

Kingsdale Court – approval of the suspension of lettings, and the re-housing of residents

Date: 13 July 2021

Report of: Chief Officer Housing

Report to: Director of Communities, Housing and Environment

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- Following consideration by the Executive Board in February 2021, decisions have now been taken and enacted to acquire the leasehold of 40 flats in Kingsdale Court in Seacroft (see background papers). 5 of these properties have tenants, the remaining 35 are empty and have been for over eight months.
- This is part of a co-ordinated response across council and partner services to resolve acute neighbourhood management issues and extremely poor housing conditions that have blighted the surrounding neighbourhood for at least the last decade. The aim is to work alongside our partners to assemble the whole site for development, in order to support our council aim of residents living in good quality homes. In the future additional flats on this site may also be brought into council ownership.
- The decisions in this report will enable us to secure our empty properties on the site, and help the residents of the five tenanted properties find new homes. It should be noted that the estimated cost to bring a flat to the required letting standard is approximately four times greater than expected annual rental income per flat.

Recommendations

That the Director of Communities, Housing and Environment

- a) Approves the suspension of lettings to the 40 flats in Kingsdale Court that, and the removal of voids from charge, as and when properties are vacant;
- b) Approves the suspension of lettings to any further flats in Kingsdale Court if acquired by the council in future, together with the removal of any voids from charge;
- c) Approves Home Loss and Disturbance payments and reasonable expenses to be made to qualifying residents in Kingsdale Court, funded by the Housing Revenue Account (HRA); and
- d) Approves re-housing and the award of priority status for remaining tenants in Kingsdale Court flats acquired by the council.

Why is the proposal being put forward?

- 1 Following the recent acquisition by the council of the leasehold of 40 flats in Kingsdale Court, the council now has property and tenancy management responsibilities.
- 2 As part of the co-ordinated partnership approach for the development of this site the council needs to support the current residents to move out, as well as to secure empty properties. Usually any empty property is refurbished and then re-let with targets for how quickly this is done. Some decisions are therefore needed to:
 - a) suspend any new lettings on homes as properties are, or become, empty (void);
 - b) remove void properties from charge. The council won't then prepare them ready for re-letting, and will remove these properties from our assessment of key performance indicators for turnaround of voids and rent loss;
 - c) agree that we can pay Home Loss and Disturbance payments to qualifying residents that need to move out, as well as reasonable expenses; and to
 - d) start re-housing the five households, giving them priority status to help them find appropriate new homes more quickly and easily.

What impact will this proposal have?

Wards Affected: Killingbeck and Seacroft

Have ward members been consulted?

Yes

No

- 3 Kingsdale Court is located within the heart of the Boggart Hill priority neighbourhood, as identified through a Key Decision taken by Executive Board in November 2017. The site, which is shown outlined on the attached plan at Appendix 1, comprises 88 long leasehold flats across eight medium-rise blocks built in the late 1960s / early 1970s.
- 4 The leasehold of 40 of those flats have now been acquired by the council to enable the progression of partnership plans to address long term challenges. The properties are across six of the blocks (Gilstead, Bramley, Clayton, Heaton, Elland and Farnley), and were listed in the confidential appendix to the May 2021 decision report to the Director of City Development, and Director of Communities, Housing and Environment on this matter.
- 5 The other 48 flats currently remain privately owned, with the whole site subject to several complex layers of ownership and occupation comprising the freehold, multiple leaseholds and tenancies.
- 6 An Equality, Diversity, Cohesion and Integration screening has been undertaken (see Appendix 2) and an impact assessment is being developed, as we find out more about our new tenants and their needs. From previous experience we recognise that some tenants may need bespoke support packages to be developed with them to ensure that their requirements are fully considered throughout the rehousing process.
- 7 In addition to help residents move as quickly as possible, we may need to consider ring-fencing of properties within certain areas in Leeds to give them preference over and above other applicants on the Housing Register. The need for this will depend on a full assessment of residents' needs and preferences, and would be the subject of a separate decision.

What consultation and engagement has taken place?

- 8 The Executive Member for Environment and Housing has been engaged and consulted, and is supportive of this approach.
- 9 Ward members have been consulted throughout the ongoing process that this is a part of, and are fully supportive of the acquisition of the portfolio of flats and the wider site assembly, as well as the proposals in this report. The cross-sector partnership Boggart Hill Priority Neighbourhood Team has had ongoing involvement in the site and the proposed overall approach.
- 10 Consultation with local residents shows that Kingsdale Court has proved a major ongoing source of concern for the community, particularly in terms of housing, crime and anti-social behaviour
- 11 We will be contacting the few remaining residents of the flats this month about their needs and future options to support them.

What are the resource implications?

- 12 Taking void properties out of charge will result in the loss of potential income to the council. The loss of rent and any service charge costs has been estimated as £77.50 per flat per week or £4,033 per year, with a total for all 40 units over a full year if they were all vacant being estimated at £161,309k. This is based on 2021/22 rental rates, not including any rent increases.
- 13 Home Loss and Disturbance payments costs are estimated to be up to a maximum £32.5k, if all 5 current tenants are found to qualify. It is a legal requirement that we compensate qualifying tenants with a payment. £6,500 per flat is based on the higher of the current statutory minimum rate or 10% of the property value.
- 14 We would also refund residents in relation to reasonable costs incurred in moving from one property to another where these are approved and evidence is provided (e.g. receipts). Agreed reasonable expenses could include costs such as for the reconnection of phone lines, or carpet fitting, and are looked at on a case by case basis. These could vary considerably by household, and together with other incidental costs of council rehoming support, are estimated to be in the region of £700 per property based on recent experience. This could be a total of up to £3,500 for all 5 current tenants.
- 15 It should also be noted that if we were to re-let properties, it would cost an estimated £16,300 per flat to prepare the current void properties to a lettable standard. For the 35 acquired properties currently vacant this would total £570,500. The cost to bring one of the flat to the required letting standard is therefore approximately four times greater than the expected annual rental income.
- 16 Re-housing the current 5 households is estimated to cost up to £36k. Adequate provision exists within the Housing Leeds Capital Programme to cover the associated costs of the proposed recommendations.

What are the legal implications?

- 17 The decision set out in this report is a significant operational decision, both linked to its value and that it is a decision resulting from the February Executive Board's key decision to acquire these properties. It is therefore not subject to call-in.

What are the key risks and how are they being managed?

- 18 The purchase of the whole site for potentially redevelopment could take some time whilst the council negotiates with other Leaseholders and Freeholders. If the option to purchase is not available then consideration to look to Compulsory Purchase may be required. This is likely to take time and delay the potential redevelopment of the site. Partners in City Development are actively engaging with the Freeholders and Leaseholders to purchase these as quickly as possible.

Does this proposal support the council's 3 Key Pillars?

Inclusive Growth

Health and Wellbeing

Climate Emergency

19 This proposal supports the health and wellbeing of local residents. The council will be working with the five remaining tenants of these 40 flats to explore their needs and enable them to move to safe and good quality homes.

Options, timescales and measuring success

What other options were considered?

20 The option of full refurbishment of the 40 flats to bring them to the required housing standard for re-letting, and then letting these properties has been considered. However, this has been discounted given not only the costs of refurbishment, but the additional costs and disturbance related to subsequently rehousing any new tenants linked to the development and delivery of long term plans for the site.

How will success be measured?

21 All properties will be made safe and empty properties properly secured.

22 All existing residents of the five tenanted properties will be appropriately engaged with to fully assess and meet their housing needs.

23 Purchase of the whole site to allow the redevelopment of the site for good quality council housing and enhance the housing stock levels in the area, reducing the numbers of those on our register in urgent housing need.

What is the timetable for implementation?

24 The council plans to start this month to engage with the five tenants in relation to their needs and future options for re-housing, as well as take the other 35 empty properties out of charge and suspend new lettings.

Appendices

25 Appendix 1 – Kingsdale Court site location

26 Appendix 2 – Equality, Diversity, Cohesion and Integration screening

Background papers

27 February 2021 Executive Board key decision on [Acquisition of premises at Kingsdale Court](#)

28 May 2021 decision on [purchase of the leasehold of the 40 flats at Kingsdale Court](#)