



YORK & NORTH YORKSHIRE

Brownfield Housing Fund

PROSPECTUS 2024



OFFICIAL

Please Note: Activity undertaken at risk

York and North Yorkshire **Brownfield Housing Fund**

Applicants should note that this process is being run at risk in order to maximise the preparedness of projects to deliver by March 2025.

The Brownfield Housing Fund is subject to devolution progressing and a Mayoral Combined Authority (MCA) for York and North Yorkshire being created. It is currently anticipated that the MCA will be created in early/mid January 2024, but these timelines are subject to change.

All activity and expenditure, up to the creation of the MCA, is undertaken at the applicant's risk.

Indicative Timeline:

18 December 2023: Launch of Call for Projects

Late December 2023: Parliamentary Order to create Mayoral Combined Authority (MCA) for York and North Yorkshire is passed by Government

Early / mid January 2024: establishment of the York and North Yorkshire MCA

31 January 2024: Submission of Full Business Cases

February 2024: Independent appraisals of FBCs

April 2024: Funding Approval to projects from the York and North Yorkshire MCA Cabinet

May 2024: Funding Agreements issued

March 2025: Delivery complete (Housing starts target to be delivered by March 2025)

What is the York and North Yorkshire Brownfield Housing Fund?

The Purpose

The purpose of the York and North Yorkshire Brownfield Housing Fund is to unlock housing development on brownfield site to enable new homes to start on site by March 2025.

Priority will be given to schemes that help to deliver affordable, accessible and low carbon housing, creating sustainable and high quality places.

There is no set limit to the amount that can be applied for under this call, but it should be noted that the total Fund is around £3m, and this is intended to support a small number of deliverable projects.

As part of the York and North Yorkshire Devolution Deal, we have received an allocation of funding from the Government's Brownfield Housing Fund. The target with this investment is to unlock 900-1,000 homes. The intervention rate necessary to achieve this target is around £14,000 per home unlocked. This intervention rate will be considered when assessing schemes but higher rates will be looked at under specific circumstances and if a strong case can be made. Other factors such as strategic fit and value for money of the scheme will also be assessed.

Who can apply for funding?

- City of York and North Yorkshire Councils
- Registered Providers

What is the York and North Yorkshire Brownfield Housing Fund?

What type of investments can be funded?

The funding is for **capital** expenditure only, and can fund a range of interventions that unlock the development of housing on brownfield land which would otherwise not happen.

Eligible capital expenditure could be:

- Off site infrastructure
- Site remediation and demolition to prepare sites
- On site infrastructure
- Direct delivery of new homes
- Site acquisition and land assembly
- Place infrastructure such as public realm, place-making interventions
- Capacity to support any of the capital delivery activity detailed above, where it is directly attributable to the creation or maintenance of a capital asset

Meeting local strategic priorities

The Fund will contribute to the overall aspirations and vision for the York and North Yorkshire economy. In particular, the ambition for more affordable, high quality and low carbon homes. This will include:

- Low carbon and modern methods of construction
- Enhanced energy efficiency standards
- Decarbonised heat measures
- Adaptable and accessible properties to support local needs
- Enhanced place making

Assessment Criteria

Gateway Criteria

Every scheme must:

- Be on brownfield land (note 1)
- Evidence the rationale for public sector intervention
- Be unlocked with new home starts by 31st March 2025 (note 2)
- Achieve a minimum Benefit Cost Ratio (BCR) of 1 (note 3)
- Must deliver a minimum of 5 new homes
- Must be located in York and North Yorkshire (note 4)

Other Assessment Criteria

Schemes must also demonstrate:

- **Regional Strategic Fit** - Contribute towards the strategic priorities of York and North Yorkshire
- **Local Strategic Fit** - Alignment with planning policy (Local Plan), local economic growth and housing strategies. Show evidence of any local support (if available)
- **Housing Need** - Clearly address housing need, including affordability and rural housing needs
- **Low Carbon** - Be sustainable and contributing to the region's ambition to be carbon negative
- **Risk Analysis** - Consider all risks and mitigating actions
- **Deliverability** - Be deliverable with a clear plan, capacity and expertise in place to deliver the proposed scheme
- **Need for intervention** - Address a market failure showing a clear rationale why the scheme would not otherwise be delivered
- **Place Making** - Demonstrate place making and high quality homes

- **Unlock Brownfield Land**
- **Support provision of affordable housing**
- **Contribute to economic growth priorities for York and North Yorkshire**
- **Enable high quality homes with great place making**
- **Deliver sustainable and low carbon housing**

Compatibility with Other Funding

We encourage co-funding of schemes where the opportunity exists. Investments through this fund should always add maximum value and this should be clearly proven and evidenced by the applicant. Early discussion with other funding bodies is needed to ascertain compatibility.

Notes

Note 1: A brownfield site is an area that has been used before and tends to be disused or derelict land.

Note 2: This is the date when work begins on the laying of the foundation, including 'slabbing' for houses that require it, but not including site preparation

Note 3: BCR of 1 means Benefit Cost Ratio as defined in the HM Treasury Green Book.

Note 4: York and North Yorkshire means the Local Authority areas of the City of York and North Yorkshire County.

The Application Process

All schemes will be assessed and processed using HM Treasury Green Book Principles.

The application process consists of a single stage (there is no Expression of Interest stage):

Stage 1: Business Case Development

Applicants will be required to complete a Full Business Case and obtain and submit a UK subsidy control regime assessment provided by a solicitor. Due to the timeline constraints, only projects that are ready for immediate delivery should be submitted.

Full Business Cases will be assessed and presented to the Cabinet for York and North Yorkshire MCA.

Once approved, the grant recipient will claim funding in arrears. Progress will be monitored against the agreed contract and delivery milestones and outputs delivered.

Complete and submit a Full Business Case by Noon on 31st January 2024

How much can you apply for?

There is no set limit to the amount that can be applied for but it should be noted that the total Fund (up to March 2025) is around £3m and this is intended to support a small number of deliverable projects.

The intervention rate necessary to achieve the overall target of new homes started is around £14,000 per home. This intervention rate will be considered as part of the assessment but higher rates can be considered if a clear rationale is evidenced (for example, rural housing sites, projects which are delivering net zero carbon use homes or homes designed to meet higher accessibility standards where costs are higher).

How to Apply?

Complete a **Full Business Case (FBC)** form and return no later than noon (12:00hrs) on **Wednesday 31 January 2024** to the following e-mail address: enquiries@ynylep.com

Contact for more details:

If you would have queries about the process, or want to have an informal chat about your proposed scheme, please contact:

enquiries@ynylep.com