

North Yorkshire Council

Report to Executive Member for Culture, Arts and Housing

27 March 2026

Approval of funding from Brownfield Housing Fund Rounds 2 and 3

Report of the Corporate Director: Community Development

This report contains confidential Appendices which contains information of the type defined in paragraph 3 of Part 1 of Schedule 12A Local Government Act 1972 (as amended) as it contains information relating to the financial and business affairs of the Council and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to recommend that the Executive Member for Culture, Arts and Housing in consultation with the Chief Financial Officer and Executive Member for Finance authorises the acceptance of grant funding for a sum of up to £799,000 from the York and North Yorkshire Combined Authority's Brownfield Housing Fund to develop 39 new affordable homes.

2.0 BACKGROUND

- 2.1 In May 2024, the Council received approval to submit an application to the York and North Yorkshire Combined Authority for funding from Round 2 of the Brownfield Housing Fund. Further approval was also granted to submit an application for funding from Round 3 of the Brownfield Housing Fund.
- 2.2 The application to Round 2 of the Fund was submitted in May 2024 for 1 scheme, which would provide 16 new affordable homes. The application was approved by the Combined Authority in September 2024. Due to new processes being developed within the MCA and amendments required to the Business case, the grant funding agreement has only recently been provided. The proposed intervention rate for this round was £14,000 per property, which will amount to a total grant of £224,000.
- 2.3 Applications to Round 3 of the Fund were submitted in September for 4 separate schemes, which would provide 48 new affordable homes. The proposed intervention rate for the funding is based on an average of £25,000 per individual unit, and as a result, we applied for grant of £1,200,000 across the 4 schemes.
- 2.4 The applications were subject to appraisal by independent appraisers appointed by the Combined Authority and notification of the outcome of the applications was received in December 2025. 3 of the applications were approved by the Combined Authority. The 3 schemes will provide a total of 23 affordable homes, which will amount to a total grant of £575,000. The other scheme was not considered to be at a stage where approval could be granted. The 4th scheme is not developed enough at this stage to be taken forward.
- 2.5 The Combined Authority have now issued grant funding agreements in respect of the 4 approved schemes, which the Combined Authority requires to be in place by 30 March 2026.

3.0 PROPOSAL

3.1 **Approved Projects:** The four schemes, which have been approved by the Combined Authority are as follows:

3.2 Neville House, Gargrave, Skipton

3.2.1 This project is to demolish a former Elderly Persons Home and attendant structures, which were closed in 2023 and have remained empty since then, and replace with 16 new affordable homes.

3.2.2 The properties will be a mix of flats, bungalows and houses for social rent and shared ownership. Grant funding of £224,000 has been approved by the Combined Authority. Further details regarding the costs and funding of the project are set out in the Confidential Appendix A.

3.3 Temporary Accommodation, Scarborough Town:

3.3.1 This project is to convert three properties, which are currently empty in Scarborough, two of which are former guest houses and one an empty retail unit with living accommodation above into eight self-contained flats, which will be used as temporary accommodation for homeless households.

3.3.2 The properties are located on the edge of Scarborough town centre, close to services and amenities and are now unsuitable for their previous usage, due to changing market requirements.

3.3.3 Grant funding of £200,000 has been approved by the Combined Authority for this project. Further details regarding the costs and funding of the project are set out in the Confidential Appendix A

3.4 Former HMO conversion, Scarborough:

3.4.1 The project is to convert a former HMO into nine self-contained flats to be used as temporary accommodation. The Council purchased the former HMO last year when it was available for sale. It had previously been used to place homeless households in by the Council, and if the Council had not bought the property, then there was the risk that it would have reduced the availability of temporary accommodation in Scarborough.

3.4.2 The Council has developed detailed plans to convert the property into eight x 1-bedroom self-contained flats and one flat with shared facilities, to a high standard, which will provide well managed accommodation.

3.4.3 Grant funding of £225,000 has been approved by the Combined Authority for this project. Further details regarding the costs and funding of the project are set out in the Confidential Appendix A

3.5 Hemingbrough Property near Selby

3.5.1 The Council has acquired a site which accommodates a block of eight flats. However, these are not fit for purpose in their current form and required demolition. As a result, the Council will demolish the current structure and rebuild as six general needs housing for rent, which will go into the Housing Revenue Account. Four of the flats will be 1-bedroom and two of the flats will be 2-bedroomed.

3.5.2 Grant funding of £150,000 has been approved by the Combined Authority for this project. Further details regarding the costs and funding of the project are set out in the Confidential Appendix A

- 3.6 The Place of Change was the other project that an application was submitted for. Due to the fact that the Council was not yet in a position to be able to confirm that it could secure possession of the preferred site, approval of this project has been put on hold by the Combined Authority until such time the Council have a secure site.

4.0 CONSULTATION UNDERTAKEN AND RESPONSES

- 4.1 Consultation has taken place with relevant internal service areas across the authority. These include Property services, the Housing Needs team in respect of the temporary accommodation requirements and Children and Young Persons Services.
- 4.2 The relevant local members have also been consulted with in respect of the proposals.
- 4.3 The former guest houses and retail unit in Scarborough will require planning permission as will involve a change of use of the properties. As a result, consultation will be undertaken with neighbouring properties and statutory consultees as part of the formal planning process.

5.0 CONTRIBUTION TO COUNCIL PRIORITIES

- 5.1 The scheme contributes principally to the following Council priority:
“Place and Environment: Good quality, affordable and sustainable housing that meets the needs of our communities”

6.0 ALTERNATIVE OPTIONS CONSIDERED

- 6.1 Do nothing: Not applying for Brownfield Housing funding would affect the viability of the 4 projects and as a result we would be unable to proceed with the projects.
- 6.2 Submit other projects for the funding: A long list of potential projects was considered for this funding round. The majority of these dismissed, mainly due to the requirement for them to be 100% affordable housing.

7.0 IMPACT ON OTHER SERVICES/ORGANISATIONS

- 7.1 In terms of the two projects for accommodation for homeless households in Scarborough, this will have a positive impact, as it will reduce the need to utilise emergency accommodation in the form of B&Bs and Hotels.

8.0 FINANCIAL IMPLICATIONS

- 8.1 Council funding for the projects above will be provided through the existing general fund affordable housing initiatives fund and the Housing Delivery Fund in the HRA for the Hemingbrough project. The inclusion of brownfield housing funding into these schemes supports the financial viability of these schemes. Financial appraisals have been undertaken for all the four schemes.

9.0 LEGAL IMPLICATIONS

- 9.1 The Council will be required to enter into separate grant funding agreements with the Combined Authority for each of the four projects. The grant agreements have been reviewed by Legal Services. The Combined Authority requires that the Council enter into the funding agreements by 30 March 2026.
- 9.2 Any expenditure of the Grants will be in accordance with the Council’s Procurement and Contract Procedure Rules and, to the extent applicable, the Procurement Act 2023, the Public Contracts Regulations 2015 and the Subsidy Control Act 2022.

10.0 EQUALITIES IMPLICATIONS

10.1 There are no significant equalities implications arising from this report. The Equalities Impact Assessment submitted with original report requesting approval to apply in September 2025 remains applicable, and is set out in Appendix B.

11.0 CLIMATE CHANGE IMPLICATIONS

11.1 There are no significant climate change implications arising from this report. The Climate Change Impact Assessment submitted with original report requesting approval to apply in September 2025 remains applicable, and is set out in Appendix C.

12.0 RISK MANAGEMENT IMPLICATIONS

12.1 The following key risks have been identified with the submission of the application as follows:

12.1.1 Council is unable to deliver the projects: If the Council fails to deliver the projects, then any funding would need to be repaid to the Combined Authority. This is a low risk, as there is a strong strategic need for these projects.

12.1.2 Council fails to comply with the requirements of the Grant Funding Agreement: There would be potential financial implications if the Council fails to comply with the funding agreement. To mitigate against this risk, the Council will have regular dialogue with the Combined Authority and will communicate any potential changes to the projects should they arise.

13.0 REASONS FOR RECOMMENDATIONS

13.1 To provide external funding from the Brownfield Housing Fund to enable the development of 39 new affordable homes within North Yorkshire

14.0 RECOMMENDATION

That the Executive Member for Culture, Arts and Housing, in consultation with the Chief Financial Officer and the Executive Member for Finance authorises the acceptance of the grant of £799,000 for the four projects that have had funding approved by the York and North Yorkshire Combined Authority from the Brownfield Housing Fund.

APPENDICES:

Appendix A – Confidential Appendix

Appendix B – Equality Impact Assessment

Appendix C – Climate Change Impact Assessment

BACKGROUND DOCUMENTS: None

Nic Harne
Corporate Director Community Development
County Hall
Northallerton
15 March 2026

Report Author – John Burroughs: Housing Delivery Manager (Major and Complex Projects)
Presenter of Report – John Burroughs: Housing Delivery Manager (Major and Complex Projects)

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

Initial equality impact assessment screening form			
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.			
Directorate	Community Development		
Service area	Housing		
Proposal being screened	To approve Brownfield Housing funding from the York and North Yorkshire Combined Authority		
Officer(s) carrying out screening	John Burroughs		
What are you proposing to do?	To approve funding of £1799,000 from the Brownfield Housing Fund to enable the development of 39 new affordable homes on 4 sites across Scarborough, Selby and Gargrave.		
Why are you proposing this? What are the desired outcomes?	To meet local housing needs both for rented homes and also to meet temporary accommodation needs and make savings to the temporary accommodation budget		
Does the proposal involve a significant commitment or removal of resources? Please give details.	No		
Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYC's additional agreed characteristics			
As part of this assessment, please consider the following questions:			
<ul style="list-style-type: none"> To what extent is this service used by particular groups of people with protected characteristics? Does the proposal relate to functions that previous consultation has identified as important? Do different groups have different needs or experiences in the area the proposal relates to? 			
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.			
Protected characteristic	Potential for adverse impact		Don't know/No info available
	Yes	No	
Age		✓	
Disability		✓	
Sex		✓	
Race		✓	
Sexual orientation		✓	
Gender reassignment		✓	
Religion or belief		✓	
Pregnancy or maternity		✓	
Marriage or civil partnership		✓	
People in rural areas		✓	
People on a low income		✓	
Carer (unpaid family or friend)		✓	
Are from the Armed Forces Community		✓	

Does the proposal relate to an area where there are known inequalities/probable impacts (for example, disabled people's access to public transport)? Please give details.	No			
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? Please explain why you have reached this conclusion.	No			
Decision (Please tick one option)	EIA not relevant or proportionate:	<input checked="" type="checkbox"/>	Continue to full EIA:	<input type="checkbox"/>
Reason for decision	Decision has no adverse impact, as it is just a funding application at this stage. Further approvals will be required for the individual schemes as they progress, which will include individual Equalities Impact Assessments			
Signed (Assistant Director or equivalent)	Andrew Rowe			
Date	09 March 2026			

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

Title of proposal	Application for Brownfield Housing funding to the York and North Yorkshire Combined Authority
Brief description of proposal	To approve funding of £799,000 from the Brownfield Housing Fund to enable the development of 39 new affordable homes across 4 separate schemes
Directorate	Community Development
Service area	Housing
Lead officer	Andrew Rowe
Names and roles of other people involved in carrying out the impact assessment	John Burroughs

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	No Effect on emissions	No effect on emissions
Waste	No effect on waste	No effect on waste	No effect on waste
Water use	No effect on water usage	No effect on water usage	No effect on water usage
Pollution (air, land, water, noise, light)	No effect on pollution	No effect on pollution	No effect on pollution
Resilience to adverse weather/climate events (flooding, drought etc)	No effect on resilience	No effect on resilience	No effect on resilience
Ecological effects (biodiversity, loss of habitat etc)	No effect on ecology	No effect on ecology	No effect on ecology
Heritage and landscape	No effect on heritage and landscape	No effect on heritage and landscape	No effect on heritage and landscape

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.

Decision (Please tick one option)	Full CCIA not relevant or proportionate:	<input checked="" type="checkbox"/>	Continue to full CCIA:	<input type="checkbox"/>
Reason for decision	The report is just to seek approval to submit a bid for funding to the Combined Authority. Climate Change Impact Assessments will be undertaken for each individual scheme as and when they seek approval to be progressed, which may or may not require a full impact assessment.			
Signed (Assistant Director or equivalent)	Andrew Rowe			
Date	09 March 2026			