capital, and Esmée Fairbairn who believe in what we do.

We are proud to be a social enterprise – a mutual, and to generate income to help create a fairer society, not through grants and public contracts but from the income generated from our ethical, fair, and affordable products and services.

And we are proud to have you, our members, continue to support us, together with our funders, investors and many friends and partners. We welcome your input. We listen to you.

Last but not least we're proud of our board, staff, and consultants and so thank you to you all.

Summarised Accounts for 2017 – 18

The summarised financial statements which follow are consistent with the full unqualified consolidated financial statements of London Rebuilding Society Limited obtainable from the registered office

Directors

Simon Green, Chair
John Perry, Treasurer
Naomi Kingsley, Company Secretary
Angela Ishmael, Director
Richard Butler, Director

Income and Expenditure Account for the year ended 31 March

	2018 £	2017 £
Income	161,442	98,390
Operating Costs	341,553	324,028
Operating Surplus/(Deficit) for the year	(180,111)	(225,638)
Interest receivable	-	132
Interest payable & similar charges	38,520	44,858
Net Deficit for the year	(218,631)	(270,364)
Revenue reserves brought forward	(1,611,443)	(1,341,079)
Revenue reserves carried forward	(1,830,074)	(1,611,443)

Balance Sheet as at 31 March

	2018 £	2017 £
Tangible Fixed Assets	122,670	145,685
Housing Project Investments	2,111,796	2,358,229
Loan Portfolio	52,436	81,508
Other Current Assets	99,877	111,181
Current Liabilities	(178,377)	(538,933)
Net Current Liabilities	(26,064)	(346,244)
Total Assets less Current Liabilities	2,208,402	2,157,670
Long Term Liabilities	(547,564)	(429,920)
Net Assets	1,660,838	1,727,750
Capital and Reserves		
Share Capital	145,600	149,250
Loans Capital Fund	200,745	200,745
Housing Capital Fund	1,811,796	2,058,229
Maintenance Fund	160,000	170,000
Housing Proceed Reserve	1,172,771	760,969
Income and Expenditure Account	(1,830,074)	(1,611,443)
Total Capital and Reserves	1,660,838	1,727,750

Some of London Rebuilding Society's friends and supporters

Age Partnership
Amberside Capital Ltd
Barrow Cadbury Trust
BHESCO
Big Society Capital
Centre for Ageing Better
Co-operatives UK
Esmée Fairbairn Foundation

Ethex
Golding Smith & Partners
Hoarding UK
Impact Investment Network
i-for-change
JUST (Partnership Assurance)
Legal and General Home Finance
Linklaters LLP

Menzies
RBS Social & Community Capital
Retrofit Works
Social Enterprise UK
Social Stock Exchange
The Brooke Consultancy
ThinCats



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London Rebuilding Society Limited is a registered society under the Co-operative and Community Benefit Societies Act 2014. It is registered in England and Wales as IPS no. 29352R and as HMRC Exempt Charity No. XR65865 at 7th Floor 45 Moorfields London EC2Y 9AE
London Rebuilding Society Limited is authorised and regulated by the Financial Conduct Authority. FCA Permission No: 735804.