

Report of: Head of Housing Partnerships and Housing Growth

Report to: Director of Environment and Housing

Date: March 2016

Subject: Proposed Sale of 9 Belle Isle Road, Leeds LS10 2DH

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): City and Hunslet	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input 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: 10.4.(3)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Council has compulsorily purchased 9 Belle Isle Road, Leeds LS10 2DH. Initial permission for this action was agreed by the Director of Environment and Housing on the 25th November 2011. The property was vested in the Council's ownership on the 31st October 2013, with the purchase cost funded from the West Yorkshire Recycling Empties Project Fund. The cost of maintaining the property (e.g. ensuring that it is kept secure against unauthorised access, payment of any Council Tax etc.) is therefore now being borne by the Council.
2. Registered Providers of social housing and third sector partners have been contacted to ascertain if any wish to purchase the property, at market value. All have indicated that they do not wish to add the property to their portfolios. A third sector partner initially expressed an interest in acquiring the property but has since withdrawn their interest.
3. This report seeks permission for the transfer of the property to City Development for its sale and the recycling of the proceeds back into the West Yorkshire Recycling Empties Project Fund, a project in which Leeds acts as banker. Market value is needed for the property to enable the proceeds to be recycled to "top up" the recycling empties fund. The sale of the property is to proceed on the basis that it will be sold within a six-month period. If the property is not sold at auction within this timeframe, provided there are no

unforeseen issues or procedural delays, then it is to be retained and fully refurbished by the Council.

4. A condition of the sale will be that any new purchaser renovates the property for reoccupation within an appropriate period of time. Typically, this period would be 12 months from the date of purchase.

Recommendations

1. This report recommends that permission is given to transfer 9 Belle Isle Road, Leeds 10 to City Development so that they can process the sale with the proceeds recycled back into the West Yorkshire Recycling Empties Project Fund.
2. The sale of the property is to proceed on the basis that it will be sold within a six-month period. If the property is not sold at auction within this timeframe then it is to be retained and fully refurbished by the Council, provided there are no unforeseen circumstances or procedural delays.

1. Purpose of this report

- 1.1 The purpose of the report is to request permission to release for sale 9 Belle Isle Road, Leeds 10 which has been compulsorily purchased using powers under the Housing Act 1985. This long term empty private sector property forms part of those which have been acquired as part of the West Yorkshire Recycling Empties Project. Permission is sought to transfer the property to City Development and for them to obtain permission for its sale, via an agreed mechanism, and to subsequently recycle the proceeds back into the recycling empties pot.

2. Background information

- 2.1 9 Belle Isle Road, Leeds 10 is a mid-through terrace property of traditional brick built solid wall construction with a blue welsh slate pitched roof. It was built in the early 20th century and is located within the Hunslet area. The front elevation of the property has the benefit of a small garden and the rear has an enclosed yard. The property has been vacant since December 2000.
- 2.2 The condition of this property, and its effect on the neighbourhood, has been the subject of complaints from the neighbours for many years. These complaints chiefly have been in respect of pigeons and rodents within the premises,

accumulations of refuse, overgrown hedges and the property being open to unauthorised access. The renovation and reoccupation of this dilapidated property back is needed to use to safeguard the residents within the vicinity of this property.

- 2.3 As part of the West Yorkshire Recycling Empties Project the Council has compulsorily purchased 9 Belle Isle Road, Leeds 10. Initial permission for this action was agreed by the Director of Environment and Housing on the 25th November 2011 and subsequently the property was vested in the Council's ownership as of 31st October 2013.

3. Main issues

- 3.1 Permission to proceed to compulsory purchase of 9 Belle Isle Road, Leeds 10 was given by the Director of Environment and Housing on the 25th November 2011. The property is not registered with Nottingham Land Registry. Examination of Council Tax records revealed that the owner died intestate in May 1986. There appears to be no application for probate over the years. The owner is believed to have been survived by her husband and their son. The son who appears likely to be the sole benefactor of the property has not been traced. Until an application for probate is made and granted the future of the property will remain uncertain. Unfortunately, the property will continue to deteriorate and complaints about its condition will be made. Therefore, the council instigated compulsory purchase order action under the Housing Act 1985 which resulted in the property being vested in its ownership as of 31st October 2013.
- 3.2 A process for the sale of these properties has been agreed by officers in Environment and Housing. It mirrors the existing process for social stock which is no longer required as part of the authority's housing. All Registered Providers and third sector partners are initially invited, as a first option, to purchase the property from the Council. A third sector partner initially indicated their interest in purchasing the property but after putting it through their financial model has since withdrawn their interest.
- 3.3 Permission is now being sought for the transfer of the property to City Development for them to progress its sale to the private sector via an agreed mechanism. The sale will include conditions to ensure, as far as reasonably possible, that the property is renovated and brought back into occupation within an appropriate period of time. The condition will include a buy back clause with monies from the West Yorkshire Recycling Empties Project Fund being used to repurchase the property if necessary. Currently, Leeds City Council acts as the banker for this pot of money.
- 3.4 Once the property is sold the Empty Homes and Loans Team will make contact with the new owner to agree a suitable timetable for the renovation of the property and progress against this timetable will be monitored.

4. Corporate Considerations

4.1. Consultation and Engagement

4.1.1 Ward members were consulted on 1st March 2016. There was no objection to the proposal.

4.2. Equality and Diversity / Cohesion and Integration

4.2.1 An Equality, Diversity, Cohesion and Integration Screening form has been completed and is attached as Appendix 1. This shows that there is not an impact on equality, diversity, cohesion and integration through the actions proposed in this report. There is no existing or likely differential impact for the different equality characteristics, no existing or likely public concerns about the proposal, no likely effect on council activities or employment practices and no likely effect on unlawful discrimination, equality of opportunity, or fostering good relations.

A full EDCI Impact Assessment on the work done for the Empty Property Strategy has been completed.

4.3. Council Policies and City Priorities

4.3.1 The action proposed is in line with Council's policy in respect of empty properties and is contributing to the following targets and priority in the Council's Policy Framework work:

- Reducing the number of long term empty properties
- Reducing crime levels and their impact across Leeds
- Effectively tackling and reducing anti-social behaviour in our communities
- Increase a sense of belonging that builds cohesive and harmonious communities
- Increase affordable homes within sustainable neighbourhoods
- Improve quality of the environment.
- Improving housing conditions and energy efficiency

4.4. Resources and Value for Money

4.4.1 There is no legal or resource implication to the release and subsequent sale of 9 Belle Isle Road, Leeds 10. The process has been previously agreed and the resources made available.

4.4.2 All sales of the properties purchased via compulsory purchase under the Housing Act 1985 have to be sold as per Section 32 of the Housing Act 1985, General Consents.

4.4.3 Funding for the purchase of the property has been secured via the West Yorkshire Recycling Empties Project. All proceeds from the sale will be returned to the project fund to assist with further actions against long term private sector empty properties.

4.4.4 The proposals contained in the report have implications under Section 17 of the Crime and Disorder Act 1998 in that the sale, refurbishment and reoccupation of the property will reduce the incidence of vandalism and anti-social behaviour in the vicinity of the Hunslet area.

4.4.5 Consequences of not going ahead with this scheme:

- Risk to the safety of the local community due to a potentially dangerous property.
- Decrease in market value of surrounding housing stock.
- Increasing incidents of vandalism.
- Adverse publicity due to property attracting crime and other anti-social behaviour such as illegal dumping of refuse and drug taking.
- Loss of local community confidence.
- Delay to regeneration and economic development work in the area.
- Failure to meet departmental objectives in which the department aims to work together with key partners to improve conditions in which people live and strive towards neighbourhoods that are clean, safe, well maintained and sustainable for the future.
- Further reduction on affordable housing within the Hunslet area.
- An ongoing budget pressure to the Council of maintaining the void property, including the payment of Council Tax

4.5. Legal Implications, Access to Information and Call In

4.5.1 Scrutiny process is unnecessary under the ruling.

4.5.2 No Confidential information.

4.6. Risk Management

4.6.1. It is unlikely that the new property purchaser would fail to bring the property back into use as per contractual agreement. Should that person fail to carry out the works within a specified time, the Council may have to re-purchase the property with a view to re-selling.

5. Conclusions

5.1. The property has been vested in the ownership of the Council via a Compulsory Purchase Order made under the Housing Act 1985. Partner housing providers, including those in the third sector, have indicated that they do not wish to consider the purchase of the property to form part of their housing stock. As the funding for the purchase of the property is to be drawn from the West Yorkshire Recycling Empties Project Fund there is a need to sell the property, with conditions designed to ensure its return to use, to recover the cost of the sale and return the monies to the shared funding pot.

6. Recommendations

The Director of Environment and Housing is recommended to:-

6.1 Instruct officers to instigate the sale of 9 Belle Isle Road, Leeds 10 and transfer the property to City Development so that they can progress the sale with the proceeds recycled back into the West Yorkshire Recycling Empties Project Fund.

6.2 The sale of the property is to proceed on the basis that it will be sold within a six-month period. If the property is not sold at auction within this timeframe then it is to be retained and fully refurbished by the Council, provided there are no unforeseen circumstances or procedural delays.

7. Background documents

Appendix 1 Equality, Diversity, Cohesion and Integration Screening form

Appendix 2 Delegated Decision Notice

The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.