



# Empty Properties in Middlesbrough

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# Background



- Middlesbrough has a number of empty homes (circa 2000) (some of which are problems, eyesores)
- Problem properties, and specifically those that have been empty for longer than 6 months diminish local housing needs and can have a severe impact on neighbourhoods.
- These homes can attract anti-social behaviour, increased crime rates and decrease local property values and outside investment opportunities.
- Rising Debt Problems, difficult to engage with landlords – when chasing debt.
- Alternative approach applied – case study – what good looks like – preferred approach.

# "Why does **Middlesbrough** need to tackle Empty Properties?"

- Substantial areas of the town have high residential voids, low sale values and high population churn, creating potential market failure - resulting in social consequences and implications for Council resources and service delivery.
- This is unsustainable and will result in the need for significant market intervention at great cost to the Council.
- Clusters of empty homes can be problematic, putting pressure on Council and partner services.
- Tackling empty homes in Middlesbrough and bringing them back into use will positively impact on our residents, including the homeless, children leaving care and families in need of **accommodation**, or **temporary accommodation** that the wider community, for whom empty properties often cause problems.



# What we have implemented so far:

## Empty Homes Strategy

- The strategy is designed to target and address empty homes in Middlesbrough – subject to review - is being considered alongside - homeless and temporary accommodation needs.

## Problem Property Action Plan

- The aim of the plan is to better unify and co-ordinate Middlesbrough Council's cross-directorate and partner agency problem property interventions, bridge gaps and embed the actions.
  - Assess and address the issues across Middlesbrough's problem properties, streets and gardens aligning with the new Empty Homes Strategy.

## Designed a questionnaire – live from June

Seeks information - why the properties are empty.

- Follow up actions - sign posting to other services or informing the resident of available funding options and/or assisting with repair work to bring them back into use.
- Draw down on cross directorate enforcement powers.
- Track premiums.
- Information is being returned – findings to be evaluated.

## Pilot - North Ormesby - high deprivation - highest percentage of empties, high levels of council tax arrears. (Findings are shown below).

- Information held on the ctax database was correct - with exception of handful of cases (what was empty – was empty) etc.
- Reviewed all the streets – identified the problem properties (Detrimental to the area – all of which were empty) Also identifying the referral pathway. Flagged and reported through the AIM meeting – collaborative working. See slide 13 case study.

# What we have implemented so far - cont:

## Introduced Completion Notices –April 2024

- Forcing owners to undertake the work – bringing the property into the rating list.

## Cross Directorate Approach

- Consultation process with stakeholders and partners taking place monthly.
- A communications Management Matrix.
- ToR has been created.
- Work Packages within the problem properties action plan have been agreed.
- Task and Finish Group established.
- Regular meetings taking place.
- Bimonthly Highlight Reporting on progress,
- Empty and problem premises intervention process and powers agreed.
- Presented to the PDG.
- Presented to the Mayor and Executive Members



# Priorities:

## **Work with Housing providers:**

To bring back their empty properties back into use for the purpose of using them to accommodate temporary households, homeless or children leaving care.

## **Regeneration:**

Purchase empty properties and refurbish to an acceptable standard to increase housing stock.

## **Pilot:**

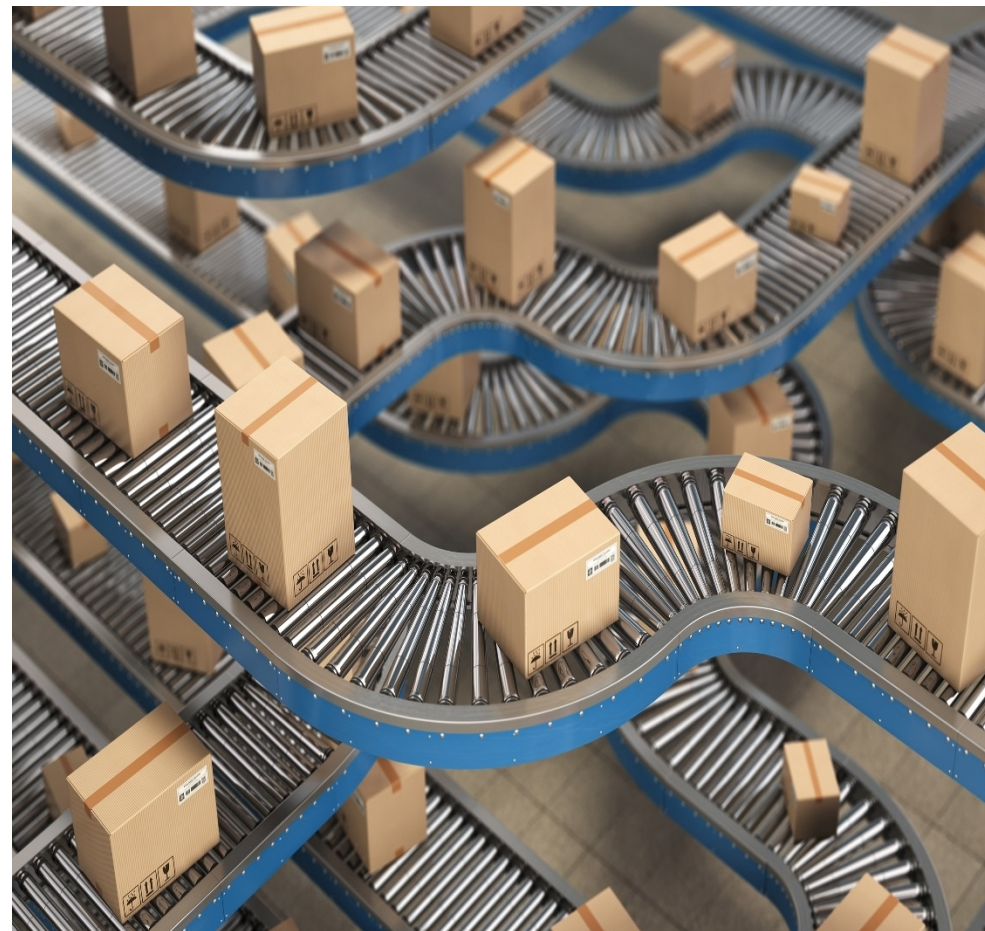
Top 10 Long term empties - Survey issued finding to be evaluated.

Top 10 properties considered to be most in need of refurbishment – identify actions to bring them back into use.

Top 10 properties with highest arrears for Council Tax and Business rates, potential forced sale.

## **Strategy:**

Review empty property strategy aligning to homeless and temporary accommodation needs by October 2024



# For Information - Empty & problem premises intervention process & powers

Concern	Threat level	Service responsibility	Empty Homes Scoring	RAG Rating
<b>Property is empty and insecure</b>	High risk – immediate action needed if known / likely threat e.g., arson / property is known to be open.	<b>Public Protection</b>	RED - All avenues will be explored with the owner to return their property to use in a way that suits their own needs, the needs of the community and the Council. Where assistance is refused and the owner is unwilling to cooperate, all enforcement options will be considered to establish the most appropriate course of action.	
<b>Property is empty and secure</b>	Medium risk – no immediate threat but may attract crime / asb / threat to safety	<b>Public Protection, Community Safety, and /or Planning Enforcement</b>	AMBER - Resources will be invested and officers will work with owner in an attempt to prevent empty homes from deteriorating and being reassessed to a higher category. Where necessary, enforcement options will be employed if considered the most appropriate course of action. Cases in this category will be monitored on a regular basis.	
<b>Property is empty but in good condition and not likely to become a concern</b>	Low Risk	<b>Resident and Business Support</b>	GREEN - owner will be contacted and offered any assistance they may need to return their property back into use. These properties will be monitored for any change and reassessed where necessary.	
<b>Property is empty and attracting anti-social property</b>	Medium to High Risk	<b>Community Safety</b>	RED - All avenues will be explored with the owner to return their property to use in a way that suits their own needs, the needs of the community and the Council. Where assistance is refused and the owner is unwilling to cooperate, all enforcement options will be considered to establish the most appropriate course of action.	
<b>Property is a low value long term empty</b>	Low to Medium Risk	<b>Resident and Business Support</b>	GREEN - owner will be contacted and offered any assistance they may need to return their property back into use. These properties will be monitored for any change and reassessed where necessary.	
<b>Property is in a dangerous condition</b>	High risk – risk of serious injury	<b>Building Control</b>	RED or AMBER – subject to cause of danger and effect of remediation.	
<b>Properties is empty but not maintained</b>	Low risk	<b>Public Protection, and / or Building Control</b>	AMBER - Resources will be invested and officers will work with owner in an attempt to prevent empty homes from deteriorating and being reassessed to a higher category. Where necessary, enforcement options will be employed if considered the most appropriate course of action. Cases in this category will be monitored on a regular basis.	

# Aims and Objectives Aligns our Strategic priorities:

To ultimately reduce the number of empty and problem homes and return these properties back into use

## **People**

- To improve the quality of life of our residents.
- To maximise Net Collectable Debt.
- To protect vital public resources and services for local people.

## **Place**

- Meeting local housing needs.
- Improve housing conditions.
- Reducing crime and anti-social behaviour.
- Maximise both physical and social regeneration outcomes within the town.

## **Businesses**

By reducing empty homes and problem properties, creates thriving communities, possibility for inward investment etc.

**Objective 1:** Ensuring income maximisation

**Objective 2:** Ensuring strong relationships with housing providers/owners

**Objective 3:** Ensuring referrals are in place with other agency's

**Objective 4:** Ensuring a coordinated approach around inspection and verification of empty problem properties.

**Objective 5:** Ensuring accurate and live recording of empty and problem properties

**Objective 6:** To increase affordable accommodation opportunities for vulnerable individuals and families.



Review of the empty property strategy and linking this to work currently being undertaken around the housing needs (such as homeless / temporary accommodation).





# Current position



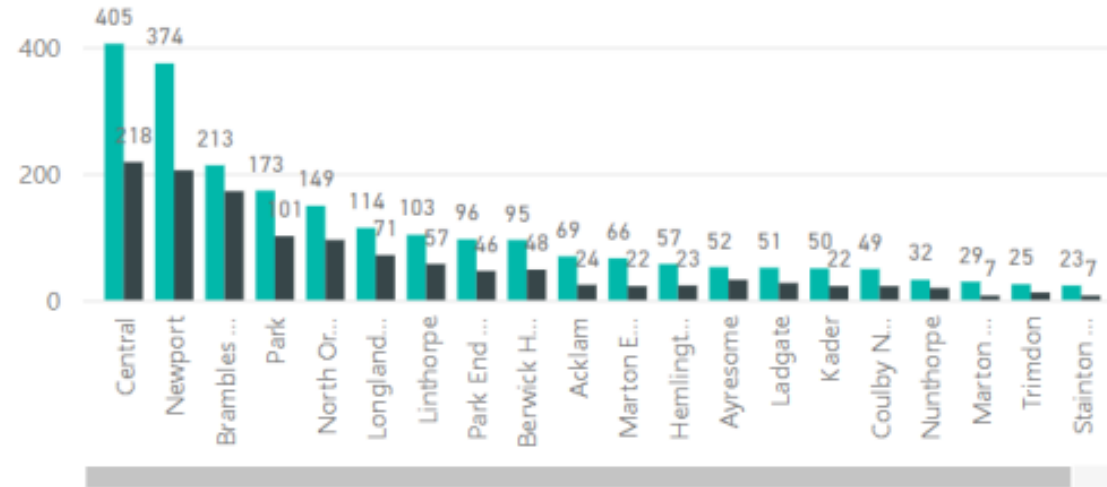
## Regeneration

# Empty Properties Summary as at: August 2024

Empty Properties Summary				
2,231	3.39%	1,233	1.87%	£5,529,012.41
# Empty Properties	% Empty	# Empty over 6 Mon...	% Empty over 6 Mo...	Outstanding CT Balance

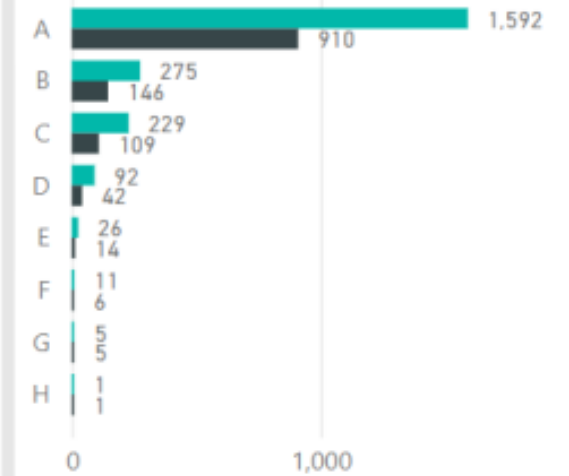
### Empty Properties by Ward

● # Empty Properties ● # Empty over 6 Months



### Empty Properties by Council Tax Band

● # Empty Properties ● # Empty over 6 Mon...



- By ward – no of empty properties.
- Unpaid Council Tax – ability to collect – owners hard to track down in a number of cases.

# Current position – maximum charge

Council Tax regulations allow for a premium to be charged on properties which have been empty for 2 years or more. The details of the maximum charges are as follows:

Unoccupied and substantially unfurnished	Premium applied	Charged	Maximum
In second year	0%	100%	200%
In third - fifth year	100%	200%	200%
In sixth - tenth year	200%	300%	300%
From eleventh year	200%	300%	400%

- Current level of empty premiums applied.
- The premium - implemented as soon as a property has been empty for over two years, and often initiates a 100 per cent levy.
- Opportunity to increase the premiums ALTHOUGH
- Nationally, the number of properties being charged the empty homes premium has risen year on year, suggesting that properties are remaining empty for longer, despite significant financial charges being placed against a property by the authority – [possibility not having the desired impact](#).



# Options – advantages and disadvantages

The Council does not currently charge the maximum premium for properties which have been empty for 10 years or more. The option is therefore available to impose the maximum charge.

## Advantages

- Potential increased income to the Council ?
- Properties become occupied?
- Anti social behaviour reduces as properties in occupation?
- Housing availability/opportunity increases.
- Access to disbursed properties to solve accommodation issues.



## Disadvantages

- Large unpaid council tax following implementation of 200% charge – likely not to collect additional premium therefore increasing bad debt
- Difficult to track down owners.
- Difficult to locate current owners to enforce charge
- Option for owner to easily avoid increased premium by furnishing property
- Doesn't generally reduce the number of empties – simply masks the problem.

Exercising Cross Directorate Powers and Engagement with the Landlord – creates far more positive outcomes as can be seen by the test cases.

# Summary and Recommendations

**Reducing empties – increasing housing options – many are Band A and disbursed – which would support accommodation needs if brought back into use.**



Local housing conditions will be improved, and these are intended to support the council's objectives around such things as reducing crime and anti-social behaviour.

Increase in Empty Homes Premium MAY act as a deterrent and support the council's medium term financial plan; ALTHOUGH easy to avoid. - See slide 13 for recommendation.

Increase affordable accommodation opportunities for vulnerable individuals and families.

Collaborative working – exercising combined powers provides for a longer-term solution – aligns to the empty property strategy.

Measures - utilised to evaluate the impact and effectiveness of reducing the overall number of empty and problem properties such as a number of empty homes supported back into use.

## **Recommendations**

Review of the empty property strategy and linking this to work currently being undertaken around the housing needs (such as homeless / temporary accommodation).

Expanding the work with RSL to ensure they bring their properties back into use as soon as possible.

Continuing the cross directorate work around responding to problem properties to increase the desirability of the area from a social perspective.

# Recommendations – cont:

**Q ..... Should the Council increase the empty property premium > 10 years from 300% to 400%**

Note: Increase can only be applied from 1<sup>st</sup> April – subject to Council approval.

**Recommendation... No and for the following reasons.**

- 21 properties = over 10 years
- Approx £2.3m on uncollected premiums – assigned bad debt provision and movement from substantially furnished – admin effort and visits to properties are .
- Suggest...
  - A strategic approach to responding to empties... Council take a stronger, directional lead and use the combined enforcement powers to bring about change.
  - Giving consideration to the advantages and disadvantages presented on slide 11.
  - Execution of existing arrangements which have recently been introduced – case study reflects what good looks like like 14 Norcliffe – slide 14 below.
  - Targeted approach that responds to such things like accommodation needs, ASB, etc through an aligned model.
  - Firmer and focused expectations placed on RSLs – bringing properties back into use.
  - Targeted approach to debt collection – already part of the agreed savings – feedback findings – is it working?.
  - Press Announcements – Council are taking a firmer, considered approach to responding to empties and problem properties – publicise outcomes.

Note: Extensive work to bring us to this point (over the last 12 months) - we need to see this through. Pause the introduction of the increased premium – lets test the ‘new’ approach.

# Case study

14 Norcliffe Street – completely derelict - now back in use and tenanted and paying Ctax. Landlord is paying for the older debt (number of others are on the plan) – 1 example of what good looks like. The collaborative cross directorate working – and extended powers provide this outcome.

## Before



## After



Any Questions

