

North Yorkshire Council

Assistant Director of Resources for Community Development

19/06/2024

Brownfield Housing Fund

Report of the Corporate Director [Community Development].

1.0 PURPOSE OF REPORT

1.1 That the Assistant Director (Resources) for Community Development authorises the acceptance of Brownfield Housing Grant (BHF) in the sum of £126,000.

2.0 BACKGROUND

2.1 On 30 June 2023, the Corporate Director (Community Development), in consultation with the Assistant Director (Resources) for Community Development, authorised the submission of a bid for grant of £126,000 to the Brownfield Housing Fund. This fund is administered by York and North Yorkshire Combined Authority (YNY MCA) on behalf of the Department for Levelling Up, Housing and Communities (DLUHC). This was a legacy bid which originated with Harrogate Borough Council in March 2023.

2.2 On 19 February 2024, NYC received a grant funding agreement from YNY MCA in respect of the proposed grant award of £126,000.

2.3 This report seeks approval to enter into the grant agreement to accept the £126,000 BHF grant award.

3.0 BROWNFIELD HOUSING FUND

3.1 In early 2023, the district councils of North Yorkshire were invited to bid to the Brownfield Housing Fund (BHF) as well as identify and collate potential bids from private sector landowners and developers across the county. BHF is grant funding payable to landowners or developers (including local authorities) to help meet infrastructure costs to enable residential development of brownfield sites in their ownership. This can either be directly or for onward sale and development by a third party. The BHF was administered by North Yorkshire Local Enterprise Partnership (LEP), now YNY MCA. The grant agreement requires a start on site by March 2025.

3.2 Eligible sites are those that are not conventionally viable for development due to size, location, disproportionate development costs and/or value. The purpose of the grant is to effectively 'clear' sites for development.

3.3 Four suitable Housing Revenue Account (HRA) sites were identified for the BHF bid process; an approved business case was submitted to the LEP in March 2023. Match funding for development of these sites had been secured within the 2022/2023 Housing Investment Programme, carried forward into the 2023/2024 Capital plan. Unspent sums from the 2023/24

budget will be rolled forward into the overarching Housing Development Programme budget, agreed with the 2024/25 HRA Business Plan.

3.4 The sites subject to the grant award are:

Cavendish House, Robert Street, Harrogate – conversion to six shared ownership apartments

Gascoigne Crescent, Harrogate – one newbuild social rented dwelling

Poplar Grove, Harrogate – one newbuild social rented dwelling

Springfield Drive, Boroughbridge – one newbuild social rented dwelling

3.5 Grant of £14,000 per dwelling has been awarded, subject to signing of the grant agreement, for removal of hardstanding's and, in the case of Cavendish House, for the demolition of an extension. Planning permission has been granted for the four sites.

4.0 ALTERNATIVE OPTIONS CONSIDERED

4.1 Not to accept the grant. This was rejected as grant funding towards infrastructure costs assists scheme viability, maximising value for money of the council's approved development programme.

5.0 FINANCIAL IMPLICATIONS

5.1 BHF grant of £126,000 will be payable on completion of the grant agreement. This will be drawn down in stages in accordance with the grant agreement. £1,745,000 will be earmarked within the Housing Development Programme capital budget for 2024/2025 and 2025/26 as the overall development budget to deliver the four sites.

5.2 In addition, Executive approval was granted on 17 October 2023 to apply for Investment Partner status with Homes England and to submit a grant bid to the agency towards the build/conversion cost of the four sites subject of this report (plus 1 x greenfield site at Kingsway, Weeton). The council's intention to bid for Homes England grant was included within the business case submitted to YNY MCA.

6.0 LEGAL IMPLICATIONS

6.1 The draft Terms and Conditions for the grant are currently being reviewed by Legal Services. If any of the terms and conditions present an unacceptable risk for the Council, then the grant offer would be declined.

6.2 Any acceptance of the grant will need to be subject to completion of title searches in relation to the sites.

6.3 Any expenditure of the grant will be in line with the Subsidy Control Act 2022.

6.4 Any contracts entered into in respect of the grant funding will be in accordance with the Council's Procurement and Contract Procedure Rules and, if relevant, the Public Contracts Regulations 2015.

7.0 EQUALITIES IMPLICATIONS

7.1 Completed homes will be available for allocation/sale to tenants/purchasers with Protected Characteristics in accordance with the council's allocations policy (or North Yorkshire HomeChoice eligibility criteria) and shared ownership sales processes. An initial screening assessment has been carried out and the conclusion of that assessment is that no full EIA is required.

8.0 CLIMATE CHANGE IMPLICATIONS

8.1 An initial screening assessment has been carried out and the conclusion of that assessment is that no full CCIA is required. Completed homes will benefit from a range of low carbon and energy efficient measures.

9.0 RISK MANAGEMENT IMPLICATIONS

9.1 As with all development projects, there is a risk of cost increases and time delays. The additional risk on this project is the short timescale in terms of starting the build of the houses by 31st March 2025.

10.0 REASONS FOR RECOMMENDATIONS

11.1 The development of these four sites will deliver nine affordable homes in sustainable areas of the district. New social rented family dwellings will help address rising homelessness whilst the conversion of Cavendish House will provide shared ownership apartments for first time buyers working in the district, thereby boosting the local economy. The BHF grant allocation makes an important contribution to scheme costs.

12.0 RECOMMENDATIONS

12.1 That the Assistant Director (Resources) for Community Development authorises the acceptance of BHF grant in the sum of £126,000.

Corporate Director – Nic Harne (*Community Development*)

County Hall
Northallerton
(18/06/2024)

Report Author – Hannah Heinemann, *Head of Housing Delivery and Partnerships*