

MIDDLESBROUGH COUNCIL

Joint Report of:	Director Of Finance and Director of Regeneration
Relevant Executive Member:	Executive Member for Finance and Executive Member for Development
Submitted to:	Executive
Date:	4 December 2024
Title:	Empty Properties Strategy - Domestic
Report for:	Decision
Status:	Public
Council Plan priority:	Safe and resilient communities
Key decision:	Yes
Why:	Decision(s) will have a significant impact in two or more wards
Subject to call in?:	Yes
Why:	Non urgent report

Proposed decision(s)

That Executive approves the Empty Property Strategy – Domestic.

That Executive approve delegation to make any future minor revisions/modifications to the Director of Finance and the Director of Regeneration following consultation with the Executive Member for Finance and Governance and the Executive Member for Regeneration. The purpose of which is to maintain effective service delivery and reflect revisions brought about by regulatory and/or statutory guidance changes.

Executive summary

The Empty Property Strategy for Domestic / Residential Properties aims to identify, monitor, address and highlight the extent of the problem in Middlesbrough and proactively tackle it through collective identification, monitoring, addressing and ultimately reducing the number of detrimental properties in Middlesbrough.

Empty and problem properties can be severely detrimental to residents and communities. A single empty property or property in disrepair can be the root of many issues such as vandalism, fly-tipping and other anti-social and criminal activity. Any crime or fear of crime, minor or more serious can have a detrimental impact on the local community. Such properties also present a risk to emergency services as well as putting additional pressure

on various Council services, such as Public Protection, Planning and Building Control, which respond to empty and insecure properties, dangerous structures, properties in ruinous or dilapidated condition, and properties that are causing detriment to the local area.

Tackling empty properties in Middlesbrough and bringing them back into use will positively impact on our residents, including individuals and families in need of accommodation, and the wider community for whom empty properties often cause problems. The strategy aims to ultimately reduce the number of empty and problem homes and return these properties back into use.

The potential benefits include an increase in council tax income from empty homes premiums that would in turn support the medium-term financial plan, support for local housing needs, investment into the town, assistance in reducing crime and anti-social behaviour and maximisation of both physical and social regeneration outcomes.

Returning empty homes to use can be a way to increase the supply of housing. While it will not fully respond to housing related matters, it can play an important part in maximising existing housing stock for the benefit of the people of Middlesbrough and support the provision of Council priority services including child, elderly and family care placements, homelessness and resettlement schemes.

The strategy highlights how resources will be best placed to target and address empty homes in Middlesbrough and achieve beneficial positive outcomes, both from a financial and community perspective.

The strategy is subject to a regular 3-year review to ensure that it reflects any changes in legislation and provides clarity and guidance.

1. Purpose

1.1 To approve the Empty Property Strategy - Domestic

1.2 As this is a new strategy, for clarity and transparency the strategy is proposing the following:

- a) Resident and Business Support will provide the overall single point, through a corporate lead, for the delivery of the Empty Property Strategy and,
- b) Monitor the number and location of empty and problem properties and those brought back into use through joint working with Regeneration.
- c) A Strategic Governance Board be formed to oversee the development, monitoring, and review of the Problem Properties Action Plan.
- d) Cross-directorate and multi-agency Action Groups be developed.
- e) Strategic corporate opportunities to convert empty homes into accommodation for priority vulnerable groups be identified.
- f) Up to date knowledge of best practice be maintained through research and liaison including membership of the national Empty Homes Network.

2. Recommendations

- 2.1 That Executive approves the Empty Property Strategy – Domestic.
- 2.2 That Executive approve delegation to make any future minor revisions/modifications to the Director of Finance and the Director of Regeneration following consultation with the Executive Member for Finance and Governance and the Executive Member for Regeneration. The purpose of which is to maintain effective service delivery and reflect revisions brought about by regulatory and/or statutory guidance changes.

3. Rationale for the recommended decision(s)

- 3.1 The Empty Property Strategy for Domestic properties impacts ALL wards and as such requires Executive approval.
 - a) The strategy provides best practice guidance to support landlords and property owners to bring empty properties into use by working with the property owner or landlord where possible, providing advice, assistance and guidance.
 - b) The Council will access certain powers were appropriate, working with landlords and owners wherever possible to bring properties back into use.
 - c) There are many reasons why properties become empty and or fall into disrepair, these can also be linked to specific circumstances such as the death of the homeowner, lack of funds needed to bring properties back into use or repossession etc some reasons being sensitive. It is important to gain full understanding of each individual situation and ensure that information held by the Council on these properties is complete and accurate.
 - d) The strategy is intended to strengthen existing arrangements and with the introduction of measures linked to the cross-directorate, multi-agency action plan, will further enhance these arrangements. A joined-up corporate approach is necessary to ensure positive steps are taken to stabilise and then reduce the number of empty homes and problem properties across the town.
 - e) The approval of the proposed approach will aid with several financial benefits associated with empty homes and bringing them back into use.
 - f) Tackling our empty properties and problem properties 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. This strategy will complement the Housing Supply Report which will be presented to Executive on 4 December 2024.
 - g) In addition to the Empty Property Strategy – Domestic, the Commercial Empty Property Strategy will be scheduled for February 2025 Executive.

4. Background and relevant information

- 4.1 According to data extracted from council tax records for 7 October 2024, 2,695 homes were empty in Middlesbrough. Empty homes are monitored and tracked through a corporate dashboard which provides a comprehensive overview of the Councils current position.

No. of properties	Duration and charge
826 306	Empty for less than six months And owned by charities (exempt from council tax)
1045	Empty between 6 months to 2 years (council tax payable)
514	Empty for more than 2 years (premium charge payable) 128 of these are high rise flats due for demolition

- 4.2 Of the recorded empty homes in Middlesbrough, some are ‘transactional vacancies’ (for instance, properties empty following the death of the owner) and are necessary for the normal operation of the housing market and are therefore not the focus of this strategy.
- 4.3 The 514 homes that have been empty for 2 years or more are the cause of most concern as they are more likely to remain empty for longer without intervention and are also more likely to have a negative impact on both the social and physical regeneration of the area.
- 4.4 In addition to these empty homes, Middlesbrough has an as-yet unquantified number of problem properties, streets, and gardens in poor condition.
- 4.5 At present, the council tax database is the only verified method to evaluate and monitor the number of empty homes in Middlesbrough. This method does not provide a full and accurate view of the actual number of empty homes and does not include problematic occupied properties.
- 4.6 Between 2019-2024 the rented housing market has changed significantly. In the social rented sector, the turnover of properties has reduced from an average of 12% in 2019 to less than 5% in 2024. This directly impacts the availability of affordable properties to rent in the town.
- 4.7 Affordable options to move out of social rented, such as moving into private rented or securing a mortgage have become more limited and this strategy is intended to support reversing this trend.
- 4.8 Some high rise multi storey properties are in the process of being demolished following new Building Safety Regulations and this will reduce the number of reported empty properties.
- 4.9 Properties can become empty as they become unaffordable for residents in receipt of Housing Benefit/Universal Credit where rental inflation outstrips Housing Benefit. This leaves landlords who provide low-cost housing unable to find tenants who can afford to pay market rent. Consequentially, this has created an affordability gap for those on lower incomes being able to access or continue to live in the private rented sector. In short, the private rented sector has become unaffordable for many.

5. Other potential alternative(s) and why these have not been recommended.

- 5.1 The Council does have the option not to implement a strategy and do nothing. However substantial areas of the town have high residential voids, low sale values and high population churn, creating potential market failure.
- 5.2 Doing nothing with empty and problem properties may create further social consequences and implications for Council resources and service delivery. Which is unsustainable and could result in the need for significant invention.
- 5.3 Clusters of empty homes can be problematic, putting pressure on Council and partner services.

6. Impact(s) of the recommended decision(s)

6.1 Financial (including procurement and Social Value)

- 6.1.1 Dedicated resource is already provided for within the existing Resident and Business Support to perform the lead function and the implementation of the strategy. Adoption of the strategy should generate an increase in council tax income from empty homes premiums which will help to support the medium-term financial plan.
- 6.1.2 This strategy will also complement the delivery of the business case detailed in the Housing Supply Report. Any further/future projects and or initiatives which are seeking funding to address housing supply will be considered by Executive at a future date.

6.2 Legal

- 6.2.1 There are no legal requirements for the council to hold an empty homes strategy although it is considered good practice.
- 6.2.2 The Local Government Finance Act 1992 was amended to allow local authorities to charge an empty homes “premium” from 1 April 2013.
- 6.2.3 Local Authorities have a number of enforcement powers which are referenced in the strategy, and these can be used as an aid with bringing properties back into use. Other legislative powers exist to address specific concerns such as the prevention of damage by pests, environment protection, nuisance and antisocial behaviour, detriment to local amenity and security of properties.

6.3 Risk

- 6.3.1 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.
- 6.3.2 People: Reducing the negative impact of empty homes and problem properties will improve the quality of life of residents. By 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.

6.3.3 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.

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

6.4 Human Rights, Public Sector Equality Duty and Community Cohesion

6.4.1 There are no disproportionate adverse impacts on any group or individuals with characteristics protected in UK equity law.

6.5 Climate Change / Environmental

6.5.1 There are no disproportionate adverse impacts on the aspirations of the Council to achieve net zero, net carbon neutral or be the lead authority on environmental issues.

6.6 Children and Young People Cared for by the Authority and Care Leavers

6.6.1 The strategy will have no negative impact on children and young people cared for by the authority and care leavers. It will increase the availability of low cost / value properties for young people and care leavers.

6.7 Data Protection

6.7.1 The collation and use of personal data will be managed in accordance with the Council’s Data Protection policy.

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

Action	Responsible Officer	Deadline
Publication on the Council Website - Empty Property Strategy – Domestic.	Janette Savage	30 December 2024.
Implementation of an empty property action plan	Emma Dorgan	30 January 2025.

Appendices

- Appendix 1 - Empty Property Strategy - Domestic
- Appendix 2 - Checklist
- Appendix 3 - Impact Assessment

Background papers

No background papers were used in the preparation of this report.

Contact: Janette Savage (Head of Residents and Business Support)

Email: Janette_Savage@middlesbrough.gov.uk