

APPENDIX 6:

DISPOSAL OF LONG TERM EMPTY PRIVATE SECTOR PROPERTIES

1.0 INTRODUCTION

- 1.1 As part of the Council's Empty Property Strategy long term private sector empty properties may become owned by the authority via compulsory purchase action or by agreement. The purpose of this document is to clarify roles and responsibilities within the acquisition and disposal process to ensure as far as reasonably practical that identified properties are brought back into use with the minimum of delay.

2.0 BACKGROUND

- 2.1 The purpose of the document is to detail the process by which all properties purchased either by acquisition or compulsory purchase will be disposed of by the Council.
- 2.2 As part of the Housing Growth and Jobs for Young People Breakthrough project and the Core Planning Strategy the return of empty homes is seen as a priority for the Council. Over the last 10 years the Council has been active in pursuing Compulsory Purchase Orders (CPO) or acquiring properties by agreement.
- 2.3 To facilitate this process the Council has made available various funding streams to support the CPO process including the Leeds Neighbourhood Approach (LNA) and Buy Back Scheme. In the case of the LNA the approval for the budget includes the principle of recycling all receipts to allow the purchase of further properties as per the current Empty Homes Strategy.

3.0 ROLES AND RESPONSIBILITIES

- 3.1 The project involves the following three service areas:
- Private Sector Housing Team, Resources and Housing
 - Acquisitions and Disposal Team in City Development.
 - Property and Finance Legal Team in Corporate Governance.

3.2 Each service area will have defined roles and responsibilities in the procedure as follows:

Private Sector Housing Service, Resources and Housing

- Will Identify and lead on the targeting of suitable properties. If a CPO is subsequently required it will act as the lead service to obtain the CPO
- Will seek funding for properties identified for acquisition via the E&H capital programme
- Will be responsible for the cost of purchase, fees and any future liabilities connected with any property acquired even where the proceeds of sale do not cover the Council's costs
- Will monitor the property before and after its subsequent sale to ensure it is secure and any new owner carries out works to allow its return to occupation as soon as reasonably practicable and in accordance with any agreed conditions of sale
- Will fund the re-purchase of any property where the owner has not complied with the terms of sale.

Asset Management Division City Development

- Will provide initial market valuation advice as part of the CPO process and undertake negotiated sales as and when appropriate.
- Have the authority to agree the terms of acquisition by agreement
- Negotiate and settle compensation claims in the event of an acquisition by CPO
- Deal, as appropriate with any reference to the Lands Tribunal in the event of disputed compensation.
- Arrange for the subsequent sale when in Council ownership by the method agreed by the three Service Areas
- Will provide final market valuation advice as part of the CPO process and undertake negotiated sales as and when appropriate.

Corporate Governance Property and Finance Legal Team,

- Will provide legal advice regarding acquisitions and disposals, especially in relation to section 32 of the Housing Act 1985, General Consents
- Deal with the subsequent payment of compensation and transfer documentation
- Provide legal support for the purchase and disposal of properties as required
- Deal with all CPO documentation

4.0 PRINCIPLES OF DISPOSAL

- 4.1 The overriding aim of the project is the return of a long term empty property back into occupation with the minimum of delay, ensuring as far as reasonably practical that the new owner will arrange this as soon as possible. Initially all properties will be offered to Registered Providers, subject to properties not being required for rehousing as part of an existing regeneration scheme. If expressions of interest are received from the Registered Provider then this will be the preferred disposal mechanism. If no expression of interest is received from any Registered Provider then each property will be disposed of via the Option Matrix.
- 4.2 Each property will then be considered on its merits with issues to consider including
- the condition of the property
 - the local housing market
 - any prior expressions of interest
 - the extent to which the disposal is likely to achieve a sale at market value, subject to any conditions which will encourage re-use as soon as practicable
 - audit trails established to protect against any future ownership claims
 - compliance with section 32 of the Housing Act 1985 where appropriate
 - LCC Finance Regulations

5.0 MECHANISM FOR DISPOSAL

- 5.1 As part of the process the agreement to spend should be in place prior to any acquisition. This is the responsibility of Private Sector Housing Team.
- 5.2 When it becomes clear that the ownership of a private property is to become vested in the Council or transferred to the Council by agreement consideration will initially be given as to its potential for sale and rehousing to assist existing acquisition and disposal schemes in the area. This option will be considered by Private Sector Housing Team and Development as part of the overall regeneration scheme for the area. If appropriate then Development will negotiate the sale with the owner as part of their role in the regeneration scheme.
- 5.3 Initially all Registered Providers will be offered the opportunity to purchase the property. All Registered Providers will be invited in writing to express an interest in purchasing the property within 2 months, on the understanding that LCC would wish to dispose of the property to them within 3 months of it being vested in our ownership. An indicative value and estimated cost of repair will be provided as part of the invitation. If more than one Registered Provider expresses an interest then sealed bids would be used to determine its sale. Once a Registered Provider has been identified then Development will negotiate the sale via existing processes.
- 5.4 A meeting will be convened at the first available opportunity between representatives of Private Sector Housing Team, City Development and Legal to decide on the most appropriate disposal mechanism should no Registered Provider wish to consider purchase of the property. This meeting will be arranged and chaired by Private Sector Housing Team.
- 5.5 The options to be considered for the subsequent sale of any particular property will include the following as per the Option Matrix.
- auction (with or without conditions)
 - sale by private treaty (with or without conditions) on the open market
 - one to one disposal
- 5.6 City Development will seek to dispose of any property acquired as soon as practicable via the agreed mechanism as per existing processes with support from legal services once the disposal mechanism has been agreed.

6.0 POST DISPOSAL

- 6.1 On completion of a sale, all fees, marketing costs, etc. will be met from the proceeds of sale.
- 6.2 All properties sold by the Council will be monitored by the Private Sector Housing Team. In particular the Private Sector Housing Team will monitor the compliance with any conditions of sale.
- 6.3 If an owner fails to bring a particular property back into use then the three Service Areas will reconvene to agree what, if any, remedial action should be taken and whether it is appropriate to seek authority to exercise any right of re-purchase the Private Sector Housing Team will arrange the meeting