

## Report of Richard Marshall

### Report to Environment and Housing Decision Panel

**Date: 16<sup>th</sup> January 2015**

**Subject: Transfer of 90 / 92 Shepherd Lane to Housing Services for use as part of the Council's housing stock.**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Chapel Allerton	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### Summary of main issues

90 / 92 Shepherd Lane are the end two properties of a terrace in the Chapeltown area of the city, built in the early part of the 20<sup>th</sup> Century. They are Council owned and were converted into a community centre in 1982, a change that included major internal work. The centre was used by a community group called the Palace Youth Project until it became vacant in early spring 2014 and it was then moved into void management. The properties currently sit with City Development, pending a decision on their future use.

Consultation with local Councillors shows that their preference is that the properties are returned to housing use and would support the movement to Housing Services and offered to applicants on the Leeds Homes Register (LHR).

A survey of the community centre suggest that it is likely to require in excess of £70,000 of investment to turn it back into two properties – a four bedroom house and a 6 bedroom house – and bring it to the Councils letting standard. The Head of Maintenance Operations has confirmed that there are funds in the capital programme to enable this work to commence.

A full planning application will be required if Housing Services decides to take on the properties.

### Recommendations

The Director of Environment and Housing is asked to approve:

the transfer of 90 / 92 Shepherd Lane LS7 to Housing Services to be let as part of the Council housing stock. The decision will include a refurbishment cost that is likely to be in excess of £70,000.

## **1 Purpose of this report**

- 1.1 To inform the Director of Environment and Housing of a Council owned community centre at 90 / 92 Shepherd Lane that sits with City Development and is currently empty. It is awaiting either disposal on the open market, to a housing association or refurbishment for use as Council homes.
- 1.2 To seek approval to move the properties into the control of Housing Services, complete a refurbishment programme and let through the normal letting process.

## **2 Background information**

- 2.1 90 / 92 Shepherd Lane is a community centre formerly used by the Palace Youth Project. It was formed from the refurbishment of two terrace houses that were built circa 1900. The conversion to the community centre was carried out in 1982 and had full planning permission, which means remodelling back to residential use will require a planning application.
- 2.2 The Asset Management Board of City Development has approved the transfer of the property into Housing Services for refurbishment to the letting standard and use as part of the Councils housing stock.
- 2.3 The property was vacated in spring this year and has been empty since then. It currently sits in void management with City Development awaiting a decision on its future use. The options are either a sale on the open market, disposal to another housing organisation or refurbishment and let through CBL process by Housing Services.
- 2.4 Officers in Strategy and Investment are currently working on plans for the layout of the six bedroom property. There will be a significant investment required, likely to be in excess of £70,000, to refurbish and bring them to the Councils letting standard.
- 2.5 A desktop valuation of the properties was completed in March 2014 and estimated that their value for residential purposes was £180,000 - £210,000. It was based on the condition of the properties in 2012 and assumed 'that no significant defects / items of disrepair exist.' which is not the case as they have fallen into disrepair to the extent that an investment of over £70,000 will be required to bring them to the Councils letting standard.
- 2.6 Due to the level of investment required in the properties it is felt that there could be limited interest from the private sector if they were put on the open market.
- 2.7 The cost should be seen in the context of the HCA 'Bringing Empty Homes Back into Use as Affordable Housing' programme. Through this scheme the Council is buying back former Right to Buy properties that have stood empty for longer than

six months. An average of £100,000 per property is available to cover the cost of purchasing and refurbishment.

### **3 Main issues**

- 3.1 Housing Services has stated that there will be demand from applicants on the LHR for both properties but it will be higher for the four bedroom house.
- 3.2 The Head of Maintenance Operations has stated that the cost of refurbishment work to bring the property to the letting standard can be met from the capital budget.
- 3.3 Due to the cost of the refurbishment is felt that void days for the properties, if they are accepted into housing services, should not count against the void turn round target.
- 3.4 Local political opinion is strongly in favour of the properties being converted back into housing use.

### **4 Corporate Considerations**

#### **4.1 Consultation and Engagement**

- 4.1.1 Housing Service officers state that they can let the properties if they become available.
- 4.1.2 Local ward members have expressed a strong desire to see the properties being converted back to housing use and let to families on the LHR.

#### **4.2 Equality and Diversity / Cohesion and Integration.**

- 4.2.1 There are no equality or diversity considerations in the change of service area for the property.
- 4.2.2 If the recommendation is agreed then the property will be let through the Councils Choice Based Letting process. This process and the policies that govern the letting of Council homes have been subject to full equality assessments.

#### **4.3 Council policies and City Priorities**

- 4.3.1 The use of the property for social housing supports the City Priority 'Best City to Live' to increase the number of long term empty properties brought back into use.

#### **4.4 Resources and value for money**

- 4.4.1 The initial weekly rental income for the properties will be £181.18, or £9,421.36 annually. If the refurbishment price is £70,000 the repayment period for the investment will be around 8 years.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 There are no legal implications for the decision and it is not eligible for call in.

## **4.6 Risk Management**

- 4.6.1 Failure to keep the properties within the Council stock at a time when it is seeking to increase the numbers of its homes through more expensive avenues – new build and repurchase – may lead to criticism.
- 4.6.2 While the properties has been surveyed to assess their condition, there is a risk that unforeseen works will be required which weren't identified within the survey.
- 4.6.3 The longer the properties remain empty the greater the risk of vandalism and general disrepair through lack of use.

## **5 Conclusion**

- 5.1 90 / 92 Shepherds Lane are Council owned properties that were remodelled into a community centre in 1982. When the Palace Youth Project vacated the centre in spring 2014 it was put into void management within City Development and has remained empty since.
- 5.2 Members from the Chapel Allerton ward strongly support the properties being converted back to housing use.
- 5.3 The cost of refurbishment for the properties is likely to be in excess of £70,000 and the repayment period for this work would be around 8 years.

## **6 Recommendations**

- 6.1 The Director of Environment and Housing is asked to approve:
  - The transfer of 90 / 92 Shepherds Lane to Housing Services to be let as part of the Council housing stock.

## **7 Background documents<sup>1</sup>**

None

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.