

## Hull City Council Case Study

### The story of the local authority's approach to community-led housing

#### Basic summary

- **Local housing market characteristics**
  - Urban
  - Low housing demand
  - Challenging build conditions
- **Region:** Yorkshire and the Humber
- **Refurbished empty homes mainly; some new build homes.**
- **Partners:** Giroscope, Goodwin Development Trust, Probe, PANDA, DISC, Preston Women's Centre
- **Main outcome:** 576 homes created, primarily through bringing empty homes back into use, with some new build

**Key message:** The Hull Partnership Empty Homes Programme, comprising five community sector organisations and the Council, created 576 homes over three years, successfully tackling empty homes and delivering neighbourhood transformation. Through investment and involvement of communities in empty homes regeneration, confidence in an area increases, attracting further investment and new residents.

#### 1. *The story: what was the problem that needed addressing?*

Hull City Council's area is a tightly bounded urban area, with the majority of suburbs in another local authority area. A former Housing Market Renewal Pathfinder Area, it is an area of low housing demand, with high levels of empty homes in concentrated areas of the city, as well as low wages and high unemployment. Hull City Council (HCC) faces challenging conditions for building due to flood risk and soft ground. The council owns 25,000 homes and is actively building new social housing.

Hull's top three local housing market priorities are:

1. Delivering regeneration – addressing low demand areas and improving the quality of the stock in a concentrated area
2. Ensuring homes meet the needs of the population in terms of type (such as adapted properties and bungalows) and tenure (like ownership and affordability)
3. Improving the quality of homes, including quality of existing stock in the private sector

#### 2. *Why is Hull City Council supporting Community-led housing (CLH)?*

CLH supports a number of Hull City Council's strategic priorities by:

- Increasing the supply of homes and diversifying the market, so that not all activity is by volume builders, helping to deliver more bespoke products and delivering small challenging sites.
- Tackling issues of low demand and empty properties and helping to discharge some obligations associated with properties that are open to trespass or in disrepair.
- Providing another route into housing and a widening the types of tenure available.

- Providing employment opportunities
- Supporting regeneration activities

In addition, CLH partners can deliver programmes and benefits, in terms of size, procurement requirements, location that the Council may not be able to achieve. There are financial benefits for the authority as, in returning empty homes to use, CLH partners are removing liabilities such as maintenance on land or costs associated with anti-social behaviour and empty homes on the street, as well as enabling the council to receive New Homes Bonus and Council Tax revenue.

### **3. Who is benefitting from CLH schemes in Hull?**

The benefits of achieved by the Hull Partnership include:

- Places to live for people who find holding down a tenancy challenging, ex-offenders, long-term unemployed people, people living in hostels, people abusing drugs or alcohol, NEETs and migrant workers.
- Employment, work experience, training and support for college pupils, long-term unemployed people and those disadvantaged in the employment market.
- Nurturing local housing organisations like Giroscope, PROBE and the Goodwin Trust that are committed to working in the city and can use the asset base that they develop to go on to raise further funding to invest in more affordable housing for the benefit of the city
- The complementary benefits that CLH partners bring have been a key part of Hull's empty homes programme as the 'softer' benefits, such as training, work experience and housing for vulnerable people who need support to manage a tenancy, are often harder for the Council to achieve.

### **4. How does Hull City Council enable CLH schemes to develop?**

#### **Partnership and support:**

- HCC has established and supported a community partners group made up of small registered providers (RPs) and community led development organisations. The aim of this has been to support the groups in funding bids, to help provide focus and targeted areas to address and to share experiences and best practice.
- Through the empty homes programme and working with partners HCC has proactively contacted landlords of empty homes and provided a range of options to bring back into use. This has included working with community organisations. Alongside this the Council has used funding to invest in the streetscene and externals of properties to ensure the neighbourhoods become more sustainable. HCC has also carried out enforcement action where appropriate.

#### **Land and Property:**

- HCC has in the past made properties available for refurbishment but this has been limited in recent years due to less surplus stock available. The Council has made land available for development for RPs at 'best consideration' which may include nil value transfers, although these are only done in limited circumstances where the best consideration is clear.

**Funding:**

- HCC has launched a Right to Buy (RTB) fund for RPs and community led development to use the Council's surplus RTB receipts to invest in affordable housing.
- The Council has recently used its prudential borrowing facility to provide a development finance loan of c£3m to support a community organisation with a new build project.

**5. Partnership work in Hull to support CLH.**

The Council established a partnership with community organisations that refurbish empty properties as part of their core business: Giroscope, Goodwin Development Trust, PANDA (Pickering and Newington Development Association), WINNER (Preston Road Women's Centre), DISC (Developing Initiatives, Supporting Communities) and Probe. Through collaborative working individual pots of funding have achieved far more than if used in isolation. Energy efficiency works, frontage improvements schemes and tackling empty homes have combined to achieve sustainable and flourishing communities.

**6. Examples of homes produced by CLH schemes in Hull:**

The Hull Partnership Empty Homes Programme created 576 homes in 2012/15, mostly empty homes returned to use, and delivered neighbourhood transformation. [Giroscope](#) and [Goodwin Development Trust](#) are also delivering new build homes. Goodwin delivered 5 properties on their site and recently secured HCA grant alongside a Council loan to deliver 40 more units.

For empty properties the key priority is that they are returned to use, rather than that they are affordable. The importance of the tenure depends on the local context. Grant funding can help in addressing imbalances in the housing market: it may support owner occupation in some areas or aim to increase affordable rent where private rented is over-represented. HCC will ensure that any grant allocated to return an empty property to use (or build a new home) is kept for that purpose. If a property ceases to be affordable, say through sale, the grant element will be recovered and reinvested into returning further properties to use. Otherwise the product needs an element of discount in perpetuity to reflect the grant investment. For a case study on Giroscope click [here](#).

**7. Barriers faced and what Hull CC will do next:**

The barriers to supporting CLH in Hull are:

- **Resource** - the biggest constraint in terms of time and cost. There is limited staff time available to identify opportunities and work in partnership with organisations. This is challenging to overcome bearing in mind pressures on HCC's budget.
- **Skills** – for some small groups transitioning from one or two properties to a larger scale, or from refurbishment to new build requires an upskilling within what are normally relatively small organisations.
- **Capital funding** – there is a distinct lack of grant funding available to make schemes work in high priority areas due to the low values of those areas. Since the DCLG Community development funding ended in 2015, the opportunities for community development in Hull have been limited. Yet when grants are available the outputs in

areas such as Hull are high as properties/land are low cost and readily available. More of the grant can therefore be spent on refurbishing the fabric of the property.

For CLH organisations with registered provider and investment partner status with the HCA a small amount of funding has been secured. Goodwin Development Trust is delivering 40 affordable new build homes on their land. Other CLH partners are still working on empty homes but now at a smaller scale. HCC continues to identify properties and play a facilitation role between landlords and community groups. However, most groups are not RPs or do not have investment partner status and so have been unable to access grants towards affordable homes.

HCC will be funding projects from right to buy receipts. However, this funding is caveated to 30% of the total scheme cost and is limited in the amount available and insufficient to deliver at the scale needed. A government grant regime suited to the needs of urban northern authorities would enable work to be scaled up. HCC is also considering how to roll out further the register of parties interested in CLH and available land to encourage more community and self-delivered schemes.

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