



Innovative - Replicable - Sustainable

Self-Help Housing in the North of England

United Kingdom

Winner | 2015-2016

Canopy and Gyroscope are two separate housing charities that train homeless and vulnerable people to renovate abandoned properties and bring them back into use. The completed houses provide low cost homes for local people who are homeless or in housing need.

Aims and Objectives

- Both organisations started in response to failed housing markets and a desire to match empty homes to people in housing need. The models they developed have become known as Self-Help Housing, and have been replicated and adapted many times.
- At its heart the model involves organisations acquiring long-term empty properties, renovating them using volunteer labour and letting them out as below market housing.
- The process of renovating the properties is in many ways just as important as the end result and both organisations focus on wider benefits for individuals and communities, including skills development, capacity building and social integration.

Project Description

Canopy and Gyroscope are long established;

- Gyroscope started in Hull in 1985, <http://www.gyroscope.org.uk/>
- Canopy in Leeds in 1996. <http://www.canopyhousing.org/>
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Canopy and Giroscope are pioneers in a movement of UK housing providers called “**Self-Help Housing**”, which has gained momentum and grown significantly in recent years. Together they provide a model that has inspired many others. Today, over 100 organisations in the UK follow their Self-Help Housing model.

By renovating empty homes to provide affordable housing to disadvantaged people, the organisations tackle multiple issues for local communities.

Giroscope’s model is to buy abandoned houses, whereas Canopy has operated largely by leasing surplus properties. The difference in approach is largely driven by the local housing markets. House prices in Hull are amongst the lowest in the UK, despite some recent increases Giroscope are still able to buy houses for less than £50,000 each. House prices in Leeds, whilst still below the UK average, are significantly higher. Canopy has instead acquired most of its houses on long-term leases from the council and housing associations.

Context

Both organisations operate in small geographical areas in the most deprived areas of two cities in the north of England, Leeds and Hull. The areas are characterised by streets of small nineteenth century terraced houses. Most of the houses in these areas are owned and let by private landlords. They are amongst the most deprived areas in the whole of the UK.

The houses are generally in poor condition, management standards are notoriously bad and tenant turnover rates are high. Both areas have high numbers of empty homes. The situation in Hull is particularly bad; Hull is a former ‘Housing Market Renewal Area’ – This government programme (The Housing Market Renewal Programme) planned to demolish large areas of housing in deprived areas. In Hull many of the properties targeted were vacated but never demolished. Five years after the end of the programme hundreds of houses are left abandoned leaving the remaining community with an uncertain future.

Alongside this, the demand for low cost housing from people on low incomes or dependent on benefits outstrips supply. Recent changes to housing benefit (a government rent subsidy) means that the benefit no longer covers the whole cost of market level rent. Tenants are expected to fund the difference themselves. For people on the lowest incomes this is a particular challenge.

An increasing number of people on the lowest incomes do not have a statutory right to social housing at all. These include certain categories of migrants, people who have lived in the area for less than two years, people who have been convicted of certain criminal offences, people who have breached previous

tenancy conditions and people with poor credit histories. For these, and other reasons, homelessness is rising in England. A 2015 report by Crisis and The Joseph Rowntree Foundation found that “the number of people facing, or at serious risk of, homelessness has risen steeply”.

In 2011, the government introduced a grant programme (the Empty Homes Community Grants Programme) aimed at encouraging the Self-Help Housing approach to bringing empty homes back into use. By the time the programme ended in 2015, £49million had been paid in grants to 110 organisations in England resulting in 1,759 homes being returned to affordable use. Both Canopy and Giroscope embraced this programme; Giroscope doubled their housing stock.

Key features

Canopy and Giroscope provide homes to people in housing need, many of whom cannot access good quality housing in the private rented market or are excluded from social housing. These include people on benefits, migrant workers, young people, ex-offenders, people leaving hostel accommodation, people in low-paid work and other vulnerable and marginalised groups. Many of these people are homeless or in acute danger of becoming so.

They run volunteer and work placement programmes providing training, hands on experience and support to help people from disadvantaged backgrounds. Groups benefiting include ex-offenders, the long-term unemployed, those with mental health problems or learning difficulties, people recovering from drug or alcohol misuse, young people and other disadvantaged individuals. The programmes help break the cycle of ‘no experience – no employment – no experience’.

Both organisations employ teams of volunteers to renovate the houses. The teams are comprised of a mixture of practised skilled builders and less experienced people who learn skills as they work. People become volunteers for a variety of reasons. For some it is a cathartic process enabling them to overcome their challenges by participating in a purposeful activity. Some volunteers are recovering from drug and alcohol dependency, others are overcoming physical and mental illnesses and others are recently released from prison. Both organisations provide a variety of support services for volunteers. These services have developed and improved over time. For many people Canopy and Giroscope provide a lifeline helping people that other organisations overlook or rule out.

Both organisations let their properties to people in the greatest need. As independent organisations they set their own lettings policies, although in many cases they will accept tenants referred to them from the local authority. Increasingly, both organisations house people that are homeless and sometimes not entitled to local authority housing. There is an overlap between volunteers and tenants. Some volunteers become tenants and some tenants volunteer; Canopy makes this link explicit. New tenants are asked to

carry out at least eight days' voluntary work helping to renovate the property that will become their home.

Although properties are let on short term tenancies, both organisations offer guarantees to their tenants that they can stay long term (provided they don't break tenancy conditions). Giroscope and Canopy even guarantee that tenants can stay as long as they like. Both organisations have excellent tenancy records with few disputes. Rents are set considerably below market levels. Because both organisations are independent they can set their own rents and do not have to follow government rules that set social housing rent levels.

What impact has it had?

Together, Canopy and Giroscope have housed over 360 people in over 150 affordable properties.

Rents are set to ensure affordability and houses are insulated and made as energy efficient as possible to keep energy costs down.

The renovation of empty properties is delivered at a fraction of the cost of new build, and the activity rescues derelict stock and helps transform rundown neighbourhoods to stable, functioning communities.

Disadvantaged and isolated people get the chance to learn new skills and develop confidence and self-esteem on their way to being properly housed and employed. In 2014, 140 volunteers participated and 34 people were helped into jobs, apprenticeships or further training.

Canopy and Giroscope supported the movement to lobby the UK government for the Empty Homes Community Grants Programme. The funding saw the self-help movement grow significantly from around 30 organisations to over 100 now operating a similar model in England.

How is it funded?

The two organisations operate different business models. Giroscope owns all of its housing. It has gradually increased its stock, buying a small number of empty houses on the open market each year. It uses its existing stock of houses as equity towards mortgages for additional properties. Giroscope have scaled up their housing stock significantly in recent years and have diversified into providing offices for social enterprises and small businesses. Taking advantage of the Government's Empty Homes Community Grants Programme they bought and renovated 48 houses in the period 2013 to 2015 which doubled their housing stock. Rental income covers all the costs of running the organisation, repayments on loans and allows a small amount of growth each year.

Until 2013, Canopy operated a model of leasing rather than buying houses. Most of its houses were leased from Leeds City Council on favourable terms to Canopy. The Council had a surplus of houses, many of which had fallen into disrepair. In the period 2013 to 2015, Canopy bought fourteen empty houses on the open market using the Empty Homes Community Grants Programme. This has helped the organisation grow and for the first time given it some important capital assets. This gives Canopy greater sustainability and made it less financially dependent on Leeds City Council.

Other activities are funded through fundraising. Both organisations have been successful in regularly raising funds and donations from a variety of different charitable trusts.

Why is it innovative?

The projects provide a unique way for people in housing need and in disadvantaged groups to help themselves. Through volunteering and providing housing these organisations are able to help in a holistic way helping people improve their lives in a number of ways.

The independent nature of the organisations means that they are free from many of the legislative changes that have been applied to other social housing landlords. This means they can set their own objectives. It has allowed them to continue to provide help and housing for some of the poorest and most deprived people in the UK, at a time when many mainstream social housing landlords are reducing their help for these groups.

This independence has allowed the organisations to stay true to their founding objectives. It allowed Giroscope to successfully resist the Housing Market Renewal Programme which it thought was the wrong approach. It has allowed them to provide housing of the quality and at the price they think is right rather than being dictated by the market or government initiatives.

Giroscope has overcome the problems caused by a fluctuating growth rate. Previously it had to scale up or down its volunteer programme according to the amount of houses it could buy. It has recently created a new wholly owned company that carries out all of its development work. This company works in exactly the same way on Giroscope's own houses. But it has freed it up to compete for general building work outside its own stock, this creates new income and also allows people to carry on working when Giroscope are not buying houses.

What is the environmental impact?

Substantially less energy is used in refurbishing empty homes than in building a new property. Research carried out by BSHF in 2008 "New Tricks with Old Bricks" shows that refurbishing an empty home provides a saving of 35 tonnes of carbon dioxide per house compared to building a new one. It also

prevents demolition of derelict or abandoned buildings, which saves energy and prevents the need for waste disposal.

Both organisations improve the energy efficiency of the houses they renovate. Common improvements include insulation (solid wall, loft and floor), double glazed windows and high efficiency boilers. These improvements reduce fuel costs and CO2 emissions.

Canopy partnered with Leeds City Council to renovate three houses as environmentally sustainable show homes. Two were super-insulated to near “passivhaus” standard. Passivhaus is an international standard applied to houses with very high levels of energy efficiency and airtightness.

Is it financially sustainable?

The business models of both organisations are sustainable. The rent they receive covers all the core operational costs of running the organisations. This is achieved by careful budgeting and modest expenditure on running costs.

Giroscope has a large asset base relative to its size. This allows it to borrow and grow at a slow and steady rate without the need for grants or subsidy. Canopy relies on fundraising (which it is very effective at) to fund growth. Both organisations have proved very effective at scaling up their growth rates when grant funds become available.

Giroscope and Canopy offer properties at rent levels that people on very low incomes can afford. Monthly rents are set below the market rent and the government’s affordable rent level. On occasion rents are individually adjusted to take account of tenants’ personal circumstances. Neither organisation requires tenants to pay a deposit, rent in advance or charges arrangement fees.

What is the social impact?

The organisations are part of the community and have a deep understanding of the issues affecting their local areas. Over two-thirds of staff are former volunteers and many originate from the area. In this way, the concept of self-help applies on a community level. In working to ensure they house people with the most urgent need, such as homeless families, refugees and women fleeing violence, Canopy and Giroscope help to address some of the worst symptoms of social problems.

The provision of affordable, secure tenancies helps tenants to put down roots and build a stronger community in areas which were previously neglected. It also helps provide an alternative to the privately rented housing on offer, some of which is known locally for poor service and ill treatment of tenants.

The volunteer programmes support individuals to build their confidence, improving mental and physical wellbeing and helping them to move closer to employment. It also helps people who are often vulnerable and isolated to make new friends and meet people from different ethnicities and cultures. Work with ex-offenders helps to reintegrate people back into society and encourages them to be more invested in their community.

In 2015, Giroscope is putting volunteers to work converting a large Victorian house into office and training space. The building will house Giroscope's support workers and provide a space dedicated to training, enterprise and support. The space will be open to the whole community, and made available to other local organisations with social objectives.

In a wider sense both organisations are important investors in their communities. Their work is concentrated in small areas so the effect is tangible. Canopy has largely exhausted the supply of empty homes in the first two areas it worked in. The effect of this has been local street-level regeneration of both areas. Several small "courts" (A small street of 12 or so houses commonly found in Hull) have been completely renovated by Giroscope. Creating a functional community out of what would otherwise have been an entirely abandoned street.

The volunteer programmes provide training and experience to help people to access or return to employment. Local contractors also benefit, obtaining work through the projects, in some cases taking on apprentices and extra workers as a result.

Barriers

Access to banks and loan finance has been problematic at some stages of Canopy and Giroscope's history. Some lenders viewed Canopy's model as high risk due to its low asset base. Over time through establishing a track record and building up assets, both Giroscope and Canopy are in a better position to negotiate improved rates with lenders. Social Finance Lenders have been keen to help but have so far not been able to offer loans at competitive rates.

The growth of both organisations is dictated by the state of the local housing market. In recent years house prices in Leeds and Hull have been relatively low, allowing some expansion. Before the 2008 financial crisis house prices were high and both organisations had to reduce their growth rates.

The Housing Market Renewal Programme which operated between 2002 and 2011 created a significant barrier to Giroscope's work in Hull. The programme led owners of empty homes to anticipate that they would receive large amounts of compensation if their houses were selected for demolition. This meant they were unwilling to sell them. The programme also blighted some of Giroscope's houses, a number of which were threatened with demolition by the programme. The programme also had the effect of

making it difficult to work with the local council. The programme's objective of demolishing houses was almost the opposite to what Giroscope were seeking to achieve.

Purchasing and renovating empty properties on borrowed money alone is challenging and creates minimal surplus. To increase the scale of their work, Giroscope and Canopy are seeking to lever in additional funds from grant giving bodies, while continuing to avoid reliance on this form of funding.

Inexperience with legal issues has caused delays in the past. This has been overcome by training and recruiting good staff, trustees and committee members, paying for professional services where appropriate.

Lessons Learned

- Both organisations have succeeded over a long period by remaining consistent to their founding principles. They have adapted their approach but not changed their core objectives even when the wider political environment made it difficult.
- Both organisations have been resourceful and grasped opportunities when they arose, for example by responding very effectively to the opportunities presented by the Empty Homes Community Grants Programme.
- The policy environment can make engagement with local councils particularly difficult and at times adversarial. For example, while the Housing Market Renewal Programme was running, the local authority's strategy of demolition in Hull was completely at odds with the approach of Giroscope, which focused on renovation.
- Experience breeds efficiency. Both organisations have considerably improved the quality, speed and cost effectiveness of renovating houses.
- Bringing in trained staff in both building and support services has improved outcomes for volunteers.

Evaluation

The University of Birmingham Housing and Communities Research Group has conducted two regional evaluations of the £50 million Empty Homes Community Grants Programme (EHCGP), in the Midlands, and in the North East, Yorkshire and Humberside (where Canopy and Giroscope are based). The EHCGP was issued by the UK government between 2012 and 2015. The research findings have shown the programme not only successfully increased community-led action on empty properties, it also created considerable added value in relation to positive social and economic outcomes for those communities and individuals involved.

Transfer

Giroscope began in 1985 and operated at a modest level for many years. In the last five years the organisation has been able to double in size, partly due to reduced house price inflation but also due to the Empty Homes Community Grants Programme. Giroscope has an aspiration to extend its activity to developing self-built homes on vacant or neglected plots. Canopy has extended its activity across two neighbourhoods in Leeds. Both organisations have inspired other self-help groups to become active around the UK.

Giroscope and Canopy form part of a network which supports new self-help housing activity and engages with government to try to attract additional funding. The Empty Homes Community Grants Programme saw the self-help housing sector grow significantly, from around 30 organisations to over 100 across England.

Both Giroscope and Canopy have attracted attention from the national media, drawn interest from other groups seeking to transfer the approach and won a number of awards.

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