

# North Yorkshire Council

11 February 2026

## Affordable Housing and Rural Housing Fund

### Report of the Corporate Director of Community Development

#### 1.0 PURPOSE OF REPORT

- 1.1 This report has been written to provide more information on an application from Broadacres to the Rural Housing Delivery Fund. It sets out what was considered by the Affordable Homes Funding Panel and its decision to support the award of £440,000 to help fund the development of 11 affordable homes in Shipton by Beningbrough.

#### 2.0 BACKGROUND

- 2.1 There is a shortage of affordable homes in North Yorkshire. To help address this issue, on 24 January 2024 the Council agreed to introduce a 100% premium on Council Tax for second homes and to invest the income this created into a range of housing initiatives including the provision of new affordable housing.
- 2.2 The Second Homes Council Tax Housing Fund Framework was presented to the Executive on 18 March 2025, setting out the programme of initiatives that would be funded through this new revenue. Central to this framework was the creation of three new funds:
- Affordable Housing Delivery Fund (AHDF) – £12m over 4 years, up to £29k per home
  - Rural Housing Delivery Fund (RHDF) - £4m over 4 years, up to £40k per home
  - Community Housing Fund (CHF) - £4m over 4 years, up to £100k per home
- 2.3 The AHDF and RHDF are aimed at Registered Providers with the experience and track-record of delivering and managing affordable homes. Both are designed to accelerate delivery and address viability constraints to developments. AHDF can be used on any affordable housing scheme whilst RHDF is specifically ringfenced to support the development of rural exception sites. The CHF will support constituted community groups to deliver homes in particular in areas where more standard delivery models have failed. All funds are now live, with the AHDF / RHDF prospectus shared with all members of the York and North Yorkshire Housing Partnership on the 4 September 2025 and the CHF prospectus available via the website.
- 2.4 The Affordable Homes Funding Panel (“the Panel”) is chaired by the Corporate Director for Community Development and has been established to consider applications to these new funds. Applications will only be put forward to the Panel following satisfactory discussions between the RPs / Community groups applying and members of the Housing Strategy and Partnerships Team.

#### 3.0 PROGRESS SO FAR

- 3.1 Initial discussions have been held with several RPs about possible schemes which may need AHDF / RHDF intervention funding to be viable. Support is being given to these RPs so they are able to provide the necessary information in order to make funding applications. As a result it is envisaged that over the next few months these applications will come forward for the Panel to consider.

- 3.2 One scheme has been approved for funding so far, this will provide £435,000 from the Affordable Housing Delivery Fund to Broadacres to support 15 new homes in Hunmnaby.
- 3.3 Broadacres have also submitted this application for the scheme at Shipton by Beningbrough (set out in section 4)

#### 4.0 Land off Station Lane, Shipton by Beningbrough

- 4.1 Here is a summary of the scheme.

Key elements	Response
Funding Lot	Rural Housing Delivery Fund
No of Homes	11
Tenure split	6 x social rent 5 x shared ownership
Total Grant requested	£440,000
Grant requested per home	£40,000 (maximum grant for RHDF)
Will the homes meet an identified need	Yes – supported by NYC
Planning permission	Granted – July 2024 – S106 just being finalised
Start of site	April 2026
Practical Completion	March 2027
Why viability is an issue	Significant additional costs relating to infrastructure, especially the construction of an access road and pumping station.

- 4.2 As shown in the table, the scheme is faced by abnormal costs and therefore the viability gap is too large for it to come forward without accessing the Council’s funding. As an example, it has been identified that the scheme requires the installation of an access road and a pumping station to ensure efficient and safe wastewater management. Should additional grant not be provided then the scheme would fail and the homes would not be able to be delivered.

#### 5.0 CONSULTATION UNDERTAKEN AND RESPONSES

- 5.1 **Housing delivery** – The application form and further supporting information has been shared and discussed with Housing Delivery. They have been able to assess the reasonableness of some of the assumptions included in the application – some of which has not been included in this report as it is commercially sensitive. Significant steps were taken to ensure that the application provided value for money. Assurances relating to elements such as: Land costs per home; build costs; fees and sales proceeds have been considered. These were all in the expected range and therefore reasonable.
- 5.2 **Homes England** – In advance of being submitted to the Panel, a meeting was held with the Homes England Growth Team. The overall funding of the project was discussed to ensure overall viability. Without intervention by Homes England, coupled with the AHDF grant from the Council the scheme would have failed, and the affordable homes not provided.
- 5.3 **Executive Member for Culture, Arts and Housing** – the Executive Member has been briefed on the application received and the Panel’s decision.

## **6.0 CONTRIBUTION TO COUNCIL PRIORITIES**

6.1 The latest Housing and Economic Needs Assessment show there is a significant shortage of affordable housing to meet the needs across the whole of North Yorkshire. Growing the supply of affordable homes is seen as a key priority in the North Yorkshire Housing Strategy and is also a key objective in the York and North Yorkshire Strategic Place Partnership.

## **7.0 ALTERNATIVE OPTIONS CONSIDERED**

7.1 There is a shortage of affordable housing across North Yorkshire and due to market pressures public funding is required to increase the delivery of affordable homes. Whilst Homes England provide grant funding which addresses some of this viability gap, the Council have recognised through the establishment of these funds, often further grant is needed to accelerate delivery and get homes built.

## **8.0 FINANCIAL IMPLICATIONS**

8.1 Using the income generated from the 2<sup>nd</sup> Homes Council Tax Premium a four year budget has been set for each of the funds. They are:

- AHDF = £12m
- RHDF = £4m
- CHF = £4m

8.2 Funding the Shipton by Beningbrough scheme equates to a 11% commitment from the RHDF.

8.3 Broadacres most recent inspection report from the Regulator for Social Housing (October 2024) gave them the following ratings:

- Consumer C2 – identifying some weaknesses in the landlord delivering outcomes of the consumer standards and improvement is needed
- Governance G2 – a judgement that the landlord meets the governance requirements but needs to improve some aspects of its governance arrangements to support continued compliance
- Viability V2 – a judgement that the landlord meets viability requirements. It has the financial capacity to deal with a reasonable range of adverse scenarios but needs to manage material risks to ensure continued compliance.

## **9.0 LEGAL IMPLICATIONS**

9.1 Any funding award will be subject to compliance with the Subsidy Control Act 2022 and secured through a grant agreement.

9.2 A Subsidy Scheme is being established in respect of the Second Homes Council Tax Housing Fund Framework. Each award under the Framework will be reviewed against the provisions of the Subsidy Scheme to ensure compliance with the Subsidy Control Act 2022.

9.3 The Grant Recipients will be required to enter into a Grant agreement with the Council which will include monitoring and claw-back provisions to ensure the grant is used towards the development of affordable housing.

## **10.0 VALUE FOR MONEY**

- 10.1 This scheme delivers good Value for Money. Investing £440,000 of the revenue secured through the 2<sup>nd</sup> homes council tax premium to secure an affordable housing scheme with a project cost over £3m, supporting jobs and local suppliers.
- 10.2 Research published in 2024 by Sheffield Hallam University outlined that investing public money in social housing offers significant value for money. It concluded the average value of a social tenancy for each household living in a general needs social housing tenancy is at least £18,051 per year. This value includes:
- Savings to the NHS due to improve mental and physical health, with fewer GP and A&E visits
  - Savings to DWP and increased tax income, as people with a stable home is more likely to be able to gain and sustain employment
  - Savings to local councils by keeping residents out of temporary accommodation and helping people staying independent and less likely to be on the Child Protection Register
  - Improved education outcomes to boost the economy, as children in stable homes are more likely to attend school
- 10.3 It is clear from the evidence provided by Broadacres and the conversations with Homes England that these affordable homes will not be delivered unless the Council provide the Affordable Housing Delivery Fund grant.

## **11.0 EQUALITIES IMPLICATIONS**

- 11.1 An equities impact assessment screening form has been completed for this report. See Appendix A.
- 11.2 Building affordable housing has a positive impact on several protected characteristics. Social housing waiting lists have a high proportion of people on low incomes and people with a disability. Providing good quality affordable housing can provide a foundation for someone to thrive and gain a stake in their community. In rural locations the new people living in the homes can help sustain services and support local charitable endeavours.

## **12.0 CLIMATE CHANGE IMPLICATIONS**

- 12.1 A climate change impact assessment screening form has been completed for this report. See Appendix B.
- 12.2 Broadacres have confirmed that the new homes will be built to a good environmental standard with energy efficiency features.

## **13.0 CONCLUSIONS**

- 13.1 The AHDF, RHDF and CHF were developed to help RPs to fill viability gaps and accelerate the delivery of much needed affordable homes in North Yorkshire. The bid from Broadacres offered the panel the opportunity for the first time to discuss a potential scheme, which they approved.

## **14.0 REASONS FOR RECOMMENDATION**

- 14.1 The reasons for the recommendations are set out in sections 4 & 5. Fundamentally, the recommendations are made with the intention of making the best use of the funding, whilst also recognising the need to retain the integrity of maximum grant per home as agreed by the Executive in March.

## **15.0 RECOMMENDATION**

15.1 Following support from the Panel that the Corporate Director for Community Development in consultation with the Assistant Director for Resources approves:

- i) That £440,000 be awarded to Broadacres from the Rural Housing Delivery Fund to support the building of 15 affordable homes in Shipton by Beningbrough.

### **APPENDICES:**

Appendix A : Equalities Impact Assessment

Appendix B : Climate Impact Assessment

Nic Harne  
Corporate Director – Community Development  
County Hall  
Northallerton

Report Author – Matt Lewer – Housing Strategy, Partnerships and Enabling Manager  
Presenter of Report – Matt Lewer – Housing Strategy, Partnerships and Enabling Manager

## APPENDIX A

<b>Initial equality impact assessment screening form</b>			
<b>This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.</b>			
<b>Directorate</b>	Community Development		
<b>Service area</b>	Housing Delivery & Partnerships		
<b>Proposal being screened</b>	Affordable Housing and Rural Housing Fund		
<b>Officer(s) carrying out screening</b>	Matt Lewer		
<b>What are you proposing to do?</b>	The report sets out an application for council funding to support the delivery of a total of 11 new affordable home.		
<b>Why are you proposing this? What are the desired outcomes?</b>	There is a significant shortage of affordable housing across all parts of North Yorkshire, having a massive impact on individual households and wider communities		
<b>Does the proposal involve a significant commitment or removal of resources?</b> Please give details.	Yes. The Report proposes the funding of a total of £440,000 secured through our Second Home Council Tax Premium		
<b>Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYC's additional agreed characteristics</b>			
As part of this assessment, please consider the following questions:			
<ul style="list-style-type: none"> <li>To what extent is this service used by particular groups of people with protected characteristics?</li> <li>Does the proposal relate to functions that previous consultation has identified as important?</li> <li>Do different groups have different needs or experiences in the area the proposal relates to?</li> </ul>			
<b>If for any characteristic it is considered that there is likely to be an adverse impact or you have ticked 'Don't know/no info available', then a full EIA should be carried out where this is proportionate. You are advised to speak to your directorate representative for advice if you are in any doubt.</b>			
Protected characteristic	Potential for adverse impact		Don't know/No info available
	Yes	No	
Age		X	
Disability		X	
Sex		X	
Race		X	
Sexual orientation		X	
Gender reassignment		X	
Religion or belief		X	
Pregnancy or maternity		X	
Marriage or civil partnership		X	
People in rural areas		X	
People on a low income		X	
Carer (unpaid family or friend)		X	
Are from the Armed Forces Community		X	
<b>Does the proposal relate to an area where there are known inequalities/probable impacts</b> (for example, disabled people's access to public transport)? Please give details.	Social housing waiting lists have a high proportion of people on low incomes and people with a disability. Providing good quality affordable housing can provide a foundation for someone to thrive and gain a stake in their community. In rural locations the new people living in the homes can help sustain services and support local charitable endeavours		

APPENDIX A

<p><b>Will the proposal have a significant effect on how other organisations operate? (for example, partners, funding criteria, etc.). Do any of these organisations support people with protected characteristics?</b> Please explain why you have reached this conclusion.</p>	<p>Yes, without this funding it is very likely that these homes will not be built. This would impact Broadacres Housing Association to meet their strategy and charitable objectives.</p>			
<p><b>Decision (Please tick one option)</b></p>	<p>EIA not relevant or proportionate:</p>	<p>✓?</p>	<p>Continue to full EIA:</p>	<p>No</p>
<p><b>Reason for decision</b></p>				
<p><b>Signed (Assistant Director or equivalent)</b></p>	<p>A Rowe</p>			
<p><b>Date</b></p>	<p>6 February 2026</p>			

**Initial Climate Change Impact Assessment (Form created August 2021)**

The intention of this document is to help the council to gain an initial understanding of the impact of a project or decision on the environment. This document should be completed in consultation with the supporting guidance. Dependent on this initial assessment you may need to go on to complete a full Climate Change Impact Assessment. The final document will be published as part of the decision-making process.

If you have any additional queries, which are not covered by the guidance please email [climatechange@northyorks.gov.uk](mailto:climatechange@northyorks.gov.uk)

<b>Title of proposal</b>	Affordable Housing and Rural Housing Fund
<b>Brief description of proposal</b>	Following consideration from the Affordable Homes Funding Panel, a proposal has been made to use £440,000 from the Rural Housing Delivery Fund to support the building on 11 new affordable homes in Shipton by Beningbrough
<b>Directorate</b>	Community Development
<b>Service area</b>	Housing Strategy and Partnerships
<b>Lead officer</b>	Matt Lewer – Housing Strategy, Partnerships and Enabling Manager
<b>Names and roles of other people involved in carrying out the impact assessment</b>	

APPENDIX B

The chart below contains the main environmental factors to consider in your initial assessment – choose the appropriate option from the drop-down list for each one.

Remember to think about the following;

- Travel
- Construction
- Data storage
- Use of buildings
- Change of land use
- Opportunities for recycling and reuse

Environmental factor to consider	For the council	For the county	Overall
Greenhouse gas emissions	No effect on emissions	Increases emissions	Increases emissions
Waste	No effect on waste	Increases waste	Increases waste
Water use	No effect on water usage	Increases water usage	Increases water usage
Pollution (air, land, water, noise, light)	No effect on pollution	Increases pollution	Increases pollution
Resilience to adverse weather/climate events (flooding, drought etc)	No effect on resilience	Increases resilience	Increases resilience
Ecological effects (biodiversity, loss of habitat etc)	No effect on ecology	Positive impact on ecology	Positive impact on ecology
Heritage and landscape	No effect on heritage and landscape	No effect on heritage and landscape	No effect on heritage and landscape

APPENDIX B

If any of these factors are likely to result in a negative or positive environmental impact then a full climate change impact assessment will be required. It is important that we capture information about both positive and negative impacts to aid the council in calculating its carbon footprint and environmental impact.

<b>Decision (Please tick one option)</b>	Full CCIA not relevant or proportionate:	X	Continue to full CCIA:	
<b>Reason for decision</b>	<p>If approved at the panel the construction of these homes would be subject to planning permission. Therefore a full CCIA is not relevant.</p> <p>The panel will consider environmental and sustainability credentials of the proposals and factor this into decision making, including how the properties could be built to passivhaus standard or the future homes standard and whether properties can be fitted with rooftop solar.</p>			
<b>Signed (Assistant Director or equivalent)</b>	A Rowe			
<b>Date</b>	28/01/26			