

**Report of Richard Marshall**

**Report to Environment and Housing Decision Panel**

**Date: 4 October 2016**

**Subject: The empty homes scheme – purchase of 21 Victoria Avenue LS19 7AS for use as affordable housing.**

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	Otley and Yeadon	
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?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:	10.4(3)	
Appendix number:	1	

**Summary of main issues**

The Council House Growth programme includes an allocation of £9m for phase two of the Empty Homes Buy Back project that will run until April 2018. The budget is made up of £1.836 m from the Homes and Communities Agency (HCA) and £7.164m from Housing Revenue Account (HRA) capital resources.

Phase two will deliver a programme to bring 100 properties back into use across the city.

21 Victoria Avenue Yeadon is an empty property that is owned by five local authorities as a legacy from the ownership of the Leeds and Bradford airport. City Development Officers have worked with the other authorities to agree a sale of their interest in the property to Leeds and have recommended use for social housing. The HCA has confirmed it can be included in the empty homes scheme.

**Recommendations**

The Director of Environment and Housing is recommended to approve:

- The purchase and refurbishment of 21 Victoria Avenue LS19 7AS as part of the empty homes scheme. It will then be let as a council home to an applicant on the Leeds Homes Register.

## **1 Purpose of this report**

- 1.1 The report will inform the Director of Environment and Housing of a long term empty property that is currently owned by five local authorities, including Leeds. It will outline the work done to negotiate an agreement with the other authorities to sell their interest to Leeds.
- 1.2 The report seeks approval to proceed with the purchase of 21 Victoria Avenue LS19 7AS as part of the empty homes programme to let as council housing.

## **2 Background information**

- 2.1 The HCA 'Bringing Empty Homes Back into Use as Affordable Housing' funding has been made available as part of the government's priority to bring empty homes back into use. The programme also supports the City Priority Plan to increase the number of long term empty properties brought back into use. A requirement of the HCA funding is that properties have been empty for more than 6 months and must be let as affordable housing. Existing social housing is not eligible for the funding.
- 2.2 For this project an average of £90,000 per property is available to purchase 100 properties by April 2018. This will cover the costs of purchasing and refurbishing privately owned homes that have been empty for longer than six months. The budget for the scheme is made up of £7.164m from HRA capital funds and £1.836m from the HCA.
- 2.3 The Empty Homes Project Group has been established to co-ordinate the delivery of the programme. All decisions to proceed with a valuation and purchase are made collectively by the Empty Homes Project Group based on clear evidence.

## **3 Main issues**

- 3.1 21 Victoria Avenue is owned jointly by five councils (Leeds City Council 40%, Bradford City Council 40%, Calderdale Council 6.67%, Kirklees Council 6.67%, and Wakefield Council 6.67%). The house was previously part of the Leeds Bradford Airport portfolio and was occupied by the airport fire officer. When the airport was sold the five councils retained the house and the original use ceased.
- 3.2 The property is a three bed 1930's semi-detached house, with gardens to front and rear. There is also a half width track that provides access to a field to the rear. It has been vacant for ten years and it is now poor condition and requires complete renovation.
- 3.3 Leeds Bradford International Airport (LBIA) approached the Council and expressed an interest in acquiring the property. Terms were issued and LBIA decided not to proceed.
- 3.4 When LBIA decided not to purchase, the possibility of selling the property by way of auction was explored. Ward Members were consulted; all raised objections to it being sold and requested that it be retained and put into Council housing stock.

Leeds City Council owns three of the neighbouring properties (numbers 23, 25 and 27).

- 3.5 There is a half width track adjacent to 21 Victoria Avenue, which will be included in the garden of the property. It has rights of access for agricultural use only to the field at the rear of the garden which is owned by LBIA. The field is currently in agricultural use but could be developed in the future. Access arrangements to the field have been investigated and a solution not utilising the access track has been proposed. The five councils will retain a 1m wide strip of land along the rear boundary of the garden to the field to control access in case it is revisited. This strip will be excluded from the council house tenancy to protect it from being included in a right to buy disposal.
- 3.6 Leeds City council approached Bradford City Council which also has a 40% ownership and asked if they would be agreeable to Leeds purchasing the other Councils' shares and take the house into Leeds council housing stock. Bradford Council was supportive of the proposal and consulted Calderdale, Kirklees and Wakefield. Calderdale and Wakefield have agreed the valuation, Kirklees has not responded yet and Bradford CC is following up with them.
- 3.7 Details of the property and how it meets the agreed priorities are outlined below.

Address	Type	Ward	Empty for	CBL bids for similar properties
21 Victoria Avenue Yeadon LS19 7AS	3 Bed House	Otley and Yeadon	Over ten years	119

- 3.8 The property will be refurbished to the Council's letting standard and will be let as either a Secure or Introductory Tenancy on a social rent.
- 3.9 The terms for the acquisition are detailed in the attached confidential appendix.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 There has been consultation with the Housing Leeds' Housing Management and they support the purchase of the property and the conversion plans.
- 4.1.2 The Council's Asset Management decision panel has agreed to the transaction.
- 4.1.3 Ward members are actively promoting the purchase of the property and its use as social housing.

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

- 4.2.1 An equality, diversity cohesion and integration screening exercise has been carried out. This has confirmed that equality, diversity, cohesion and integration

considerations have been effectively considered in relation to this proposal and that a full impact assessment was not required.

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

- 4.3.1 The purchase of the properties to relet as affordable 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 purchase price, cost of refurbishment and return on the capital investment are shown in Appendix 1. The overall cost of the property fits within the budget of the project and the repayment period for the investment represents value for money.
- 4.4.2 Properties bought in the scheme will be charged at a social rent where they are within areas of existing Council Housing. This will avoid a situation where tenants living in adjoining properties are being charged significantly different rents. The HCA are supportive of this approach.

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

- 4.5.1 None.
- 4.5.2 Conveyancing will be carried out by the Council's Legal Services team.
- 4.5.3 The information contained in the Appendix attached to this report relates to the financial or business affairs of a particular person, and of the Council. This information is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that since this information was obtained through one to one negotiations for the acquisition of the property then it is not in the public interest to disclose this information at this point in time. Also it is considered that the release of such information would or would be likely to prejudice the Council's commercial interests in relation to other similar transactions in that prospective vendors of other similar properties would have access to information about the nature and level of consideration which may prove acceptable to the Council. It is considered that whilst there may be a public interest in disclosure, much of this information will be publicly available from the Land Registry following completion of this transaction and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time. It is therefore considered that this element of the report should be treated as exempt under Rule 10.4.3 of the Access to Information Procedure Rules.

### **4.6 Risk Management**

- 4.6.1 While the property has been surveyed to assess its condition prior to purchase, there is a risk that unforeseen works are required to it which weren't identified

during the stock condition survey. A 10% contingency of the refurbishment works has been included within the budget and Value for Money assessment in order to cover any unforeseen works required to the property prior to letting.

## **5 Conclusions**

- 5.1 The repurchase and refurbishment of this long term empty dwelling represent value for money and would be an enhancement to the Housing Leeds portfolio.

## **6 Recommendations**

- 6.1 The Director of Environment and Housing is recommended to approve the following:
- The purchase and refurbishment of 21 Victoria Avenue LS19 7AS as part of the empty homes scheme. It will then be let as a council home to an applicant on the Leeds Homes Register.

## **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.