



L&Q in Lewisham: Housing Committee Submission

About L&Q

For over 50 years L&Q's core social mission has been to provide homes for those who cannot afford to rent or buy on the open market.

L&Q are proud to work in the London Borough of Lewisham; as one of our core neighbourhoods we own and manage over 10,000 properties in the borough, and have an active development pipeline of over 800 homes¹, of which nearly half will be for rent, and over half will be for those priced out of the market.

Across London and the South East, L&Q owns or manages over 71,000 homes with a development pipeline of 13,000 homes, making us one of the largest residential developers in the capital. We have ambitious plans to increase this pipeline to 50,000 homes by 2020, as we continue to work hard to alleviate the capital's chronic housing shortage.

Our homes range from homes let at sub-market rent and shared ownership, to private homes let at market rent or for open market sale. With the reduction in social housing grants in recent years, we have purposefully increased our investment in open market sale in order to cross-subsidise and fund our sub-market housing programme. Of all the new homes we build, half will be for rent, and the other half for sale. Half will be at market rates, and half for people who have been priced out of the housing market.

We work closely with local authorities and local communities to ensure the homes we build are high quality and enhance the areas where we build them. In recent years we have won more than 20 high profile design awards. We have also introduced a Quality and Aftercare team to deal with any post completion problems in our new build properties. This is all part of our increased focus on making sure residents are satisfied with the homes and services we provide.

Many of our communities face worsening economic circumstances. Welfare reform and falling incomes amongst the majority of our residents mean the need for advice and support and effective community investment is more important than ever before.

In Lewisham, 426 L&Q households are affected by the size criteria, with average shortfalls of £21.72 per week; whilst 12 of our residents are directly affected by the benefit cap, with average shortfalls of £44.56 per week. We are working with our residents to support them through these

¹ A full breakdown of our development pipeline in Lewisham is on page four of this submission, and detailed further in the appendix.

changes via a range of options – including our financial inclusion programmes, back to work employment initiatives or by just providing assistance where we can.

Finally, the work of the L&Q Foundation has enabled us to create places where people want to live through a commitment of £7 million a year for community-based investment projects. In Lewisham, our commitment to community involvement has seen us invest over £540k during the current financial year, through initiatives such as our awarding winning “let’s go to school” programme, and supporting community events such as Lewisham’s People Day and the Blackheath Fireworks. A full break down of all our activity in the Borough is provided in the appendix.

L&Q response to Housing Committee

1. What work have you done to support eligible households to downsize?

L&Q assists residents who choose to downsize to a smaller home, by:

- Working closely with our local authority partners to promote mutual exchange opportunities with residents. This includes three mutual exchange events undertaken in Lewisham.
- Prioritising transfer applicants wanting to move to properties with fewer bedrooms
- Not charging Affordable Rent when an existing resident transfers into a property with fewer bedrooms, to ensure there is a financial benefit for residents downsizing.
- Supporting residents who choose to downsize - but continue to under occupy - if L&Q are satisfied they can afford to pay the rent and sustain their tenancy.

Subject to criteria:

- Financial assistance can be provided to support residents with associated costs of moving home, where a resident is downsizing through a transfer or mutual exchange to another L&Q home.
- Residents affected by the size criteria may be able to downsize with arrears on their account.

2. What are your thoughts on the recent decline in re-lets

Since April 2012, L&Q has re-let 655 studio, 1 and 2 bedroom homes in Lewisham. 46% of these have been let at Affordable Rent levels.

Overall, L&Q are experiencing a reduction in available homes for re-lets, as demand for moves continues to outweigh supply. In our experience, this decline is exacerbated as some residents cannot afford to move or are finding a suitable home via mutual exchange.

Mutual exchanges provide the best moving option for the majority of our residents - especially in Lewisham. Compared to other moving options, there is a smaller waiting time as homes are not subject to location or transfer criteria.

L&Q will continue to work with our residents to ensure all available options are explored on a case – by – case basis.

3. What are your plans for new supply?

To help meet the urgent demand for housing in London, L&Q has a development pipeline of 13,000 homes, which is the largest of any housing association in the capital. We have ambitious plans to increase this pipeline to 50,000 much needed new homes by 2020. In Lewisham, our

development pipeline will provide over 800 homes. A full breakdown of new homes in Lewisham by tenure types is provided below

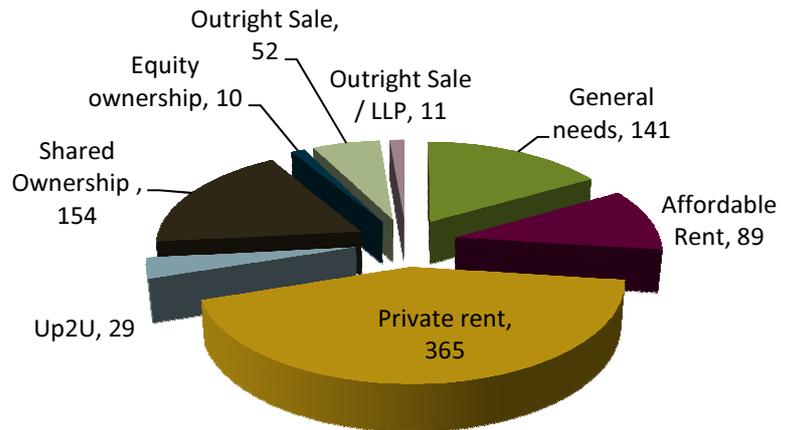
L&Q is committing £12bn of investment growing our pipeline to 50,000 over the next few years. At least half of these new homes will be for those priced out of the housing market.

Lewisham is a key borough for L&Q, we have a history of close partnership and shared values. We are keen that this relationship continues, and that L&Q remains a key delivery agent for the borough.

As we look to the future, L&Q would welcome an increased partnership with Lewisham and would be keen to

explore potential of new ways of working together. L&Q would be happy to resource an examination into how this partnership could work in practice, in order to increase supply and to deliver on both our aspiration for new homes and to support the communities that we work with.

L&Q's Lewisham development pipeline - by tenure type. Total - 851



4. Can you provide an update on the use of fixed term tenancies?

Housing need can change over time, as residents circumstances change and they can outgrow the suitability of the homes. For this reason, L&Q offers fixed term tenancies as the default tenure for all General Needs homes let on target or Affordable Rents. These tenancies enable us to review residents' needs periodically, giving us the opportunity to respond as requirements change, and to ensure our homes continue to appropriately meet the needs of our residents.

We recognise some residents' needs do not require frequent review; such as those of our residents in our supported, sheltered or agency managed homes, or for those aged 60 or over. In these cases we do not offer fixed term tenancies to residents.

To date (since the Localism Act came into force) we have let 1,078 homes in Lewisham of which 62% have been issued a fixed term tenancy.

5. Can you update the Select Committee about Affordable Rents in your properties?

The Affordable Rent Programme enables housing association's to charge rents up to 80% of the market.

L&Q have set our Affordable Rents at levels which strike a careful balance between viability – enabling us to continue to provide new supply – and affordability – meeting the needs of Lewisham households particularly in the face of ongoing welfare reform. Our rents are set with a reference to

household incomes and market rents and currently average around 65% of the market rate in the borough, below what we are permitted to charge.

6. How can you help Lewisham address increased homelessness in the borough? What are your plans for tackling homelessness in the borough?

L&Q is committed to tackling the housing crisis, and homelessness is sadly a shameful symptom of the problem. Last year we made an investment of £10 million to help Broadway St Mungo's launch Real Lettings - a £45 million property fund, to provide housing for the homeless. On the back of this success, L&Q's Board agreed to set aside a further £10 million to support Broadway St Mungo's create a centre of excellence that will support homeless people develop the necessary life skills to re-engage in society as independent individuals.

In Lewisham, L&Q is an active participant in a number of forums and working groups tackling homelessness. We chair the local Lewisham Housing Association Group – where increasing housing supply and reducing homeless is a core objective

We will continue to work together with the Local Authority and other relevant bodies to prevent homelessness, and to meet the needs of homeless people in Lewisham.

Appendix

1. L&Q's development pipeline in Lewisham

Scheme	Ward	Total	General Needs	Affordable Rent	Private Rent	Up2U	Shared Ownership	Equity Ownership	Outright Sale	Commercial
Cannons Wharf	Evelyn Ward	117	22	0	0	0	95	0	0	0
Excalibur - Phase 1&2	Whitefoot Ward	57	34	0	0	0	0	5	18	0
Excalibur - Phase 3	Whitefoot Ward	95	39	0	0	0	17	5	34	0
Faircharm Trading Estate	New Cross	148	0	21	127	0	0	0	0	0
Thurston Central	Lewisham Central	414	68	58	238	0	42	0	0	8
Lee High Road	Lewisham Central	42	0	10	0	29	0	0	0	3

2. L&Q's Community Investment in Lewisham

Project/Event	Description	Investment
Lewisham Peoples Day	L&Q headline sponsor of SE London's biggest and longest running free festival	£30K
Blackheath Fireworks	London's largest free fireworks display	£10K
Community events	L&Q supports a wide range of community events and programmes including Arts Festivals, Cultural and Diversity events, family focussed events and health and wellbeing	£70K
L&Q Jobready	Dedicated caseworker supporting Lewisham residents into employment	£80K
Let's go to School	L&Q's award winning programme that provides residents with nationally recognised qualifications in schools support. The programme has helped 80 Lewisham residents to achieve qualifications and secure employment or work placements	£50K

Pre-employment training	Helping residents to acquire and enhance employment related skills	£20K
Apprenticeship programme	This L&Q wide programme has supported Lewisham residents into work with L&Q and our supply chain partners	Investment across all neighbourhoods: £800K* not included in total Lewisham investment
Schools partnerships	Working in partnership with a range of partners including BITC, Mayors Fund for London, The Greggs Foundation and The East London Business Alliance we are delivering a comprehensive range of programmes that support improved educational attainment, pathways to employment and healthier lifestyles	Total investment in Lewisham: £165K Total investment across all neighbourhoods £540K
Holiday Activity programme	L&Q offers residents and families a diverse range of activities including arts, craft, dance, drama music, outdoor learning and sport during school holidays	£115K
	Total Lewisham Investment	£540K