

Empty Property Strategy – Domestic

Live from: December 2024

Live until: December 2027



APPENDIX 1

Empty Homes Strategy

Creator:	Author(s)	Emma Dorgan (Operations Manager)	
	Approved by	Janette Savage (Head of Service)	
	Department	Resident and Business Support	
Service area: Head of Service: Director:	Finance		
	Janette Savage		
	Debbie Middleton		
	Updating Frequency		
Status	Version: 0.3		
Date	Created		
	Submitted		
	Approved		
	Updating Frequency	3 years	
Contributor(s)	Head of Service – Resident and Business Support, Strategic Business Manager – Resident and Business Support, Director – Regeneration`		
Subject	Empty Properties		
Type	Strategy		
	Vital Record - EIR		
Coverage	Middlesbrough Council		
Language	English		
Document Control			
Version	Date	Revision History	Reviser
0.1	20230425	First draft	E Dorgan
0.2	20240802	Second draft	E Dorgan
0.3	20240920	Final Draft	J Savage
Distribution List			
Version	Date	Name / Service area	Action
0.1	20230425	Resident and Business Support	Comment

Contact	Emma_dorgan@middlesbrough.gov.uk
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Contents

1. Vision	4
2. Background	4
2.1 Scope - What is an Empty or Problem Property?	4
2.2 Why are homes empty or in disrepair?	5
3. Legislative and regulatory framework	7
4. Current baseline position	9
4.1 National Position	9
4.2 Local Position in Middlesbrough.....	10
4.3 How the local empty property position could solve housing need	
5. Key Strategy Objectives	11
6. Benefits	12
7. Roles and Responsibilities	13
7.1 The Council's role	13
7.2 Other key stakeholder roles	13
8. Problem Properties Action Plan Principles	14
9. Governance, Performance Monitoring and Review	15
9.1 Governance	15
9.2 Key Performance Monitoring.....	16
9.3 Review	16

APPENDIX 1

1. Vision

The Empty Property Strategy – Domestic, and accompanying cross-directorate Problem Properties Action Plan, aims to 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. The potential benefits will be an increase in council tax and empty homes premiums which will go some way to supporting the medium-term financial plan. It will also aid with meeting local housing needs, better housing conditions, attraction of increased investment into the town, reduction in 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 will 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.

This 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.

2. Background

This document aims to highlight the extent of empty and problem properties and provide an awareness of the issues caused by them that impact the local community. It explains why homes can become empty, what advice and assistance is available to property owners, and how the Council will use the range of powers available to address problem properties and influence/support the return of empty homes to use.

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 Environmental Health.

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.

2.1 Scope - What is an Empty or Problem Property?

What is an Empty Home?

For the purposes of this strategy, a dwelling is considered to be an established empty home if it has been unoccupied for 6 months or more. Whilst privately owned long term empty homes are a strong focus of this strategy, the Council also needs to support Registered Providers (RPs) to take appropriate steps if the number of empty properties in the town is to be minimised.

APPENDIX 1

It should be noted that not all empty homes are located in run down areas, nor are they semi-derelict, boarded up or causing a problem. There are a large number of homes which naturally become empty for periods of time, perhaps due to the buying and selling process, being between tenants or when the owner passes away and the probate process delays moving the property on.

When a dwelling remains empty for a significant period of time, or is attracting unwanted attention, this would be considered a high priority case, which this strategy aims to address.

What is a Problem Property?

Problem properties can be either empty or occupied, that are in poor and potentially dangerous condition which can have a severely detrimental impact on neighbourhoods, including by virtue of the state of a garden.

Problem properties can be visual eyesores or be in a dilapidated condition that poses a health and safety risk to occupants, neighbours and the general public.

Examples of visual eyesore elements include broken front windows and doors, full or partial boarding/shuttering, overgrown land and gardens, fly-tipping, rubble or accumulation of detritus, and noticeable vandalism and graffiti.

Dilapidated and dangerous properties include those that are unsecured allowing unauthorised access, substantially uneven land, damaged utilities pipes or wiring, evidence of or likelihood of attracting vermin and those posing an arson risk.

These homes can attract anti-social behaviour, increased crime rates and fire risks; and decrease local property values and outside investment opportunities.

2.2 Why are homes empty or in disrepair?

There are a number of reasons why properties become empty or fall into disrepair, including:

- The property is difficult to sell or let due to its physical state;
- It is being renovated.
- The owner does not have the capacity/finances/time/skills to manage the property to an acceptable standard.
- The property has or is in the process of being repossessed.
- Probate issues – where there is an issue with unresolved ownership, often as a result of a previous owner's death. Resolving ownership can be a lengthy legal process, during which time the property may remain empty.
- The owner is being cared for elsewhere/hospital and may choose not to sell the property or may no longer have capacity which may result in it remaining empty either short or long term.
- The property has been abandoned by the owner and the owner is untraceable.
- The property is being left empty due to speculative investment.

APPENDIX 1

It is important that the Council understands why individual properties become and remain empty or problematic so we can work with the owners in the most appropriate way.

2.3 Challenges and Impact

Challenges to monitoring and tackling empty properties

- **Identification:** Identifying an empty property is not always straightforward. A property may be used as a second home, and so not occupied on a permanent basis. It may be that residential space often found above a shop is being used as storage or other business-related matters and is not immediately obvious it is in use. There may be properties awaiting planning permissions and work is unable to start whilst this is being sought. A number of these may include specialist permissions if they are a listed building, for instance.
- **Ownership issues:** A property may be owned by a number of different people, or the property may be subject to legal proceedings such as probate, divorce settlements or proceeds of crime restrictions. It may not be immediately evident who the owner of a property is or where they are, as they may have moved away with little information available to trace them.
- **Land Registry issues:** Whilst it is compulsory in England to register any property which changes ownership or has a mortgage taken out against it for the first time, properties which have not changed ownership since that time may not be registered with the Land Registry and ownership information will not be available from this source. Changes to Land Registry are also not often timely.
- **Intentional Empty Homes:** Some properties are deliberately kept empty by the owner for specific reasons such as for their children when they leave home or because of elderly relatives who are in care. Some are also kept empty until the owner feels the housing market is suitable to sell the property at a price they want. Some owners are reluctant to engage with the Council and believe that as the property is privately owned the Council do not have a right to require action to return it to use. They may be unaware, or have no concern for, the affect the property has on the local area and surrounding properties. These are properties that are likely to be left empty for many years and fall into disrepair.
- **Avoidance and Fraud:** Due to existing Empty Property council tax Premiums, owners also frequently seek to avoid additional charges by fraudulently declaring homes as 'lived in' despite them being empty for long periods of time.
- **Other:** Properties that have a low value are often bought up by property investors from outside of the region (and sometimes the Country) as an investment to either sell on or refurbish and let. However, we find that such people or companies have never visited the property and don't have established plans for the property, so it stands empty and often unmanaged for long periods. Properties are bought and sold online with new owners not really interested in doing much with them. There is also a potential issue of buying properties as a means to launder money.

APPENDIX 1

Impact of empty and problem properties

- The council has a legal environmental protection obligation to deal with complaints about empty homes from local residents who object to unsightly properties. Council service areas must use their limited time and resources to intervene to deal with such things like pest control, dilapidation, overgrown gardens, damage to neighbouring properties, anti-social behaviour and boarding up.
- Empty and poorly maintained properties can attract unwanted attention including anti-social and criminal behaviour through vandalism, squatting, burglary, copper-stripping, drug-use and arson, leading to increased pressure on local police and fire authorities as well as the council's community safety services.
- If empty properties are poorly maintained, they can be costly to refurbish and bring back into use.
- Without timely intervention, worsening deterioration of an occupied or unoccupied property becomes increasingly expensive to resolve with essential repair works needed to bring the property back up to housing standards.
- For nearby neighbours, problem homes can have a direct impact on adjoining properties through issues such as damp, vermin and structural problems, as well as posing fire and explosion risks due to combustible materials and exposed gas pipes.
- Unsightly properties can also impact on neighbouring house prices and result in a lack of pride in the area/lack of investment.
- There is also an environmental impact of empty homes not being available to serve local housing needs resulting in the unnecessary building development of greenfield sites.
- The number of new homes being built is under threat due to Nutrient Mitigation Scheme announced in July 2022. The number of people in need of housing is rising, therefore it is imperative we make best use of all the town's existing homes, including empty ones.

3. Legislative and regulatory framework

Key elements of the legislative and regulatory framework for this Strategy are set out below.

Local Government Act 1992 (as amended)	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.
Council Tax (Administration and Enforcement) Regulations 1992	Make provision for the administration and enforcement of Council Tax.
Housing Act 2004	Provides local authorities with legal powers for the enforcement of housing standards which cover improvement notices, prohibition orders and hazard

APPENDIX 1

	awareness notices, and includes Empty Dwelling Management Orders.
Data Protection Act 2018	Controls the lawful passing of personal data from one part of the Council to another.
Insolvency Act 1986	Consolidates enactments relating to company insolvency and winding up, and bankruptcy of individuals
General Data Protection Regulation 2016 (GDPR) and Data Protection Act 2018 (DPA2018)	The GDPR/DPA2018 place a duty on the Council to comply with the data protection principles relating to processing of personal data: (1)(a) Lawfulness, fairness and transparency; (1)(b) Purpose limitation; (1)(c) Data minimisation; (1)(d) Accuracy; (1)(e) Storage limitation; (1)(f) Integrity and confidentiality (security); (2) Accountability (including the rights of data subjects).
Freedom of Information Act (FOIA) 2000	Under the FOIA, the Council has a duty to make information available to the public upon request, unless specific exemption(s) apply. It is also obliged to proactively and routinely publish information that has been frequently requested in the past in its Publication Scheme. Information requests frequently include requests for information held in emails.
Non-Domestic Rating (Collection and Enforcement)(Local Lists) Regulations 1989	Make provision for the collection and enforcement of non-domestic rates.
Charging Orders Act 1979	An Act to make provision for imposing charges to secure payment of money due, or to become due, under judgments or orders of court; to provide for restraining and prohibiting dealings with, and the making of payments in respect of, certain securities; and for connected purposes.
Safeguarding Vulnerable Groups Act 2006	An Act to make provision in connection with the protection of children and vulnerable adults.
Insolvency Act 1986	Consolidates enactments relating to company insolvency and winding up, and bankruptcy of individuals
Equality Act 2010.	Is an amalgamation of previous anti-discrimination laws. It is a law which protects from discrimination of unfair treatment on the basis of certain personal characteristics such as age, gender, race, religion, etc.
Regulation of Investigatory Powers Act 2000 (RIPA)	Governs the use of covert surveillance by public bodies.
Town and Country Planning Act 1990	To gain entry to or dispose of a property
Building Act 1984 Sections 77-79	For dilapidated and/or dangerous buildings and sites

APPENDIX 1

Housing Act 2004 -	Several sections may be used under this act depending on the severity of the problem; from improvement notices to demolition orders
Environmental Protection Act 1990	Section 79-81 where a premises causes a health risk or nuisance and repair work is required to make it safe.
Prevention of Damage by Pest Act 1949	Section 4 might be used
Local Government (Miscellaneous Provisions) Act 1982	Section 29 is used where a property is open to access but also this act may be used to request information from the owners of properties and anyone (including companies) who have an interest in the property.
Anti-social Behaviour, Crime and Policing Act 2014	Councils can now serve notices on owners of empty properties that are in poor condition.

4. Current baseline position

4.1 National Position

Since 2010 the Government has placed considerable emphasis on the importance of returning empty homes to use. 2023 data shows that there were 261,189 empty homes in the UK.

In 2018 a national campaigning charitable organisation 'Action on Empty Homes' published a report that identified an upward trend of empty properties and several recommendations were published:

- Local authorities should have an empty homes strategy for their area, with the aspiration to reduce the number of long-term empty homes.
- Local authorities and social housing providers should seek funding and allocate resources to buy and refurbish empty properties for people in housing need.
- Local authorities should take a casework approach with owners of long-term empty properties to encourage, advise and support them to bring homes back into housing use. Employing dedicated empty homes staff can ensure the Council is able to act on information about homes and build up expertise in working with owners, including take enforcement action where necessary.
- Local authorities with concentrations of long-term empty homes should look at how they can support community-based neighbourhood regeneration approaches.

Since 2013, powers previously held by central government to vary the amount of council tax paid on some empty homes has been devolved to a local level. The aim of this government policy is to further incentivise the reoccupation of long-term empty homes by increasing council tax payable or by removing discounts that were previously in place. Local authorities are now able to decide at what rates to apply a discount for properties empty for up to six months and for those properties empty and in need of considerable renovation. Councils also became able to take advantage of an 'empty homes premium'.

From 2024 and as part of the Levelling up and Regeneration Act, local authorities are able to charge a 100% premium after 1 year rather than 2 years previously as well as

APPENDIX 1

charging a 100% premium on second homes, subject to formal determination by the Council.

4.2 Local Position in Middlesbrough

According to council tax records, for 7 October 2024, 2,695 homes were empty in Middlesbrough, of which 826, have been empty for less than six months, 1045 have been empty for between 6 months to 2 years and 514 properties have been empty for more than 2 years, although 128 of these are high rise flats that are due for demolition. Most of these empty homes fall into Band A for council tax purposes.

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.

The 435 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.

In addition to these empty homes, Middlesbrough has an as-yet unquantified number of problem properties, streets and gardens in poor and potentially dangerous condition.

At present, the council tax database is the only verified method to evaluate and monitor the number of empty homes in Middlesbrough. It is accepted however that this method does not provide a full and accurate view of the actual number of empty homes and does not include problematic occupied properties. The initial phase of the action plan that supports this strategy sets out to deliver a dedicated empty and problem property database that will take data from all available council sources including council tax records, Environmental Health databases, Community Safety information, planning records as well as resident notifications, subject of course to meeting GDPR requirements.

4.3 How the local empty property position could solve housing need

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 borough. A table below shows how one local housing association's properties available for rent has gone down over time, which typifies the sector.

Example of one Housing Association's properties available for rent over time

	2021/22	2022/23	2023/24
General Needs	75	67	50

Reasons for this change are varied but include:

APPENDIX 1

- Affordable options to move out of social rented, such as moving into private rented or securing a mortgage have become more limited.
- Some high rise multi storey properties are being demolished following new Building Safety Regulations as a result of Grenfell recommendations, reducing stock availability.
- Awab's Law, (not law yet) is proposed to tackle damp and mould issues, has resulted in many properties being extensively refurbished but has created a backlog due to capacity of specialist contractors.
- Purchasing of properties through the Right to Buy scheme.

Whilst there remains a number of empty properties in the town a large proportion of them are in the private rented sector. Factors such as rental inflation has far outstripped the increases to the Local Housing Allowance over time.

- Local Housing Allowance sets the rates at which someone on a low income can get help towards rent;
 - and is paid through Housing Benefit or Universal Credit Housing Costs.
- Average rental inflation for Middlesbrough was 17% between 2020-2024,
- Local Housing Allowance inflation rates over the same period were as low as 2% for shared accommodation.

Consequentially, this has created an affordability gap for those on lower incomes to be able to access or continue to live in the private rented sector. In short, the private rented sector has become unaffordable for many.

Opportunities to bring empty properties back into use by repurposing, refurbishing will have a positive impact on the following:

- Vulnerable households and families with children.
- Young care leavers - to build up their independent living skills and move out of care.
- Those who are homeless and onward housing solutions for those in temporary accommodation (and reduce the need for B&Bs and hotels).
- Others (those who may be in need of affordable accommodation).

5. Key Strategy Objectives

To support with the reduction of empty properties and increase affordable rental accommodation opportunities for vulnerable individuals and families supported by council services, particularly in the pursuit of the prevention and relief of homelessness and to support aspirations to ensure young people leaving care have access to accommodation.

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

APPENDIX 1

2. To ensure holistic advice, assistance and governance for landlords and property owners is provided;
3. To raise awareness of the issues around empty and problem homes;
4. To support cross-directorate and multi-agency interventions into tackling empty and problem properties;
5. To record and monitor accurate, complete and current information on empty and problem homes in Middlesbrough;

6. Benefits

The anticipated benefits of this strategy will include:

- An increase in the Council Tax Net Collectable Debt, which includes Empty Homes Premiums which were designed to act as an effective deterrent and support the Council's medium term financial plan;
- Empty homes returned to use as domestic dwellings increases the availability of housing options, including the potential for more affordable homes for rent, as many in Middlesbrough are in Band A for council tax purposes. These homes can be transformed from a wasted resource into a home for an individual or family in need. This will assist those people who require local care placements, are facing homelessness, overcrowding and those looking for their first home.
- A decrease in the use of expensive temporary accommodation by providing accommodation to alleviate homelessness, thus creating efficiency savings by not only providing suitable accommodation for a child leaving care, it will also reduce expensive placement costs, further creating efficiency savings
- For owners who leave properties standing empty they can become costly to maintain and be a source of anxiety for them. By renting or selling the property not only are these issues resolved but there is the added advantage of gaining regular rental income or the capital from the sale of the property.
- By returning empty properties back into use this could mean that greenfield sites have to be used less for building and can be left open for local people to use and value. It is much more efficient and sustainable to make the best use of existing properties.
- Local housing conditions will be improved, assisting in reducing crime and anti-social behaviour, maximising both physical and social regeneration outcomes Whilst the majority of empty properties are Band A, there will be a need to repurpose some. There is currently a shortage of 1 and 2 bedroomed properties, with current empty properties more usually being 3-bedroom properties. If a housing association property has more bedrooms than a family unit needs this can trigger the 'bedroom tax' although support may be available through Discretionary Housing Payments to bridge some of the gap in housing benefit paid and rent due. This aids in supporting the in balance between current housing stock and housing needs.

APPENDIX 1

The case for dealing with empty and problem homes is therefore compelling from a housing, financial and community perspective.

7.Roles and Responsibilities

7.1 The Council's role

Middlesbrough Council aim to provide strategic local leadership for reducing empty and problem properties, by coordinating intervention activity through the collaboration of the following internal stakeholder services:

- Resident and Business Support (Revenues and Benefits)
- Regeneration, Economic Development, Housing Growth and Planning
- Capital Projects
- Environmental Services and Enforcement
- Property Services and Asset Management
- Public Protection
- Neighbourhood Management and Locality Working
- Community Safety
- Selective Landlord Licensing
- Housing Services and Homelessness
- Cohesion and Migration Management
- Procurement and Commissioning
- Children's and Adults' Social Care
- Legal Services

7.2 Other key stakeholder roles

The council will provide the necessary local strategic leadership on this strategic agenda, however due to the complexity of the issues involved it will be vital to work harmoniously in coordination with our local public and private partners who currently manage a large proportion of empty and problem properties, including the following key stakeholders:

- Registered Social Landlords
- Local housing providers,
- Property owners
- Landlords
- Cleveland Police
- Cleveland Fire
- Other

APPENDIX 1

8. Problem Properties Action Plan Principles

The live, cross-directorate, multi-agency action plan has been designed to tackle empty and problem properties and addresses the priorities outlined in this strategy with a programme of proactive, specific and measurable actions. However, each action within this plan will adhere to the following principles:

Each home identified is assessed using a RAG-rated scoring mechanism to categorise the priority for investigation by the relevant Council service team(s).

Properties will be reassessed when necessary or if new information comes to light to ensure the correct categorisation/priority is given.

Support to landlords and property owners

The starting point of the action plan is to work with the property owner or landlord where possible, providing advice, assistance and guidance.

Communication

A communications plan is in place to promote this strategy and this will run continuously alongside the action plan.

Enforcement

The Council has a number of powers that can aid bringing empty properties back into use:

It is also important, however, to be committed to the recognition that an empty or problem home can have a detrimental impact on the community.

The Council will work with owners wherever possible, although where this is not possible, the Council will rely on the powers provided through specific legislation to support bringing properties back into use. These powers can include environmental protection, private sector housing enforcement, compulsory purchase orders, Empty Dwelling Management Orders and = enforced sale.

Financial Benefits.

As pressures on Council finances continue it is important to ensure all income generation and debt recovery opportunities are taken and maximised, as well as realising cost savings

There are several financial benefits associated with empty homes and bringing them back into use:

- Maximising Net Collectable Debt (including empty property premiums)
- New Homes Bonus grant funding
- Improve debt recovery
- Charging Orders

APPENDIX 1

- Reducing costs associated with the provision of expensive temporary accommodation
- Reducing costs associated with the un-necessary delay in young care leavers being able to move out of care and into independence

Utilising External Capital Funding Opportunities

Examples of which are as follows:-

- MHCLG (Levelling Up Funding) or other will be used as a means to support the delivery of this strategy.
- Towns Fund monies to prevent and alleviate homelessness by providing affordable for rent properties either in the private rented sector or through sublease with RPs by bringing empty properties back into use
- External capital and revenue funding opportunities with the express purpose of bringing back empty properties to create affordable rental opportunities in the borough in order to meet housing need and specifically prevent homelessness

Improving outcomes for residents

By bringing properties back into use and making properties available at affordable rents, this will:-

- Allowing individuals to move on from Temporary Accommodation into suitable accommodation.
- Provide properties available as discrete exempt supported units of accommodation to effectively support more vulnerable households, particularly families with children
- Provide properties available as discrete exempt supported units of accommodation to allow young care leavers to move out of care and build up their independent living skills

9. Governance, Performance Monitoring and Review

9.1 Governance

It is essential that the effectiveness of actions delivered by the implementation of this strategy and problem property action plan are closely monitored and reviewed. As outlined below:

- Resident and Business Support will provide the overall single-point corporate lead for the Empty Property Strategy.
- Creation of a Strategic Governance Board to oversee the development, monitoring and review of the Problem Properties Action Plan;
- Development of cross-directorate and multi-agency Action Groups.
- Monitoring the number and location of empty and problem properties and those brought back into use;

APPENDIX 1

- Identification of strategic corporate opportunities to convert empty homes into accommodation for priority vulnerable groups
- Maintenance of up to date knowledge of best practice through research and liaison including membership of the national Empty Homes Network

9.2 Key Performance Monitoring

The following performance measures will be utilised to evaluate the impact and effectiveness of the Action Plan:

1. Overall number of empty properties
2. Number of empty homes brought back into use
3. Number of problem properties returned to acceptable condition
4. Percentage of Empty Property Premiums applied
5. Change in New Homes Bonus

9.3 Review

This Strategy contains the priority objectives for addressing the current empty and problem property issues in Middlesbrough for 2024-2027. The Strategy will be scheduled for review in 2027.