

Report of:	Executive Member for Finance and Governance Executive Member for Regeneration Director of Finance Director of Regeneration
Submitted to:	Executive
Date:	6 September 2022
Title:	Increased Enforcement Against Problem Properties
Report for:	Decision
Status:	Public
Strategic priority:	Physical environment
Key decision:	Yes
Why:	Decision(s) will have a significant impact in two or more wards
Urgent:	No
Why:	N/A

Executive summary

This report outlines the impact of empty and problem properties, streets and gardens in disrepair in Middlesbrough and proposes the delivery approach for increased enforcement against them. The measures include production of an Empty Homes Strategy, a cross-directorate Problem Properties Action Plan and the introduction of a new role of Investigations and Enforcement Manager which is designed to govern the activities necessary to respond to these issues.

The proposed decision is that Executive approves:

- a) The delivery approach for increased enforcement against problem properties.
- b) The introduction of a new permanent role of Investigations and Enforcement Manager.

Purpose

1. To seek approval of the proposed delivery approach for increased enforcement against problem properties, including the introduction of the role of Investigations and Enforcement Manager.

Background and relevant information

2. On 20 December 2019 Executive approved the “Reducing Empty Homes in Middlesbrough” report to proactively address the rising number of empty homes in the town through: the investment of £1.5m in reducing empty homes in Newport and North Ormesby; increasing the Council Tax Empty Home Premium in April 2020 from 50% to 100% after two years, and by a further 100% once the property has been empty for five years; and the creation of a full time role within the Revenue and Benefits Service on an ‘invest to save’ basis to reduce avoidance and increase the collection of Council Tax on empty homes.
3. Building on this initiative, on 5 April 2022 a report was submitted to Executive for approval of the proposed refreshed Strategic Plan workplan 2022-24, including utilisation of £40K per annum to increase enforcement activity against problem properties, streets and gardens in disrepair, subject to an individual Executive report on the approach to delivery.
4. According to Council Tax records in Middlesbrough there are currently 2,211 empty homes, of which: 584 have been empty for less than 6 months, 764 have been empty between 6 months and 2 years and 439 properties have been empty for more than 2 years. There are several appropriate reasons why properties can be temporarily empty, such as undergoing renovation or the homeowner could be in a care home or may have recently died and probate is ongoing. However some properties may have been deliberately left empty for investment purposes, for others the owner/landlord cannot afford to carry out essential repairs or the owner cannot be traced, and the property falls into disrepair.
5. In addition to empty homes, Middlesbrough has an unquantified number of problem properties, streets and gardens in poor and potentially dangerous condition. Problem occupied properties and those that have been empty for longer than 6 months diminish local housing needs and can have a severely detrimental impact on neighbourhoods. These homes attract anti-social behaviour, increased crime rates and fire risks; and decrease local property values and outside investment opportunities.
6. It is therefore essential for the physical, social and economic wellbeing of the town that the number of empty and problem properties be effectively monitored and ultimately reduced. Currently responsibility for tackling problem properties is split between the Regeneration and Culture directorate, responsible for the town’s physical, social and economic regeneration; the Stronger Communities service, responsible for community safety and neighbourhood management; Environment Services responsible for environmental enforcement and area care; and the Resident and Business Support service responsible for collection, debt recovery, anti-fraud investigation and the investigation of empty properties and working with landlords to encourage reoccupation/development. Whilst there is a significant amount of activity that occurs across the organisation very little is joined up. Consequently, a cohesive and co-ordinated strategy for tackling problem properties and reducing empty homes is needed.

7. Although the report primarily focuses on residential properties, the principles and approach will also extend to commercial properties in line with relevant legislation and legal obligations/requirements.

Proposed Delivery Approach for Increased Enforcement against Problem Properties

8. An Empty Homes Strategy and a cross-directorate Problem Properties Action Plan are being introduced to identify, monitor, address and ultimately reduce these properties in Middlesbrough. The benefits will be an increase in potential Council Tax collection rates and empty homes premiums to support the medium term financial plan, meeting local housing needs, better housing conditions, attraction of increased investment into the town, assistance in reducing crime and anti-social behaviour and maximisation of both physical and social regeneration outcomes.
9. The Empty Homes Strategy and Problem Properties Action Plan will be governed and delivered by the Investigation Team within the Resident and Business Support service, working collaboratively with the Regeneration directorate, Public Protection and Community Safety team. The Investigation Team will be responsible for setting up an empty homes register in Middlesbrough, using all information held within services in Middlesbrough Council, and also giving residents the opportunity to report empty/problem homes in their area that may be having a negative impact from a social, physical and economic perspective.
10. Once problem properties are identified, individual owners and landlords will be contacted in the first instance and be given advice and support to assist them with turning their property into productive, occupied and acceptable condition.
11. Where contact cannot be made, properties will be visited to gather further intelligence and evidence based on a RAG status for priority investigation. If the owner or landlord does not want to engage with the team, varying forms of enforcement action can be employed. As appropriate for the individual circumstances, action can range from default works being carried out and the owner/landlord recharged for the works completed; forced sale of a property either by acquiring a Charge on the property or through a Compulsory Purchase Order; or an Empty Dwelling Management Order could be applied for in order to take control of the property for a period.

Introduction of an Investigations and Enforcement Manager

12. The proposed new role of Investigations and Enforcement Manager will be to manage the two existing Investigation Officers within the Resident and Business Support service, and lead, co-ordinate and govern the delivery of cross-directorate actions within the Empty Homes Strategy and Problem Properties Action Plan to progress these properties, streets and gardens to a satisfactory conclusion. The role will also support in the approach to help maximise Net Collectable Debt, support improvements in council tax collection and recovery; and reduce property fraud.

What decision(s) are being recommended?

13. The proposed decision is that Executive approves:
 - a) The delivery approach for increased enforcement against problem properties.

- b) The introduction of a permanent role of Investigations and Enforcement Manager.

Rationale for the recommended decision(s)

14. Approval was granted on 5 April 2022 for the refreshed Strategic Plan workplan 2022-24, including utilisation of £40K per annum to increase enforcement activity against problem properties, streets and gardens in disrepair, subject to a further individual Executive report seeking approval on the approach to delivery.
15. The approval of the proposed approach, including a new role of Investigations and Enforcement Manager, will aid with the implementation of the Empty Homes Strategy and Problem Properties Action Plan to identify, address and reduce the impact of these properties in Middlesbrough.

Other potential decision(s) and why these have not been recommended

16. No other potential decisions have been recommended as the approach is in response to directed actions with the Council's Strategic Plan workplan as approved by Executive on 5 April 2022.

Impact(s) of the recommended decision(s)

Legal

17. There are no legal requirements for the council to hold an empty homes strategy.
18. The Local Government Finance Act 1992 allows local authorities to charge an Empty Homes Premium from 1 April 2013 to provide a stronger incentive get homes back into productive use and remove the blight of such properties on local neighbourhoods.
19. The Housing Act 2004 provides local authorities with legal powers for the enforcement of housing standards which cover improvement notices, prohibition orders and hazard awareness notices, and includes Empty Dwelling Management Orders.

Strategic priorities and risks

20. The proposed scheme will directly address and support delivery of strategic priority action ASB 07 "Increase enforcement against problem properties / streets / gardens in disrepair" within the Crime and Anti-Social Behaviour priority in the Council's Strategic Plan workplan 2022-24.
21. *People*: Reducing the negative impact of empty homes and problem properties will improve the quality of life of residents. By reducing fraud and increasing Net Collectable Debt and empty property premium recovery, the proposals will support the Council's Medium Term Financial Plan and protect vital public resources and services for local people.
22. *Place*: The proposals will assist in meeting local housing needs, improve housing conditions, assist in reducing crime and anti-social behaviour and maximise both physical and social regeneration outcomes within the town.

23. *Business*: By reducing empty homes and problem properties, the Council will be improving business opportunities for further inward investment into Middlesbrough.

24. This policy will impact on and address the following risks:

- O1-052 - Substantial areas of the town have high residential voids/low sales values and high population churn, effectively creating market failure resulting in significant social consequences which in turn have implications for Council resources and service delivery. Should the recommendations not be approved, Middlesbrough could see the number of empty properties continue to rise, causing further problems notwithstanding the negative impact this has on communities.
- Preventing Council Tax premium avoidance, and the additional Managerial resource focused on investigation of empty and problem properties will contribute to achieving maximum impact from the measures and ensure that risks relating to Council Tax collection levels (08-054 & 08-075) and the Medium Term Financial Plan (08-059) are mitigated.

Human Rights, Equality and Data Protection

25. An initial assessment has been undertaken, which did not identify any significant issues at this stage.

Financial

26. The cost of the proposed Investigations and Enforcement Manager, job evaluated at Grade L, is £46,172 including basic salary and on costs.

27. £40,000 of the cost has been provided for from within the Regeneration and Culture budget to deliver action ASB 07 “Increase enforcement against problem properties / streets / gardens in disrepair” within the Crime and Anti-Social Behaviour priority in the Council’s Strategic Plan workplan 2022-24. The remainder will be financed from the existing Resident and Business Support budget.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Empty Homes Strategy to be produced.	Janette Savage	31 st October 2022
Recruitment of Investigations and Enforcement Manager	Janette Savage	30 th November 2022
Develop and introduce a cross-directorate Action Plan to assess and address the issue across Middlesbrough of problem properties, streets gardens	Nicola Mearns	31 st March 2023

Appendices

1	Impact Assessment
2	
3	

Background papers

Body	Report title	Date
Middlesbrough Council	Executive Report - Reducing Empty Homes in Middlesbrough	20 December 2019
Middlesbrough Council	Executive Report - Refreshing the Strategic Plan workplan for the 2022-24 period	5 April 2022

Contact: Janette Savage - Head of Resident & Business Support.

Email: Janette_savage@middlesbrough.gov.uk