

**Neighbourhoods and Housing Department**  
**EMPTY PROPERTIES STRATEGY 2006 - 2010**  
**(UPDATED AUGUST 2006)**



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## INTRODUCTION

Although Leeds is currently enjoying an overall growth in its economy there are still significant areas of deprivation and decline. These areas are identified by indices of multiple deprivation that include measures demonstrating low educational achievement, higher than average unemployment, lower than average life expectancy and, higher levels of crime and anti-social behaviour etc. Drive through the city and you will be able to identify these areas of decline and deprivation by their poor physical environment and the high levels of empty and derelict properties.

Invariably, there will always be a number of vacant dwellings across the city in order to allow the housing system to function effectively and to facilitate both residential mobility and the improvement or redevelopment of the housing stock. However, vacancy turnover rates and the number of long term empty properties are excessively high within certain areas of the city and this is having an adverse effect upon these communities.

Long term empty properties tend to attract all manner of antisocial behaviour such as fly tipping, vandalism, arson, drug taking and other issues that affect the health and well being of the neighbourhood in which they are situated. Furthermore, when there is a proliferation of such properties, they are a graphic indicator of failing communities and therefore tend to deter further inward investment and become counter productive to the efforts to make the area once again a thriving place to live. The market value and desirability of the housing stock is adversely affected and the decreasing population has an impact upon the economy of the local business sector that serves these areas. Moreover, the decline of these communities is exacerbated and accelerated when the commercial and financial sectors feel it is no longer viable for them to continue trading and investing in these areas.

Leeds City Council recognises that the strategy for dealing with empty and derelict properties must be set within a wider regeneration framework. Empty properties are a symptom of decline and deprivation and dealing with them in isolation will not be sufficient to turn around the fortunes of the areas they affect. In order to create demand for property across all tenure and ownership types and to rebuild sustainable communities within these disaffected areas of the city it will take a concerted effort on the part of Leeds City Council and partners and therefore, at a strategic citywide level, this document needs to be linked and considered in conjunction with the following key corporate documents:-

- Corporate Plan
- Leeds Housing Strategy
- Leeds Regeneration Plan and the component District Regeneration Plans
- City Growth Strategy
- Regional Housing Strategy
- Local Area Agreements
- Leeds Private Rented Sector Strategy
- The ALMO's and RSL's business plans and Empty Property Strategies
- Homelessness Strategy

The Empty Property Strategy and Action Plan sets out the plans of how Leeds City Council intends to address the problems of all long term empty homes where ever they are situated but a particular focus is placed upon those communities with concentrations of such properties.

## THE PURPOSE OF THE STRATEGY

To reduce the number of long-term empty properties (i.e. void more than 6 months) that are having a detrimental effect upon the communities in which they are situated.

To continue to identify the true situation with regard to the number, distribution and ownership of vacant property throughout the city, especially within the areas of decline and to establish if any trends exist as to the reasons for these voids.

To continue to devise solutions that will address the issues / problems that are the root cause of properties becoming empty and remaining under used for long periods.

To set out the strategic direction for the Empty Property strategy and empty property work citywide

To set out the roles and responsibilities of a range of departments, organisations and agencies involved in the implementation of the strategy and empty property work.

To set out an action plan with targets and milestones to deliver the strategy up to 2010.

## BACKGROUND

There is increasing pressure on Local Authorities to develop effective empty homes strategies and there have been proposals by the Empty Homes Agency, the Urban Taskforce, and MP David Kidney (in a Private Members Bill) to make them a statutory duty.

Empty homes are considered to be an important strategic issue nationally, as emphasised by the urban white paper, which contained many of the ideas proposed by the Planning Policy Guidance note 3 and the findings of the Urban Taskforce in their 'Towards an Urban Renaissance' report.

The Planning Policy Guidance note 3 (1999) recommended maximising the re-use of previously developed land and the re-use of existing buildings within the existing urban centres. The national target is for 60% of additional housing to be built on previously developed land or provided through conversions of suitable commercial properties. Planning authorities are advised to adopt more flexible standards for redevelopment within the urban areas, for example over land use zoning, housing densities and parking standards.

The Urban Task Force was established by the Government in 1998 in order to identify the causes of urban decline and to recommend practical solutions to encourage people back into urban areas. Recommendations within their report include making empty homes strategies a statutory duty for local authorities, the reduction of VAT on conversion and refurbishment, changes in Council Tax rules to enable authorities to impose higher charges, and the streamlining and consolidation of Compulsory Purchase Order legislation in order to facilitate accelerating the process.

The Urban White Paper was released in November 2000. This raised the profile of empty homes by proposing that the Regional Development Agencies promote the issue by funding regional seminars to raise awareness and spread best practice. It also recommended practical measures to assist the re-use of empty homes with changes to the tax system and the subsequent March 2001 budget supported this by encouraging builders and property developers to work on empty properties via the following measures :-

The VAT rate was cut to 5% for the cost of:-

- Renovating dwellings that have been empty for 3 years or more.
- Converting a residential property into a different number of dwellings (e.g. converting a house into flats)
- Converting a none residential property into a dwelling or number of dwellings.
- Converting a dwelling into a House of Multiple Occupation.
- VAT was removed on conversions for sale of properties empty over 10 years.
- 100% capital allowance to create flats over shops for letting.

According to Government figures collated in 2005, 680,412 homes are lying empty across the country, and there are over 100,000 families formally registered as being in temporary accommodation throughout the regions. However, this high figure excludes the number of single homeless people who are without a permanent home as there are no national records kept of the number of single homeless people. Many homeless charities state that they have huge difficulties moving people on from their homeless hostels into decent accommodation. In addition, there are many sections of the communities that find accessing decent accommodation very difficult due to the housing shortages throughout the regions.

### HIP statistics 2005 Raw data *Regional and England grossed totals* - Total vacant dwellings at 1 April 2005

2005	<i>Ownership of Empty Homes</i>				
	Total Number of Empty Homes	Local Authority	RSL	Other public	Other private
North East	39,148	5,209	3,424	396	30,119
Yorkshire & Humberside	79,505	7,320	4,799	260	67,126
East Midlands	58,419	4,985	1,792	953	50,689

Eastern Region	56,656	3,427	2,150	832	50,247
London	91,219	9,619	5,826	963	74,811
South East	91,232	3,211	3,767	720	83,534
South West	57,956	2,039	2,264	518	53,135
West Midlands	77,544	5,049	5,544	141	66,810
North West	128,473	7,735	11,047	883	109,068
ENGLAND TOTAL	680,412	48,594	40,613	5,666	585,539

At this time of huge housing need within the country, it is particularly unfortunate that there are so many wasted homes lying empty. Any housing market will always have some degree of empty property through transactional vacancies, but what is particularly disturbing is the constantly high number of properties empty for more than six months. Across England there are just under 300,000 properties that have been empty for more than six months and, across the board, the vast majority (86%) of this empty property is within the private sector.

Looking at this situation within the context of Leeds, the over all void rate throughout the city is 5.45% (as of July 2006). 2.93% of the total housing stock has been empty for more than 6 months of which 2.49% is within the private sector.

The United Kingdom has one of the largest economies in the world and yet there is so much housing need throughout the regions at a time when there is so much wasted housing. However, empty homes are not the whole answer to the current housing crisis but, Government and the Local Authorities cannot ignore their potential and the need to ensure that owners are both encouraged and, where appropriate, required to unlock the potential of this wasted resource.

Leeds City Council devised its inaugural Empty Property Strategy in 1999 and it was 'piloted' within the Holbeck and Beeston areas. The strategy, by necessity, had to be holistic in its approach in order to address the complex issues and problems that are the root cause of properties becoming empty and remaining under used for long periods.

Since the launch of the strategy, many new initiatives have been added as we have had to take on board the issues that have confronted us in undertaking the re-kindling / regeneration of these micro housing markets / failing communities throughout the various districts of the city.

Subsequent to Leeds devising and implementing its Empty Property Strategy, the Government introduced its mandatory Best Value performance regime (BVPI 64) by which all local authorities are compared upon their performance either in returning empty private sector housing back into use or demolish through their direct intervention. The number of empty properties within the authority is also a criterion upon which the council's performance is judged under the Local Public Service floor target PSA7 and the Continual Performance Assessment measures.

The Empty Property Strategy has been firmly embedded within the Council Plan and Housing Strategy and, it is an integral part of the regeneration approaches being adopted by the new District Partnerships in their Action Plans and in the complementary work that Leeds City Council is undertaking within the Neighbourhood Priority Areas throughout the city.

This document updates the Leeds Empty Property Strategy that was based on earlier experience in order to incorporate new initiatives and set the revised targets which are to be achieved by 2010.

## THE STRATEGIC OBJECTIVES

- To continue to reduce the number of long-term empty properties (void more than 6 months) that are having a detrimental effect upon the communities in which they are situated throughout Leeds.
- To continue to identify and continually monitor the scale and distribution of vacant property in relation to the total housing stock within the city.
- To establish changes in the nature and extent of vacant dwellings throughout the city as an on going process.
- To categorise the ebb and flow of vacant dwellings, the reasons for their origin, their prolonged vacancy, their final rehabilitation and any changes that occur which effects these factors.
- To continue to define and assess the existence of long term vacancies and identify any emerging 'hot spots' or high concentrations of vacant properties within the city.
- To establish, within the identified areas of high concentrations of empty properties, the prime reasons for their existence and their prolonged empty status, specifically with regard to the implications of the stocks condition / nature of the housing market and any associated problems such as crime, vandalism, housing market failure etc.
- To explore, promote and support a sustainable regeneration of the targeted areas through a multi agency / community involvement approach.
- To devise / identify best practice and best value strategies that are designed to bring empty privately / publicly owned housing back into use and to seek to incorporate these strategies into the Leeds City Council's Corporate Plan and Housing Strategy.
- To maximise the re-use of empty homes and thereby contribute to minimising the need for future development of Greenfield sites and protection of the environment.
- To improve the existing built environment.
- To support area regeneration programmes.
- To assist the provision of good quality, affordable housing.
- To ensure that the housing stock meets the range of needs that the citizens of Leeds require, whilst providing a choice of accommodation and neighbourhood.
- To raise awareness of the issues surrounding empty homes.
- To support the Housing Strategy, Council Plan and Local Area Plans.
- To continue to lobby Central Government for changes in legislation, strategy and policy to facilitate the revitalization of empty properties which are viable and reflect the housing needs of the effected communities, the City of Leeds and the region as a whole.
- To continue the process of lobbying Central Government to provide further funding to address the ever pressing issue of the over supply of certain house types and the lack of demand for housing generally within the declining areas of the city / region.



## THE EMPTY PROPERTY STRATEGY

The Empty Property Strategy falls into 7 distinct strands:-

- **Intensive Neighbourhood Management.**
- **Information** – (analysis and dissemination)
- **'Local Ownership'** - to engage the local stakeholders and foster a sense of ownership within them to deal with the problems of empty properties and the issues that surround them.
- **An agreed Action Plan within the targeted areas of low demand** - to encourage / facilitate the return back into economic use property which is not being utilised.
- **Environmental Management & Improvements.**
- **Community Safety.**
- **Educational Links and Raising Awareness** of the problems and dangers associated with empty property and an unsanitary environment.

### Leadership of the empty property strategy.

To successfully undertake the task of rekindling the micro housing markets within the affected neighbourhoods of low demand, Leeds City Council needs to have a concerted and truly corporate approach to resolving the inequalities and issues that are currently exacerbating the regeneration of these areas. To this end an Executive Empty Property Forum and Steering Group has been formed and is attended by senior officers who have a corporate interest to ensure the success of the empty properties strategy. This group report to the Environment & Community Safety Corporate Priority Board to ensure that their recommendations are taken on board and integrated within the Council Plan etc.

The terms of reference for the Group:-

- ◆ To co-ordinate and represent the corporate views of Leeds City Council on issues concerning the Empty Property Strategy.
- ◆ To draw upon the co-operation of all the relevant agencies in order to deliver the Empty Property Strategy city-wide.
- ◆ To consider the formulation of the targets that are to be set regarding empty properties - for inclusion within the Empty Property Strategy and Council Plan and, to monitor progress on achieving these targets.
- ◆ To review performance against agreed targets within the various management areas and seek to identify and agree appropriate action to address under-performance.
- ◆ To ensure that the Empty Property Strategy is firmly embedded within the Corporate priorities of 'narrowing the gap' and 'creating confident communities', and that this is reflected within the Area Management Plans, Neighbourhood Renewal Strategy and Departmental Service Plans.
- ◆ To develop joint cross-Departmental and Divisional solutions to tackle the issues surrounding empty properties and areas of low demand within the city.
- ◆ To identify best practice in addressing the problems/issues surrounding empty property and to ensure the 'roll-out' of any good practice throughout the city.
- ◆ To facilitate the formulation of partnerships in order to deal with the issues of empty property and their regeneration, disposal or demolition.

- ◆ To consider the community safety issues surrounding empty properties, having regard for the requirement within Section 17 of the Crime and Disorder Act 1998 and the impact that empty properties have upon the local communities - particularly within the targeted areas of low demand.

## **The involvement and support of Elected Ward Members and M.P.'s**

The influence of elected Ward Members and M.P.'s is invaluable in changing attitudes and in promoting the objectives of the Empty Property Strategy. They have also been instrumental in the lobbying of Central Government to effect change by legislation i.e. the licensing of HMO's on a mandatory basis and by being involved in the lobbying process in Central Government to enable local authorities to have discretionary powers regarding selective licensing of the private rented sector within districts that are affected by low demand and/or anti social behaviour. Locally their support for this strategy as a priority assists in ensuring the necessary resources and efforts are focused on this work.

## **Intensive Neighbourhood Management**

The ethos of Intensive Neighbourhood Management is key to the success of the Empty Property Strategy, in that, empty properties are a symptom of decline and deprivation and dealing with them in isolation will not be sufficient to turn around the fortunes of such areas. In order to create the demand for property across all tenure and ownership and rebuild sustainable communities, the following issues will need to be addressed:

- Improve and then sustain the quality of life in the most disadvantaged neighbourhoods whereby success is measured by a reduction of crime and anti-social behaviour and improved environmental quality that is recognised by resident perception.
- Develop and embed new tools to control and, where possible, remove the underlying causes of persistent, repetitive and stubborn social and environmental problems that create neighbourhood blight and ensure that major regeneration schemes emerging across the city are built on sustainable local foundations
- To mainstream successful approaches such as the BANROCK and ARROW environmental task force operations and develop, co-ordinate and deploy local and city wide services to maximum effect within the targeted priority neighbourhoods.
- To involve residents and their elected representatives in the design and management of intensive intervention via the Area Management infrastructure through local forums and Area Committees.

Two of the priority themes within the Leeds Regeneration Plan are to 'narrow the gap' in Leeds by improving the housing conditions and to provide better quality environments in deprived areas which will last for future generations. The overall ethos of the plan is to ensure that no-one should be disadvantaged by where they live; therefore, in order to achieve this, measures need to be taken to reduce unemployment, improve the housing and the physical environment within all the disadvantaged and declining neighbourhoods within the city. Area Management's district plans highlight the needs of the priority neighbourhoods throughout the city and, liveability in these targeted areas is a key priority.

The empty property strategy will contribute towards these priorities, in some of the most deprived areas of Leeds, by assisting the improvement of housing stock that has been identified as being empty and causing concern or blight to the area in which they are situated. The work carried out by the Neighbourhoods and Housing Department and the other contributory Departments will include tackling environmental problems that arise through properties being left empty for long periods and which, in some cases, are bordering on dereliction.

## **Tackling the problem of private sector empty properties**

The work that has been undertaken within the remit of the empty properties strategy includes:

- PROACTIVE IDENTIFICATION of empty properties and their associated problems via the utilization of 'on the ground surveys' within the target areas and data obtained from council tax records.
- PROACTIVE USE OF INFORMATION – database's prompt making contact with owners of long-term empty properties in order to offer advice and assistance in returning their property back into re-habitation.
- A PROACTIVE MULTI AGENCY APPROACH TO ENFORCEMENT ACTION - on problematical empty property i.e. Enforced Sale Procedure, CPO and Town and Country Planning Act 1990 Section 215, etc.
- COST EFFECTIVE ADVERTISING OF EMPTY PROPERTY - for 'accredited landlords' via 'Choice Based Letting'.
- PROMOTION OF THE LEEDS ACCREDITATION SCHEME FOR THE PRIVATE RENTED SECTOR.

- ❑ THE INVESTORS IN LEEDS REGISTER. - An initiative to match potential investors with owners of long-term empty property.
- ❑ PUBLICITY - utilising various delivery vehicles such as promotional leaflets and the media especially with regard to successful enforcement action.

Environmental Health Services have designated an officer within each of the five EHS area teams to act as a coordinator or 'champion' on matters relating to empty properties.

The EHS empty property champions can help co-ordinate and focus work on empty properties in each area. However, this work needs to be coupled with the wider approach to the regeneration of the priority neighbourhoods through coordinated intensive multi agency interventions. In particular, close working arrangements are established with Area Management Teams.

In keeping with this approach, a successful bid against the Neighbourhood Renewal Funding regime has enabled the Environmental Health Service to engage / deploy an empty property enforcement team (an additional four members of staff) within the targeted areas of low demand at Cross Green, East End Park, Harehills and Chapeltown. This enforcement team works closely with Area Management to ensure that the work they undertake links into the Area Delivery Plans.

The key activities of the Empty Property Enforcement Team are as follows:

1. Proactively identify empty properties and their associated problems via the use of 'on the ground surveys' and data obtained from council tax records and the EHS area team's empty property databases.
2. Act upon referrals from a range of agencies, including the police and the fire service, regarding empty privately owned property that are open to unauthorised access and provide a rapid response to securing these dwellings thereby reducing the risk of arson and other criminal activities.
3. Take the appropriate proactive or reactive enforcement approach in dealing with long-term problematic empty properties, i.e. Enforced Sale Procedure, Compulsory Purchase Orders, Town and Country Planning Act 1990 Section 215 notices and actions around refuse and insecure empty properties.
4. Intensify the number of informal and formal actions taken against owners of empty properties to encourage renovation and re-occupation.
5. Coordinate their enforcement work with that of the other enforcement officers within the Development Department and City Services in order to maximise the effect of the enforcement action within the target areas.
6. To promote and encourage Landlord Accreditation within the private rented sector.
7. To roll out good enforcement practice to all the Environmental Health Area Teams.

The combined effect of these actions should contribute to bringing about a more stable and less transient community within the targeted areas through:-

- ❑ A reduction in the number of long-term private sector voids throughout the city and particularly within the targeted priority neighbourhoods at Cross Green, East End Park, Harehills and Chapeltown.
- ❑ A rise in the house prices within the priority neighbourhoods bringing them in line with similar house types throughout the city.
- ❑ A more sustainable housing market within the target areas.
- ❑ Reducing the number of arson attacks on private domestic empty properties
- ❑ Improvement to the quality of life across a range of indicators that will start to attract inward investment - especially from the private sector.
- ❑ To assist in safeguarding the public investment that has been / will be expended within these priority neighbourhoods.
- ❑ To help to stop the spread of decline to neighbouring housing stock and neighbourhoods.
- ❑ To assist in creating more confident neighbourhoods whereby the resultant stabilisation and increase in population will boost the local economy and enhanced the dynamics of the areas making them more viable and sustainable.

## **Tackling the problem of empty properties within the social housing sector**

The 2010 completion date that has been set by central government for all social housing to meet the decency standard is looming ever nearer and option appraisals are being worked upon by the ALMO's and RSL's with a view to renovation, disposal or demolition to accomplish this.

The Leeds ALMO's have already done a lot of good work in terms of empty properties, with voids reducing from 3% of total ALMO stock in 2002 to 1.75% at 31<sup>st</sup> March 2006. Nevertheless, the individual ALMO's are starting to develop asset management strategies as part of their business plans and building cost models to outline future plans for all their stock, including their stock within the mixed tenure and ownership low demand areas. The ALMO's strategies outline plans for bringing stock up to the decent homes standard and plans for disposals of stock through right to buy, demolition and sale. The plans also identify links with regeneration schemes such as EASEL and PFI (see Appendix 1)

## **Disposal of Council Miscellaneous Properties**

The Council owns 300 miscellaneous properties that are not directly managed by the Arm's-length Management Organisations. These dwellings have been leased out to a range of organisations that have provided temporary affordable housing.

Organisations such as LATCH and CANOPY utilise these properties to provide accommodation for people who require a high level of support in terms of maintaining housing within the community. Furthermore, UNIPOL, in partnership with Registered Social Landlords such as Connect Housing are managing and providing a service to mature students who are pursuing further education.

In 2006, the Department of Neighbourhoods and Housing is negotiating with these housing providers and discussing the renegotiation of the leasehold arrangements in order that a consistent approach can be taken in terms of the relationship with the Department and Housing Partners who lease this type of accommodation.

## **Links to the Homelessness Strategy**

The core aim of the Leeds Homelessness Strategy 2006-2010 is to ensure that all households who are either homeless or threatened with homelessness are enabled to secure an outcome to their housing difficulty. The strategy also includes targets set by Central Government such as the need to reduce temporary accommodation placements by 50% by 2010. Consequently, the strategy places a strong emphasis on promoting opportunities to prevent homelessness through effective advice and other intervention. However, as it is recognised that such prevention opportunities will not always succeed, alternative accommodation options need to be available. Historically, the conventional route out of homelessness was a letting by one of the Leeds ALMO's. The strategy recognises that the continuing contraction in ALMO managed stock, and the accompanying reduction in available homes to let, represents a significant challenge in terms of addressing homelessness in the city. If the strategy is to succeed in meeting its objectives it will be essential to supplement the lettings made by the Leeds ALMO's with those sourced from other landlords. Whilst there may well be certain scope to increase the number of lettings from local RSL's the strategy recognises that the private rented sector must be promoted as a viable tenure option.

The Homelessness Strategy and Empty Properties Strategy must link to promote the private rented sector through the Landlord Accreditation Service as a viable tenure option and also identify opportunities where empty properties can be brought back into use and be utilised to re-house homeless households.

## **Promotion of the Leeds Landlords Accreditation Scheme.**

The Private Rented Sector Strategy has two key elements: promoting and supporting responsible renting and taking firm action against negligent landlords who fail to meet their statutory obligations. The purpose of the Leeds Landlords Accreditation Scheme ( LLAS) is to support responsible renting and ensure that landlords and tenants are aware of their entitlements and respective responsibility towards one another and to promote good standards of accommodation and management. The criteria for the code of standards for the accreditation scheme have been chosen to reflect a balance of common sense obligations and responsibilities between landlords and tenants and set standards which are achievable without significant expenditure of time and money and without prejudice to their respective legal rights.

A prerequisite of the Leeds Landlords Accreditation Scheme is that landlords are required to ensure that the physical condition of their property and the level of provision of basic amenities are reasonable and satisfactory and not liable to be prejudicial to the health and safety of the occupiers. Members of the accreditation scheme must ensure that they comply with their legal obligations in respect of the health, safety and welfare rights of their tenants.

Members of the Leeds Landlords Accreditation Scheme are kept on the Leeds Landlords Accreditation Scheme register, the contents of which are to be generally available to the public.

Members of the accreditation scheme who repeatedly breach the prescribed terms and conditions will be deleted from the Register and will no longer be regarded as participants of the scheme thereby forfeiting eligibility for any benefits or incentives offered to members of the scheme.

The Empty Property Champions and Empty Property Enforcement Team actively encourage all private landlords they contact to become members of the Leeds Landlords Accreditation Scheme. Promotion of the Leeds Landlords Accreditation Scheme is vital to the Empty Property Strategy as this encourages a more professional private rented sector within the city that is more inclined and better able to fulfil the important niche in the Leeds housing market that they provide.

## **Intelligence & Information.**

Comprehensive databases have been established and continue to be developed in order to ensure that accurate information is held regarding empty properties within the targeted 'hot spots' and throughout the rest of the city.

These databases assist the targeting of resources in order to regenerate housing stock that is in poor condition, as well as aiding the forecasting of housing needs within the target areas of low demand. Furthermore, it assists in the formulation and targeting of strategies which are designed to resolve some of the contributory causes of empty property i.e. vandalism, crime and rubbish dumping etc.

The databases also identify instances where property has been empty for over 6 months and they prompt a contact to be made with the owner / agent so that an offer of assistance can be made to facilitate getting the property back into use more quickly.

## **Changes to council tax discounts on empty properties**

In the 2003 Local Government Act, local authorities were given the discretionary right to abolish the long standing discount on council tax for empty property as it was argued that to continue with the discount would be a perverse incentive to encourage owners to keep property empty.

A report of the Director of Corporate Services went to Council on 12<sup>th</sup> January 2005 concerning the calculation of the council tax base for 2005/06 and it also addressed the issue of discounts on council tax for empty properties. Members decided to reduce the discount from 50% to nil in support of the corporate empty property strategy.

This has proved to be a powerful leverage tool within the Empty Property Strategy as it has encouraged owners to make their properties available for occupation and contribute to both a reduction in homelessness and enhanced the regeneration process within some of the worst areas of the city that have suffered from low demand.

## **The use of statutory enforcement action.**

The Neighbourhoods and Housing Department and the Development Department have certain powers to deal with issues that are detrimental to property / locality and, the ethos of 'joined up thinking' and a co-ordinated approach to enforcement action upon long term void and problematical property is essential to the success of the Empty Property Strategy.

The Local Authority has a number of options with regard to enforcement actions that it can adopt in cases where persuasion or the use of incentives have proved to be unsuccessful in dealing with owners of empty properties.

These options range from securing open empty property against unauthorised access under Section 29 Local Government Act 1982, and powers under Section 80 Environmental Protection Act 1990, Section 59 Building Act 1984 and Section 4 Prevention of Damage by Pests Act 1949 which can be utilised in dealing with problems of statutory nuisance, building defects, rodent problems and refuse accumulations.

Where property is deemed to be uninhabitable and not being capable of repair a Closing Order or Demolition Order action can be taken. Building Control can utilise Section 79 Building Act 1984 - which requires the owner to reinstate the property or demolish within 56 days.

Compulsory Purchase Orders are a useful device for Local Authorities, however, this type of action tends to shift the 'burden of responsibility' to the Council to resolve the under used property. Therefore, an alternative and quicker option is to pursue Enforced Sale Orders in cases where owners are reluctant to address the problems that their empty property is causing the neighbourhood.

The enforced sale procedure is a power given under the Law of Property Act 1925 (s103) without the need to go through the complicated procedure associated with Compulsory Purchase Orders. It can be used in conjunction with Works in Default where notices have been served on owners insisting the works be done. If these are ignored, then the local authority has the right to carry out the work in default of the notice served. However, Enforced Sale can only be utilised to recover this 'debt' where there is an outstanding 'priority' debt charge in favour of the Local Authority.

Planning and Environmental Health Officers, under their delegated powers, can deal with the condition of land / property that adversely affects the amenity of an area under Section 215 of the 1990 Town & Country Planning Act. This particular Act enables the L.A. to serve a notice on a landowner or occupier, requiring that person to take such steps as are specified in the notice to remedy the condition of the land. However, It should be noted that the definition of "land" includes buildings and therefore it is a useful addition to the arsenal of legislation that can be utilised to address the problems caused by empty property. The notice requires the remedial action to be carried out within a specified period, usually not less than 28 days and, if the notice is not complied with, the person is liable to prosecution in the Magistrates Court under Section 216 of the Act.

### **Enforcement powers granted to Local Authorities within the Housing Act 2004: -**

The Housing Act 2004 introduced a range of new enforcement options to allow Authorities to deal with hazards together with the ability to charge for its costs in taking enforcement action where this is appropriate. Many of the enforcement actions allow an Authority to undertake works if the enforcement notice is not complied with and to take action to recover its costs in so doing.

### **The Housing Health and Safety Rating System**

The Housing Act 2004 was implemented on 6 April 2006 and it introduced a new risk based system to assess the suitability of housing called the Housing Health and Safety Rating System (HHSRS). This replaced the old fitness standard which had been the method of assessing housing for approximately 80 years although this was subject to some amendment over that time.

HHSRS is based upon risk assessment against 29 defined hazards that may be found in a property. Housing practitioners are required to assess the likelihood of a hazard causing harm over a 12 month period and the health outcomes, should such an incident take place. Regard must be taken as to whether there are any vulnerable groups that may be affected by a hazard but, the methodology allows for a property to be rated whether it is occupied or not. The assessment leads to a score for a particular hazard and the score is then put into a series of bands ranging from A-J. Bands A-C are termed Category 1 hazards whilst bands D-J are termed Category 2 hazards. A Local Authority is under a duty to deal with any Category 1 hazard whilst it also has a power to deal with Category 2 hazards.

Whilst predominantly applicable to occupied houses to protect the health and safety of residents the HHSRS allows vacant properties to be assessed as to their impact upon health and safety and places a duty on Local Authorities to take action where Category 1 hazards exist.

### **Empty Dwelling Management Orders**

The Housing Act 2004 introduced two types of management order in relation to empty dwellings – "interim EDMO's" and "final EDMO's". The purpose of an interim EDMO is to enable a Local Housing Authority to take steps to secure occupation of an empty dwelling with the consent of the owner. A final EDMO is made in succession to an interim EDMO (or a previous final EDMO) for the purpose of securing that a dwelling becomes and remains occupied, whether or not the owner of the dwelling consents.

An interim EDMO does not have to be followed by a final EDMO. However, a final EDMO can only be made following an interim EDMO or a previous final EDMO. Under Section 134 of the Act a Residential Property Tribunal may authorise a Local Housing Authority to make an interim EDMO in respect of a dwelling that is unoccupied (except where the relevant proprietor is a public body) if :-

1. it is satisfied that the dwelling has been wholly unoccupied for at least 6 months (or such longer period as may be prescribed);
2. there is no reasonable prospect of it becoming occupied in the near future;
3. that, if an interim EDMO is made, there is a reasonable prospect that it will become occupied;
4. that the authority have complied with section 133(3) of the Act;

5. that any prescribed requirements have been complied with; and
6. that it is not satisfied that the case falls within a prescribed exception.

Under section 134(5) of the Act the “appropriate national authority” may by order prescribe the exceptions that the case may fall into, prescribe a longer time period that the dwelling must be unoccupied, and prescribe any other requirements that need to be complied with before an order may be authorised. The Secretary of State is empowered to make such an order in relation to England. The Housing (Empty Dwelling Management Orders) (Prescribed Exceptions and Requirements) (England) Order 2006 (SI 2006/367) has been made under these powers. Once an interim EDMO is approved by a Residential Property Tribunal, it will usually last for a maximum period of 12 months. A LHA cannot arrange occupation of the dwelling without obtaining written consent from the owner. Where such consent cannot be obtained, the interim EDMO may be revoked and replaced with a final EDMO made by the LHA. The making of a final EDMO does not require the approval of a Residential Property Tribunal. Once in force, it lasts for a fixed period of no more than seven years. The LHA does not require consent of the owner to grant occupation rights to the dwelling during the existence of a final EDMO.

EDMO's are designed to operate along similar principles to private sector leasing arrangements. However, it is not the Government's intention that EDMO's should replace such arrangements. Indeed, it is expected that the availability of the power to make EDMO's will assist in procuring additional dwellings for leasing. Leasing arrangements are important in that they provide many of the necessary administrative structures that a LHA would have to establish in order to manage a dwelling under an EDMO. It is therefore recommended that prior to considering using EDMO's, LHA's set up leasing arrangements. LHA's may seek partner arrangements with Registered Social Landlords or private sector managing agents to facilitate leasing schemes. These same arrangements may be used in the management of dwellings under EDMO's.

Leeds City Council will consider the aforementioned legislation within the context of its existing enforcement powers and judge whether to adopt this option, especially within areas of high housing demand and housing shortage and in support of the Homelessness strategy.

## **Selective Licensing of the Private Rented Sector**

The Government has given new discretionary powers to local authorities enabling them to license private landlords in all, or part of, their area. These new licensing powers are intended to add to the range of tools available to L.A.'s in tackling the problems of areas which suffer from antisocial behaviour and/or low housing demand. It is not a panacea but it should encourage landlords to take part in comprehensive local strategies to stabilise neighbourhoods that are in decline. The Government's primary aims are to ensure that all landlords meet minimum management standards and participate with others in dealing with anti-social tenants; and exclude unscrupulous landlords who will not meet minimum standards (or appoint suitable agents to achieve this on their behalf) or seek to let their properties.

Local authorities can now seek the Secretary of State's consent for such schemes. In the context of empty property this would normally be granted only for areas of low housing demand facing severe problems, though the Secretary of State would be prepared to consider a case for licensing in special circumstances outside such areas - if compelling reasons were advanced i.e. neighbourhoods that suffer from an abundant number of instances of severe anti social behaviour. The ability to license private landlords is a welcome addition to the local authorities' powers to control the micro housing markets within their remit and, if utilised effectively, it could have a significantly beneficial impact upon all residents, landlords and agencies within the areas in which it is introduced.

Leeds City Council is preparing business cases for possible submission to the Secretary of State to introduce Selective Licensing within the Beeston Hill, Holbeck and Cross Green districts.

## **Promotion of the Empty Property Strategy via the Revenues Department / Council Tax**

Owners of long term empty properties are contacted by the Revenues Department / Council Tax officers as a matter of course and this is utilised as an opportunity to promote the empty property strategy on a city wide basis.

Furthermore, it is essential to maintain the established points of contact (The Empty Property Champions & the Empty Property Team) in order to deliver advice / solutions to the owners of long term empty property who make contact as a result of the correspondence initiated by the Council Tax Office, as this facilitates returning empty property back into use outside the `intensively managed' target areas.

## **Free advertising for long term empty property**

An essential ethos of the strategy is to `kick start' the failing housing market within areas of low demand by offering free advertising to owners or agents who represent long term empty homes. This initiative has been implemented via

the utilisation of for sale / rent notice boards located within community venues that are available within the targeted areas of low demand.

## **The Leeds Homes - Choice Based Letting Scheme**

This scheme was originally set up to provide prospective new customers with choice in the allocation of social housing through choice-based lettings and the adoption of local lettings policies in order to ensure consistency and to help address the rising demand for housing and related 'waiting lists' and a reduction in unoccupied social housing. The initiative was also devised to help address the issues of imbalance and to prevent concentrations of disadvantaged groups.

However, now that the scheme has become well established within the social housing sector and, because of the decrease in the supply of social housing in the city, it is considered appropriate to include 'accredited' private landlords within the CBL service in support of a truly holistic approach to housing provision throughout Leeds. Properties across both the social and the private rented sector are now advertised on a weekly basis via the weekly published flyer and upon the Leeds Homes website and this is proving to be successful, in that, empty property within these housing sectors are quickly turned around and re-occupied thereby making best possible use of the housing supply.

## **The Investors in Leeds initiative**

The Investors in Leeds Register is an initiative devised by Leeds City Council to match private landlords and developers seeking to purchase empty properties in suitable locations. The initiative is available to landlords and developers, approved or 'accredited' under the Leeds Landlords Accreditation Scheme. In order to gain accreditation they need to meet a number of criteria, such as agreeing to respond to repairs within a set timescale.

The initiative consists of a register of these selected investors who have expressed an interest in purchasing additional properties within Leeds into their portfolio. They are asked to declare which districts within the city they are interested in investing in and the details are then put onto the Investors in Leeds database. Owners of long-term empty properties are contacted throughout the targeted areas of low demand and issued with an area specific schedule of the appropriate investors in order that they can then consider contacting and negotiating the sale of their property with these interested parties.

This initiative has proved to be an essential element to the Council's Empty Property Strategy and has resulted in many dozens of empty properties returning back into use, especially in areas where local property agents show little interest in representing property.

## **'Linked' initiatives with the Residential Social Landlords that are operating within the target areas.**

Housing Associations are the Local Authorities 'natural' partners in any regeneration process and their ability to lever in investment via such funding regimes as H.A.M.A., Short Life Program ( Mini - HAG ) and the main Housing Association Grant Program, are tried and tested initiatives / resources that can support the wider regeneration strategy.

Furthermore, it has been imperative that the Housing Association's that operate within Leeds 'sign up' to the empty property strategy in that they should agree to address, with due urgency, any problems that are identified as a consequence of the complaint referrals that Leeds City Council receives or any issues that are identified by 'on the ground' operational staff monitoring their empty property within the target areas.

## **Creating 'local ownership' of the strategy through the establishment of empty property forums within the targeted areas of decline.**

A coordinated, multi agency / stakeholder 'partnership' approach is essential in addressing the problems associated with empty property and, to this end; an Empty Property Forum has been established within each of the targeted areas of low demand.

This approach has been successful in drawing together all the various 'stakeholders' within the existing target areas in order to identify the problems that are being experienced across all tenure and ownership. Notwithstanding this, these forums have also been utilised as a 'sounding board' and a 'mechanism' by which to gain agreement for the many proposals which have been put forward and implemented in formulating an all encompassing strategy that addresses the issues of empty property in a holistic manner.



## **Participants of the Empty Property Area Forums: -**

Project Manager - Empty Property Strategy  
Area Management (for the specific target area)  
The Arms Length Management Organizations  
Environmental Health Services  
Development Department  
Registered Social Landlords  
Estate / Lettings Agents  
Private Sector Landlords  
Financial Institutions - Banks, Building Societies  
Developers  
Elected Ward Members & MP (for the specific target area)  
Community Leaders  
West Yorkshire Police  
West Yorkshire Fire Service  
Regeneration Partnership Unit  
Resident's representatives  
Anti-social Behaviour Unit  
Neighbourhood Wardens

This model of consultation should always be considered to be an essential element of setting up the Empty Property Strategy within any new target areas.

## **Community safety.**

A profusion of empty properties signal the decline of an area and can help trigger an increase in criminal damage. Empty properties can be used by rough sleepers, squatters and drug users which can lead to the accumulation of drugs detritus within the area.

The 'on the ground approach' to identifying empty property and any associated problems has played a vital and beneficial roll to ensuring the safety of the general public. It has facilitated the early identification of rubbish accumulations which have historically been a problem within certain districts of the city and, the adoption of this policy has also played an indispensable roll in identifying potentially dangerous property within the target areas and facilitated a much quicker response to the securing of empty property that is open to unauthorised access.

West Yorkshire Fire Service reported a marked increase in the number of arson attacks upon empty properties within certain parts of the city.

This presents a serious community safety issue that could potentially result in fatalities, especially within the designated Urban Renewal Areas, where the properties were built pre 1919. House types within these areas are usually back to back and through terrace properties and unfortunately, these types of dwellings do not have the benefit of a fire break wall within the roof void and this could potentially facilitate the spread of fire across an entire terrace.

Furthermore, this type of construction presents the occupants with the serious problem of being vulnerable to burglaries because of the inter-linking roof void which is accessible via the loft hatches within each household. Residents are particularly vulnerable if a neighbouring property is empty and open to access.

Under normal circumstances, any empty private property that is open to access would have to have a notice served upon the owner under section 29 – Local Government Miscellaneous Provisions Act 1976. The Local Authority cannot make arrangements to secure such property until the required 48 hours notice period has elapsed. However, the legislation does make provision for local authorities to act more expediently where it would be prejudicial to health not to do so. As most arson cases occur within 24 hours of an empty property becoming insecure, a prompt response is required in high-risk areas.

A new initiative has been developed by Environmental Health Services in partnership with West Yorkshire Fire and Police services to introduce a corporate policy for a 24/7 rapid response to re-securing private property that is found to be empty and open to unauthorised access within designated areas that are considered to be at a high risk of arson attack.

## **Educational links and raising the awareness of young children to the potential dangers of empty properties.**

Forging links with local schools, community centres and youth groups within the targeted areas has facilitated the involvement of young people and children in the regeneration process of their district. This is essential as it engenders a sense of 'ownership' by the children / youths. This exercise also facilitates 'getting the message across' to the children regarding the problems and dangers associated with empty property.

Involvement with the local schools within the initial target area at Beeston proved most successful, in that, the schools willingly co-operated by incorporating the problems associated with empty property within their curriculum. The issues around empty property have been used as a 'vehicle' for various projects whereby the children gained considerable insight into housing and environmental topics and their 'outputs' have been utilised to form the basis of local exhibitions within the community and a 'community book' on the issues / dangers of empty property. This booklet has now been adopted by Leeds Education Authority as a 'discussion document' and it is being utilised for primary level curriculum work citywide.

## **Links with other local authorities and national bodies**

The sharing of information and ideas regarding the problems associated with empty property is beneficial to the country as a whole and will undoubtedly assist the government in updating its nation-wide strategy.

It is essential that Leeds City Council be kept informed and updated regarding the development of any successful empty property initiatives that are put into effect by other Local Authorities and National Bodies. To this end, Leeds City Council is more than prepared to continue its associations with any forums such as the Yorkshire & Humberside Empty Property Forum and the NAEPP Forum in order to share the experience / success stories that we have had in devising / implementing the Empty Property Strategy for Leeds.

## THE POSSIBLE RISK FACTORS FOR THE FUTURE

So far, the endeavours of the empty property strategy and other 'joined up' multi agency regeneration work have assisted in reversing the previously continual downward trend of house prices within the targeted areas of low demand and they now appear to be on a continual rise albeit that they are generally far lower than other comparable properties within the city.

Despite the successes that have been achieved by using the empty properties strategy within these targeted areas, the sustainability of these micro housing markets now appears to be fragile within certain neighbourhoods. If left without further regeneration activity we may witness another downward spiral in these micro housing markets that will undermine the efforts that have been made to achieve improvements. This potential for cyclic decline is perhaps most obvious in the Cross Green and East End Park districts.

The rise in house prices within all the targeted areas of low demand throughout the city is undoubtedly being driven by the 'buy to let' market and the availability of finance that has been established by the financial institutions to facilitate this sector of housing market investment. This trend is illustrated in statistics taken from the pilot target area at Beeston and Holbeck:

**In April 2000 there were 490 empty properties within the target area representing a 9.36% void rate.** Of these 12% were owned by private landlords, 64.8 % were owned by absentee owners and 23.20% were owned by the social housing sector.

**In April 2006 there were 218 empty properties within the target area representing a 4.17% void rate.** Of these 63.76% were owned by private landlords, 21.56% empty properties owned by absentee owners and 14.68% were owned by the social housing sector.

These market changes are symptomatic within all the areas of low demand throughout the city and they have provided positive growth in the equity available to local owner-occupiers within these areas. The danger is that, with this new financial incentive, long term local resident owner-occupiers will sell up and move away from the neighbourhoods that still suffer from problems of anti-social behaviour, crime, unemployment and other indicators of multiple deprivation.

Furthermore, the properties that come onto the market within the areas of low demand throughout the city are increasingly purchased by either speculative buyers or private landlords and these micro housing markets have become out of kilter due to an ever expanding rented sector. If this situation is not addressed it could contribute to an ever more transient population with no vested interest in these communities / neighbourhoods. Therefore, these trends will need to be addressed if we are to sustain the regeneration of these affected areas and maintain balanced communities. One option that Leeds Authority is considering in order to achieve this objective is the opportunities that are within the 2004 Housing Act through the new selective licensing arrangements.

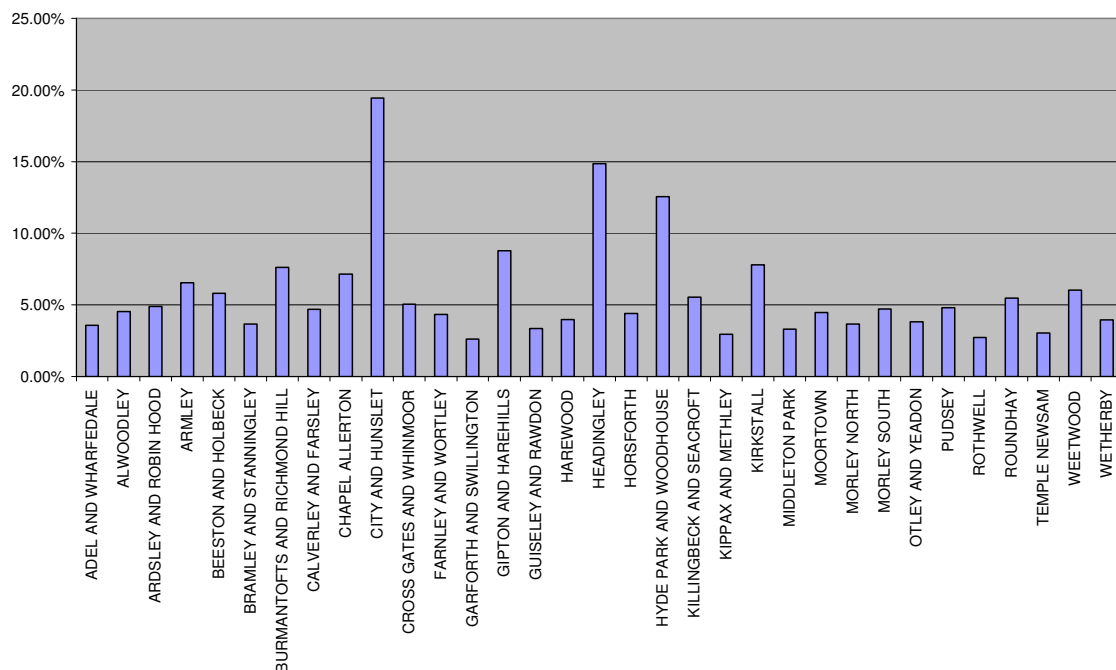
The ability to require that landlords are fit for purpose before they are allowed to be able to be a licence holder for a property within selected areas is a welcome addition to the local authorities powers to control the micro housing markets within their remit, if utilised effectively, it could have a significantly beneficial impact for all the residents, landlords and agencies within the areas in which it is introduced.

However, there are possible risks that should be considered. As previously mentioned, Leeds City Council is preparing a business case to put to the Secretary of State to introduce Selective Licensing within the Beeston Hill, Holbeck and Cross Green districts. The anticipated long term benefits of implementing selective licensing i.e. a more professionally managed and appropriate private rented sector that is sustainable and which links into the housing requirements for the city, may be adversely affected by the short term increase in empty properties that are generated by the landlords disposing of their investments prior to the licensing regime being introduced or, thereafter . There may also be reservations amongst financial institutions to lend money for investment purposes in such areas if viewed negatively. Having said this, the possible disadvantages of this 'short term pain' should be far outweighed by the 'long term gain', in that, the targeted areas for selective licensing should become more sustainable and balanced micro housing markets.

The long established student market within North West Leeds and the extensive city centre development projects are beginning to be areas of concern in that there is growing evidence that the recent growth in these areas may prove not to be sustainable. There are several new purpose built developments of student accommodation being constructed within the city and this may create competition for the traditional student let accommodation areas. Moreover, an increasing proportion of the newly built and proposed high rise luxury accommodation within the city centre has been funded by financial institutions as part of their investment portfolios. Whilst they may still currently be able to realise the value of their investment due to the buoyant effect of the housing market and property value increases within Leeds a significant number remain unoccupied or un-purchased and future potential occupiers remain to be identified. Furthermore, despite the fact that these 'investors' are being charged 100% council tax on their empty investment

property they are not deterred by this fact and continue to keep them void and, worryingly, there are plans for substantial numbers of additional residential properties in the city centre.

The disproportionate number of empty properties within the city centre is graphically highlighted in the following chart which depicts a 'snap shot' of the number and distribution of voids on a ward by ward basis city-wide.



This disturbing situation will need to be the focus of further intensive investigation and study in order to ensure that we do not allow this to become an acute problem for the future and research is being undertaken by Leeds University on these developments.

However, should this situation continue to increase, as a consequence of the planned development within the city centre, the number of these additional empty 'investment' properties could impact on the CPA performance of the Authority due to the new KPI that has been introduced by Central Government. This newly introduced KPI takes effect from April 2007 and is a measurement by which the number of long term empty properties within the private sector is taken as a percentage against the total private sector housing stock. Should the proportion of long term empty properties be greater than the permissible threshold that has been set by Government, it could prove to be detrimental to the Leeds CPA rating.

Moreover, a continuance of this trend could undermine all the good work that is being undertaken within the targeted areas of low demand and hinder Leeds City Council from achieving the corporate target of reducing the overall void rate to 3% of the total housing stock by 2010.

The Homelessness Strategy 2006-2010 recognises the importance of engaging with the private rented sector as a viable long-term housing option for homeless households. This work is essential in order to respond to the continuing reduction in the number of Arms Length Management Organisation lettings.

A number of risks have been identified if the residual ALMO lettings can not be supplemented with those sourced from other tenures such as the private rented sector. It is likely that homeless households will need to spend longer in temporary accommodation before they secure an ALMO letting. The number of households placed in temporary accommodation would, in all likelihood, rise and this would mean additional costs being incurred by the Council in having to increase its use of bed and breakfast accommodation.

Such an increase in temporary accommodation placements could prove disastrous especially as Central Government have set a target to reduce placements by 50% by 2010. There is a finite supply of temporary accommodation in the city and therefore, if the number of temporary accommodation placements rise, a significant risk will emerge from the Council being unable to fulfil its legal duty to secure suitable temporary accommodation for homeless households. This risk will relate to the capacity of the Council in being able to secure any form of temporary accommodation but also the need to avoid using inappropriate forms of temporary accommodation such as bed and breakfast placements that should only be made as a last resort, and then, for no longer than six weeks.

Under these circumstances, it is imperative that Leeds City Council endeavours to utilise every available property whether it be in the public or private domain and, to ensure that the Empty Property Strategy is both robust and able to bring back into occupation the wasted resource of long term empty properties throughout the city in order to facilitate this aspiration.

## **ISSUES THAT ARE BEING DEBATED NATIONALLY WHICH, IF IMPLEMENTED, MAY IMPACT UPON THE STRATEGY BEFORE ITS NEXT REVIEW IN 2010**

Central Government is continually looking at its strategy to address the issues regarding empty properties and to encourage a better use of the existing housing supply throughout the regions thereby eradicating the wasted housing resource that long term empty properties represent. The Government is giving consideration to the various proposals / ideas that are being put forward by focus groups and organisations such as the Empty Homes Agency, Shelter and other professional bodies like R.I.C.S. and N.A.E.P.P.

These proposals have not, as yet, been ratified by government but, should this be the case, they will need to be considered for inclusion within the Empty Property Strategy prior to its next programmed review in 2010.

The issues being proffered / considered are as follows:-

### **Redfield Sites**

It is generally accepted that the sustainable communities plan makes the case for new housing supply to meet the needs of a changing population and that current levels of housing need and demand cannot be met solely from within the existing housing stock. Building new houses is both essential and desirable. However, new housing comes at a cost. Even the greenest housing has an impact on the environment: generation of carbon dioxide, production of pollutants and loss of habitats for wildlife. There can also be costs to existing communities with the loss of amenity space, increased traffic congestion and adverse impacts on the viability of existing towns; inevitably there is a high demand for new houses that are built, but this can be at the expense of existing housing which can see a reduction in demand.

A sustainable approach to meeting housing need must maximize the potential of the existing housing stock and encourage the reuse of empty buildings and a sequential approach to providing new housing can help achieve this. Firstly, is it possible to provide housing from existing buildings? Returning empty homes to use, conversions of redundant commercial buildings, and more efficient use of existing buildings? Secondly, is there potential for using previously developed land? And thirdly, only after the first two sources have been exhausted consider the potential for greenfield site development.

There is already a target for the second of these options; the 60% brownfield site target, but most housing strategists believe that the brownfield site definition is too broad and doesn't encourage the innovation and creativity needed to make the best use of existing buildings. Therefore, there should be a further target to encourage creating housing supply from existing buildings i.e. a 'redfield' site target to emphasise the sequence of redevelopment / new development i.e. redfield, brownfield, greenfield.

- The Empty Homes Agency and NAEPP (National Association of Empty Property Practitioners) are lobbying government to consider including a target to be set for redfield sites.

### **VAT**

One of the problems that exacerbates the re utilisation of redfield sites is that decisions are currently made within a skewed tax environment that favors new build housing over refurbishment. Whilst new build housing continues to attract a zero rate of VAT, refurbishment of most empty properties attracts the full 17.5% rate of VAT. It has been long argued (by the Empty Homes Agency and Empty Property Practitioners) that there should be a level playing field that would remove this barrier to redevelopment of existing empty properties.

The Government has made some welcome changes to the VAT legislation in recent years in order to give an incentive to bringing empty properties back into use. They reduced VAT on refurbishment costs on homes that have been empty for between 3 and 10 years to 5% and for homes empty for more than 10 years the VAT is zero-rated. However, it is currently argued that this hasn't gone far enough as the refurbishment of the majority of empty properties still incurs 17.5% VAT. It should be noted that 87% of all empty properties in England have been empty for less than three years and, only 3% have been empty for more than ten years that could benefit from the zero rate VAT.

- The Empty Homes Agency and NAEPP are lobbying Government to create a level playing field and harmonize VAT between new build and refurbishment.

## Capital Gains Tax

Nothing helps getting empty properties back into use like the change of ownership. However property transactions mean potential buyers and sellers incur taxes, which act as a disincentive. A recent MORI poll showed 77% of owners of empty properties did not want to sell their property, despite many of them having no other alternative plans.

Owners of empty properties are liable for capital gains tax (CGT) on the increase in value of their asset from the initial purchase price if the property they sell is not their primary residence. This is for the simple reason that an owner can't claim the "main home" exemption. With many empty property owners having purchased their property many years ago the capital gain and therefore the tax, amounts to a sizeable sum. Illogical as it may seem, this acts as a strong disincentive to selling the property; owners often prefer to sit on an asset regardless of whether they can realise its value. The continuance of CGT on long term empty property sales could create a perverse incentive for owners to keep property empty in order not to incur these costs.

- The Empty Homes Agency and NAEPP are lobbying the Government to instigate a well publicised and time-limited moratorium on CGT for long-term empty properties in order to entice additional properties into the market.

## Stamp Duty

Arguably, the most efficient developers of individual empty houses are prospective homeowners. With 90% of the population aspiring to home ownership there is potential for many people to resolve their own housing needs. Redeveloping empty properties is difficult and expensive for many large developers. The diversity of the properties and their condition means they cannot realise the economies of scale that can be achieved on new-build developments. These obstacles are not faced by individuals developing one property,

If prospective homeowners are to be encouraged to develop empty homes that are often run down / derelict, they need to be given the required incentive, in that, their costs need to be reduced relative to other routes into home-ownership. One way of achieving this is by removing stamp duty on long-term empty properties. This would encourage transactions of properties that would otherwise be unlikely to be sold.

- The Empty Homes Agency and NAEPP are lobbying the government to review stamp duty and consider exempting purchases of long-term empty properties that are acquired for refurbishment and reoccupation.

## Council tax

The Local Government Act 2003 gave local authorities the discretionary right to abolish the long-standing discount on council tax on empty homes. However there are still two areas where The Empty Homes Agency and NAEPP believe changes could result in more empty properties being returned to use.

1. They argue that the Government missed an opportunity when the recent changes were made - by not specifying that the extra revenue raised by the L.A.'s should be 'ring fenced' in order to fund empty property work. The Empty Homes Agency and NAEPP are now urging them to stipulate that the additional revenue generated by these changes should be channeled into tackling empty property.
2. Secondly, there remains an exemption from council tax for properties that are considered uninhabitable. These are generally the worst eyesores that tend to attract vandals, fly tipping and other anti-social behaviour. Not only does the current council tax system give owners no incentive to deal with uninhabitable buildings, it arguably gives them an incentive to make their property uninhabitable so as to qualify for the exemption.

Leeds now charges 100% council tax on all long term empty properties and this has had a markedly positive impact in reducing the number of long term voids throughout the city, especially within the designated areas of low demand. However, the recent changes to council tax legislation are proving to be insufficient to deter some owners from leaving their property empty for long periods, as they are still prepared to keep the property unused despite having to pay the 100% council tax.

- The Empty Homes Agency and NAEPP believe there is merit in the Government reconsidering the council tax system again, in that, long term problematical empty properties should be able to be charged at the rate of 200% (at the L.A.'s discretion) due to the negative impact they cause upon the neighbourhoods in which they exist.

## THE BENEFITS THAT HAVE BEEN GAINED BY ADOPTING THE STRATEGY

There are a number of benefits that have accrued from linking the strategy on empty homes to the wider regeneration agenda:

- ❑ A reduction in the number of long-term private / social housing sector voids throughout the city and particularly within the targeted priority neighbourhoods. An example of this is the Beeston and Holbeck target area where the void rate has been reduced from over 15% in 1999 to 2.2% as of July 2006.
- ❑ A rise in the house prices within the priority neighbourhoods i.e. In 1999, the average house prices for a through terraced house in the Beeston area was less than £2,000 whereas, in July 2006 the average price has risen to over £65,000.
- ❑ A more sustainable housing market within these areas.
- ❑ Improvement to the quality of life across a range of indicators that will start to attract inward investment - especially from the private sector.
- ❑ The public investment that has been / will be expended within these priority neighbourhoods is more likely to be safeguarded.
- ❑ It has helped to stop the spread of decline to neighbouring housing stock and neighbourhoods.
- ❑ It has assisted in creating more confident neighbourhoods whereby the resultant stabilisation and increase in population has boosted the local economy and enhanced the dynamics of the areas making them more viable and sustainable.

## THE VISION AND CORPORATE TARGETS FOR THE STRATEGY

- To assist the Council's agenda in bringing the benefits of our prosperous, vibrant and attractive city to all the people and districts of Leeds.
- To reduce the void rate across all tenure / ownership to not more than 3% of the total housing stock by 2010.
- To ensure that no ward has a void rate of more than 2% above the city wide void rate by 2010.
- To ensure the percentage of private sector homes that are vacant for more than 6 months is no more than 2.69% of the total private sector housing stock. This figure will then be adjusted to reflect the index of multiple deprivation within Leeds. This target will need to be achieved at the 1<sup>st</sup> of April annually to ensure that Leeds maintains its current 4 star CPA rating.
- To annually return to occupation not less than a prescribed number of long term empty private sector properties as a consequence of the local authority's direct intervention utilising the BVPI64 criterion.
- To monitor and regularly report achievement against targets in the Empty Property Action Plan detailed in the attached appendix. Periodically and at least annually review and update the Action Plan through the Empty Property Forum.



## Appendix 1

### Arms Length Management Organisations - contributions to the Empty Property Strategy

#### Leeds North East Homes, ALMO

Leeds North East Homes have created a dedicated lettings team and demonstrate strong performance in its management of empty property with only c. 1% of its 6,000 homes empty at any one time.

Due to the high levels of housing demand from all market segments the Leeds North East District Housing Partnership has amongst its primary strategic aims the requirement to increase the availability of housing in the District. In delivering this aim there is a particular emphasis to increase the access to and affordability of social housing.

Land prices and site availability significantly restrict the ability to build new social housing in the district and so working with private developers and private landlords to increase the levels of new build is paramount. Mixed tenure developments, making best use of existing stock and bringing empty properties back in to use is the main avenue open to the partnership to achieve this.

The Partnership believe that regeneration initiatives, not solely focused on the provision of housing but also on the leverage of private investment into the priority areas will help increase the desirability of key locations, improve liveability and reduce the level of empty properties in the area.

The North East District Partnership has commissioned GVA Grimleys to undertake an appraisal of the Chapeltown Road corridor. This area acts as a gateway into the city centre and is the central hub of the Chapeltown community. The area has a great deal of commercial, investment and architectural merit. Grimley's report is at final draft stage and is to be presented to the District Partnership's Executive Board in late July 2006. Its draft proposals include bringing derelict properties back into use and creating new housing developments.

Leeds North East Homes second priority area is the Beckhill estate. The area surrounding Beckhill Avenue is blighted by a small number of properties which suffer high turnover and are difficult to let. Those properties empty consist of flats, sheltered bed-sit accommodation and maisonettes. There are a number of social, economic and design issues which contribute to this issue. LNEH are working with LCC's Area Management Team, Planning, Groundwork Leeds and other key partners to undertake an option appraisal of these units and the surrounding area with a view to forming a strategic regeneration plan for the estate.

#### Leeds West Homes, ALMO

The Leeds West Homes strategy stems around a combination of improvements, clearance and redevelopment, supported by an effective process in re-letting property.

The main regeneration in the West of the city centres on the West Leeds Gateway regeneration area and embraces three council owned estates. The main area is the New Wortley estate which includes properties on the Clyde's, Holdforth's and Brace's, and First and Second Avenue. The estates consist of low rise system built properties on the Reborn layout, and 4 Wimpy multi storey blocks. There are 580 low rise properties of which 210 (36%) have been sold. Within this number are 5 blocks of cluster flats (30 units) that are vacant awaiting disposal. There is low turnover in the houses, around 2%. Turnover in the 4 multi storey blocks is high around 50% per annum.

The 3 options emanating from the Atkins report are:

Minimum: Improve existing properties

Moderate: Some estate redesign and treatment of the multi storey flats.

Major: Clear the whole area and redevelop.

Planning, LWH and Area Management are scheduled to start consulting residents on the options in Sept 2006.

Linked in to the Gateway are 2 vacant sites at Mistress Lane and Highfields.

The other regeneration areas focus around:  
Fairfield's (Bramley) - Improvements and Clearance  
Waterloo (Pudsey) - Improvements and Clearance  
Walmer Grove (Pudsey) - Clearance

A review of the Retirement Housing has been completed and Leeds West Homes are looking at the refurbishment of Sir Karl Cohen Square (Armley) and clearance in Chaucer Gardens (Pudsey), coupled with developing floating support for Whincover Grange (Wortley)

In order to maximise re-lets LWH has created a centralised lettings team + empty property surveying team working from the Property Repairs partner's offices.

It should be noted that the number of potential clearance properties in the next 5 years, which will be generated from the redevelopment areas in the west, could be in the region of 1300 properties dependent on the scale of redevelopment at New Wortley and Fairfield.

### **Leeds South Homes, ALMO**

Leeds South Homes are partners to the Council's 5th round Public Private Finance Initiative expression of interest for Beeston Hill and Holbeck. The bid proposes the demolition of 610 Council owned dwellings, the refurbishment of 452 Council dwellings to decency standard, the conversion of 127 Council dwellings and the construction of 200 new build Council owned dwellings. Aligned to this bid for public sector housing regeneration, the Council, with the support of the South Leeds Regeneration Board, has been successful in securing funding from the Regional Housing Board for major investment in the regeneration of Beeston and Holbeck. In 2006/8 there will be in the order of £10 million public funds available to support a wide range of regeneration projects.

Leeds South Homes', Beeston Hill and Holbeck Housing strategy is committed to the long term objectives of transformational change for this area and in addition to the PPFi expression of interest LSH are working in partnership with South Area Management and the private sector housing renewal team on the acquisition and disposal of properties in the Beverley's and group repair in the Wickham's.

In Middleton, Leeds West Homes are working with Re'new and the South Area Management on developing a prospectus for the regeneration of the area; this includes Central Middleton, Westwood's and Manor Farms. The regeneration of the area will focus on both service delivery and sustainable physical development, seeking to develop a mixed tenure community. It is likely that the proposals will include remodelling and demolition options seeking to provide alternative social housing options around affordable housing for rent and low cost home ownership.

A priority within the current option appraisal work is the review of sheltered housing complexes and responding to the housing needs of elderly people in the area which may include the demolition / disposal of unsatisfactory bed-sit accommodation to be replaced by alternative support packages to allow the elderly to live independently in their own homes.

The Leeds South Homes plans are part of the wider South Leeds District Housing Strategy and South Leeds Regeneration Plan.

### **Leeds East Homes, ALMO**

Leeds East Homes have reduced the level of empty council properties within east Leeds from 2.6% of the stock they managed in 2002/03 to 1.95% in 2005/06. The objective is to reduce this level further to 1.8% of the stock by the end of 2006/07. This has been / will be achieved by improvements to the re-letting process and selective demolition of unpopular and/or defective properties as a forerunner to the EASEL Regeneration programme. Demand for properties in east Leeds is at an all time high due to the work that has been done to bring properties up to the Decent Homes Standard and also the work that has been undertaken to reduce anti-social behaviour and a greater awareness of property availability resulting from Choice Based Lettings.

Over the fifteen to twenty years anticipated life span of EASEL it is estimated that up to 2000 Council properties could be demolished, with more than twice as many new properties being built to replace them. Part of the EASEL programme will include interventions aimed at improving the Victorian terraces in the Harehills area where there are still pockets of unpopular empty properties in both the public and private sectors.

The work of East Leeds ALMO is integral to regeneration plans for priority areas in Harehills and Cross Green which has seen the recent successful bid for funding from the Regional Housing Board to support cross tenure initiatives. In 2006/8 there will be in the order of £7 million public funding available which will be primarily used to acquire and replace obsolete or long term void properties.

## **Leeds North West Homes, ALMO**

Leeds North West Homes void levels fluctuate between 1.5 to 1.7 % of its housing stock. Across their management area the highest proportion of voids is within Otley and this is mainly due to the high percentage of sheltered accommodation in the district, The Little London area has the second highest void rate. The percentage of voids varies across the LNWH Neighbourhood Housing Office areas from 2.5 % at Otley down to 1.1% in Aireborough

There are three main themes that Leeds North West Homes are following:

### **1. Option Appraisals for low demand or high investment cost properties.**

The main areas here are:-

Little London Regeneration Scheme (including a proposed PPF) will seek to regenerate an area with 3 of the identified 'super output areas' of deprivation in the City. The plan has sought to propose an approach that will retain two thirds of the current Council stock to allow for the creation of new housing (including 125 new council dwellings), diversify tenure to create a more vibrant and sustainable community by seeking to dispose of 3 Multi Storey Flats blocks for refurbishment for low cost sale and the refurbishment of the remaining housing stock.

The plan will involve the demolition of 150 high investment cost dwellings - multi storey flats and maisonettes, and the re-housing of up to 450 households, mainly within the immediate area over a period of time. A review of the sheltered housing complexes is underway. These complexes contain a mixture of bed-sit, one bedroom and two bedroom accommodation and are in need of upgrading beyond the scope of the Decent Homes standard.

The 9 complexes of sheltered bed-sits (171 units) within the LNWH's housing stock present the greatest challenge with little or no demand for these properties when they are advertised. The sheltered accommodation review will look at options for conversion of the low demand accommodation as well as possible options for clearance and disposal. Disposal is seen as the least popular option, but it must be considered if the reconfiguration of these complexes is not sustainable within the resources that are likely to be available.

### **2. Reducing the actual number of properties that are empty at any one time**

The overall number of properties empty at any one time has reduced, to a level of between 1.5% and 1.7 % of the stock, some 170 dwellings at any one time.

To maintain a low level of empty properties, a number of strategies are employed, including minimising the time that it takes to repair and re-let a home once vacated, requiring the issue of 4 weeks notice from tenants vacating homes together with the use of pre-termination visits (to allow proper planning for necessary works and advertising of homes coming available for re-letting). The use of an agreed 'letting standard' ensures that properties are in a reasonable condition and available for habitation as early as possible after acceptance of the tenancy and the use of re-housing visits to help secure a more successful acceptance rate of the properties that are offered for let.

### **3. Reducing turnover of tenancies and seeking greater tenancy sustainability.**

Leeds North West Homes are seeking to reduce the number of empty homes at any one time, but also to reduce the turnover of accommodation, by seeking to ensure that the homes people move to are the homes that they wish to live in by the utilization of the Choice Based Letting process. Accompanied viewings also ensure that the home offered is the right choice for the customer.

Leeds North West Homes have a range of strategies designed to support the neighbourhoods within its remit. Environmental and community safety action through the support of PSCO's and Neighbourhood Warden initiatives link their work with Area Management and Area Committees through the support of local tenant and resident groups, estate walkabout initiatives, environmental caretaker teams and the neighbourhood initiatives such as Operation APOLLO. Furthermore, tenancy sweeps to ensure that previously evicted ASBO tenants are not inadvertently rehoused, coupled with other assistance / support on a range of anti-social behaviour initiatives and mediation initiatives has ensured that the level of ASB has decreased thereby helping to create confident communities within the neighbourhoods.