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**Report of Chief Officer Statutory Housing**

**Report to Scrutiny Board**

**Date: 25 September 2012**

**Subject: Former residential properties utilised for non residential/ community/ office purposes**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Please see Appendix 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

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**Summary of main issues**

This report sets out the work undertaken to date by the Asset and Development Team, in assessing the 49 residential properties (which form part of the ALMO Management agreement) being used for non residential, community or office purposes.

**Recommendations**

Scrutiny Board are requested to note the contents of this report and the action plan (Appendix 2) which sets out the approach to deal with former residential properties utilised for non residential, community or office purposes.

## **1 Purpose of this report**

- 1.1 The Environment and Neighbourhoods Asset and Development team, at Scrutiny Board's request, have undertaken a piece of work to assess the number of residential Council properties which are being used for non residential, community or office purposes.
- 1.2 This report provides Scrutiny Board with an assessment of the size of the issue and then outlines an action plan to deal with the properties. The primary purpose of the action plan is to return as many suitable properties back to residential use, to increase housing supply.

## **2 Background information**

- 2.1 There are currently 49 units across the city which have been identified as residential properties being used for office/ community/ non residential purposes. These properties are listed in Appendix 1. The numbers of these properties broken down into ALMO areas are as follows:
  - Aire Valley Homes 7 properties
  - BITMO 2 properties
  - East North East Homes 23 properties
  - West North West Homes 17 properties
- 2.2 All 49 properties have been checked against Orchard to establish the rent LCC charge for similar properties in the area. This has then been used to calculate how much income has been lost since the properties were taken out of charge (It must be noted that orchard rental records only go back as far as April 1999 - some of the properties were taken out of charge previous to this date).
- 2.3 The estimated rent forgone on the 49 properties is £1,243,472. This equates to an annual rent loss figure of approximately £131,575.
- 2.4 Leeds City Council currently owns approximately 58, 000 properties. The 49 residential properties which are used for non residential purposes equates to approximately is 0.08% of the total council stock.

## **3.0 Main issues**

- 3.1 The 49 properties are being used for the following purposes:
  - 24 properties are used by caretakers or wardens as meeting rooms, accommodation, office or for storage
  - 5 properties are used as ALMO offices
  - 5 properties are formally leased to community groups (or are in the process of negotiating a new formal lease)
  - 4 properties used for community purposes are now void and are currently undergoing an ALMO option appraisal to seek to bring them back into charge for residential purposes

- 4 properties are used as communal rooms for tenants within sheltered complexes
- 3 properties are used on an informal arrangement by Tenants and Residents Associations with no lease or rental agreement
- 2 properties are committee tenancies
- 1 property is used as guest rooms within a sheltered complex
- 1 property is on a licence agreement as a neighbourhood base for the Police and Youth Services

3.2 The next steps are for the Asset and Development Team to work in conjunction with officers in the ALMOs and BITMO to assess the current use of the properties and agree if any are suitable to bring back into charge for letting for residential purposes. This assessment must be undertaken in a sensitive manner, as there could be resistance from residents and community groups, utilising the rooms, if it is perceived that LCC and the ALMOs are withdrawing or reducing service levels.

3.3 Many of the properties have been used by community groups and Tenants and Residents Associations (TRAs) for a long period of time, without formal agreements. Records are now out of date, so the Asset Team are to work in conjunction with the ALMOs and Leeds Tenant Federated to fully establish the following:

- Which TRA is using the building?
- How many members does it have?
- Does the group have a terms of reference or constitution?
- How long has the group been meeting and how long have they been using the building?
- Who is paying for maintenance on the building?
- Does the group cover all of their own utilities/ rates costs etc?
- How often the TRA meet and for how long?
- Are they the sole users of the building – or do they have other groups use the space as well?

3.4 If the building is under used then the Asset Team will liaise with the community centre team in Strategy and Commissioning (who are responsible for the management of purpose built community centres managed by Environment and Neighbourhoods). This would be to establish if there are any other suitable shared facilities in the area where the group can meet, rather than occupying a residential property for their sole use.

3.5 The decision to bring properties back into charge will also be subject to undertaking full surveys on the properties to establish if they are still suitable for residential purposes. The refurbishment costs to bring them up to a lettable level and the Decent Homes standard will also need to be established and agreed.

3.4 The proposed Action Plan is set out in Appendix 2.

## **4.0 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 This piece of work originated from an enquiry at Scrutiny Board on the numbers of residential properties which are used for non residential, community or office purposes. A report on the work to date will be presented in September.
- 4.1.2 The Asset and Development Team have worked with Housing Management and the ALMOs to compile the information. A report outlining the issues was submitted to DMT COG on 23 August 2012.
- 4.1.3 The groups using the facilities are to be fully consulted, along with Local Ward Members and Area management, who will be consulted on a case by case basis as and when decisions are made on individual properties.
- 4.1.3 The Asset and Development Team have also been working with Strategy and Commissioning (who are responsible for the management of purpose built community centres managed by Environment and Neighbourhoods) to assess the availability of alternative community facilities (i.e. should a decision be taken to bring units utilised for community purposes back into charge for residential purposes, we can find the groups alternative facilities).

### **5.0 Equality and Diversity / Cohesion and Integration**

- 5.1 Should decisions be made to bring the properties back into charge for residential purposes full Equality and Impact Assessments will be undertaken.

### **6.0 Council policies and City Priorities**

- 6.1 The high demand for affordable homes in the City means that the Council has an obligation to ensure that all suitable residential properties are let for those in housing need. The Environments and Neighbourhoods Asset and Development Team are also working to ensure that the Council achieve best value for all its assets (i.e. that the Council is receiving full rental revenue income from its residential properties) in order to ensure that the self financing HRA remains strong financially.

### **7.0 Resources and value for money**

- 7.1 The primary purpose of the action plan (Appendix 2) is to return as many suitable properties back to residential use, to increase housing supply and rental income to the Council. The estimated rent forgone on the 49 properties is £1,243,472. This equates to an annual rent loss figure of approximately £131,575.

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

- 8.1 The proposals contained within this report are eligible for call in.

## **9.0 Risk Management**

9.1 The current demand for housing stock within the city means that LCC, the ALMOs and BITMO must review all the assets listed on Appendix 1 and assess their suitability to bring back into charge to be let for residential purposes. By not undertaking this review there is a risk that £131,575 revenue per annum is lost to the HRA, on providing community/ non residential uses which are potentially under utilised.

## **10.0 Conclusions**

10.1 There are currently 49 units across the city which have been identified as residential properties being used for non residential, community and office purposes. This equates to an annual rent loss figure of approximately £131,575. Appendix 2 sets out an action plan to assess the long term use of these properties. The primary purpose of the action plan is to return as many suitable properties back to residential use, to increase housing supply.

## **11.0 Recommendations**

11.1 Scrutiny Board are requested to note the contents of this report and the action plan (Appendix 2) which sets out the approach to deal with former residential properties utilised for non residential, community and office purposes.

## **12.0 Background documents<sup>1</sup>**

Appendix 1 – List of properties being used for non residential, community or office purposes

Appendix 2 – Action Plan for properties being used for non residential, community or office purposes

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<sup>1</sup> The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.