

## Acquisition of properties at Kingsdale Court, Leeds

Date: 13<sup>th</sup> April 2022

Report of: Head of Asset Management and the Head of Regeneration

Report to: Director of City Development, and 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

- At its meeting on 10th February 2021 Executive Board considered a report by the Director of City Development and the Director of Resources and Housing which outlined an opportunity for the Council to acquire forty apartments at Kingsdale Court. The acquisition of these units completed on 30/6/21
- The report also considered and approved a proposal to commence a site assembly exercise to bring the entire site into Council ownership including additional remaining apartments and the freehold ownership.
- Executive Board also gave delegated powers to the Director of City Development and the Director of Housing and Resources (now the Director of Communities, Housing & Environment) authority in principle to acquire any and all further interests across the site with the aim of addressing social and environmental conditions and facilitating a sustainable development solution.
- Following the February Executive Board, the purchase of the portfolio of 40 properties completed on 30<sup>th</sup> June 2021 and negotiations have been entered into with the remaining leasehold owners with a view to agreeing terms for acquisitions.
- One to one negotiations have been concluded with a number of owners of the remaining apartments, this report seeks to approve the terms for approval in line with the recommendation in this report.
- The acquisition of the apartments at Kingsdale Court supports several priorities within the Best Council Plan (BCP) including Housing, Inclusive Growth and Safe, Strong Communities. The proposed acquisition supports a range of aims under each of these BCP priorities:
  - Targeting interventions to tackle poverty in priority neighbourhoods.
  - Housing provision of the right quality, type, tenure, and affordability in the right places through potential redevelopment of the site.
  - Providing the right housing options to support older and vulnerable residents to remain active and independent.
  - Improving energy performance in homes, reducing fuel poverty.
  - Keeping people safe from harm, protecting the most vulnerable.
  - Tackling crime and anti-social behaviour.

- Being responsive to local needs, building thriving, resilient communities

## Recommendations

It is recommended that:

- a) the Director of City Development approves the terms for the acquisition of apartments outlined in the exempt appendix to this report,
- b) the Director of Communities, Housing and Environment approves the incurring of the expenditure as outlined in exempt appendix to enable completion of the acquisition funded by the Housing Revenue Account capital funding, and
- c) the Director of Communities, Housing and Environment to note those obligations and responsibilities accruing to the Council as long leaseholder of the apartments.

## Why is the proposal being put forward?

- 1 Executive Board on 10 February 2021 approved a recommendation for the council to acquire all interests in Kingsdale Court to enable full site assembly with a view to demolition and redevelopment.
- 2 This report recommends the acquisition of several properties at Kingsdale Court on terms detailed in the exempt appendix.

## What impact will this proposal have?

**Wards affected: Killingbeck and Seacroft**

Have ward members been consulted?       Yes       No

- 3 Full site assembly will enable the council to demolish 88 apartments across 8 blocks of poor-quality properties which have attracted high levels of Anti-Social Behaviour, vacancies, and other environmental issues in the local area. Once cleared the council can consider options for redevelopment of the subject site.

## What consultation and engagement has taken place?

- 4 Ward Members and the Executive Member for Communities were consulted as part of the February 2021 Executive Board and are fully supportive of the acquisition of properties at Kingsdale Court.

## What are the resource implications?

- 5 The use of the Housing Revenue Account has been identified to fund these acquisitions and further approvals are sought from the Director of Communities, Housing and Environments to incur expenditure.
- 6 In addition to the purchase price the council will also contribute to the reasonable legal fees in relation to the sale of the subject properties in line with the Executive Board approvals.

## **What are the legal implications?**

- 7 The Council has a range of statutory powers to acquire legal interests in land. The recommendations for acquisition of the apartments will be under the powers to acquire (Housing Act 1985, section 17).
- 8 Under Part 3, Section 3E(g) of the Council's Constitution (Officer Delegation Scheme (Executive Functions)) the Director of City Development has authority to discharge any function of the Executive in relation to Asset Management.
- 9 The Chief Officer Asset Management and Regeneration, Head of Asset Management and Deputy Head of Land and Property have authority to take decisions in relation to Asset Management as delegated in the Director of City Development's sub delegation scheme.
- 10 The information contained in the exempt appendices to this report relates to the financial or business affairs of a particular person or company, and of the Council. This information is not publicly available from the statutory registers of information kept in relation to certain companies and charities. It is considered that since this information was obtained through one to one negotiation for the purchase of the land/property referred to then it is not in the public interest to disclose this information at this point in time. Also the release of such information would or would be likely to prejudice the Council's commercial interests in relation to and undermine its attempts to acquire by agreement similar properties in the locality in that owners of other similar properties would be aware 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 available from the Land Registry following completion of the purchase 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.

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

- 11 The purchase of the leasehold interests creates legal and financial responsibilities to the Council and the risks associated with these. These risks were considered as part of the February 2021 Executive Board report & a further report to the Director of City Development on 7<sup>th</sup> May 2021 approving the terms for the purchase of the portfolio of 40 properties. The risks associated with the portfolio purchase have now fallen away as the acquisition has been successfully completed, but those risks associated with subsequent purchases are still relevant.
- 12 There is a risk not all apartments can be acquired by negotiation. Other routes to their acquisition will then be investigated.

## **Does this proposal support the council's three Key Pillars?**

Inclusive Growth       Health and Wellbeing       Climate Emergency

- 13 The acquisition of the properties at Kingsdale Court supports a number of priorities within the Best Council Plan (BCP) including Housing, Inclusive Growth and Safe, Strong Communities including.

- Targeting interventions to tackle poverty in priority neighbourhoods.

- Housing of the right quality, type, tenure, and affordability in the right places.
- Providing the right housing options to support older and vulnerable residents to remain active and independent.
- Improving energy performance in homes, reducing fuel poverty.
- Keeping people safe from harm, protecting the most vulnerable.
- Tackling crime and anti-social behaviour.
- Being responsive to local needs, building thriving, resilient communities.

14 The acquisition of the property interests in Kingsdale Court will not in itself have any Climate Emergency impacts. A further report will be provided in due course to set out proposals for investment in the site in more detail, and this will include further details of how those proposals will take into account and contribute towards achieving the Council's aspirations in relation to climate change. At this stage it may be noted that the empty properties on the site represent a poor utilisation of embedded energy and under-use of residential land in a sustainable location. Any future redevelopment of the site will reflect improved and current energy performance requirements.

## **Options, timescales and measuring success**

### **What other options were considered?**

15 Executive Board at its February 2021 meeting considered several options for Kingsdale Court and recommended the acquisition of all units to be the preferred option.

### **How will success be measured?**

16 Success for the council will be to obtain full unencumbered interest in Kingsdale Court by agreement, however, if units can not be acquired by agreement the council could look to use its CPO power.

### **What is the timetable for implementation?**

17 The acquisition of properties can commence immediately. Colleagues in finance have advised there is sufficient capacity in the HRA budget to fund the acquisitions.

## **Appendices**

18 Exempt Appendix detailing the terms of the acquisition.

## **Background papers**

19 There are none.