

North Yorkshire Council

27 March 2026

Community Housing Fund – Langthwaite

Report of the Corporate Director of Community Development

This report contains a confidential Appendix A 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 This report has been written to support the proposal to enable Upper Dales Community Land Trust to use funding, previously granted to them by a legacy council to undertake feasibility work for their next community led housing project – Chapel Garth, Langthwaite. It sets out what was considered by the Affordable Homes Funding Panel and its recommendation to support the retention of an initial £80,000 and the remaining £30,668 (subject to specific conditions) to help fund the development of 4 affordable homes in Langthwaite.

2.0 BACKGROUND

- 2.1 The North Yorkshire Council's Housing Strategy identifies Community Led Housing as an important element of the overall approach to help address the shortage of affordable homes and help meet housing need. This is why the development of a £4m Community Housing Fund was included as part of the Second Homes Council Tax Housing Fund Framework. Prior to this, before LGR, some of the former district councils had their own community housing funds.
- 2.2 The Upper Dales Community Land Trust (UDCLT) is a registered charity. They were established in 2017. Between 2021-2022, they were successful in securing grants worth £324,000 from Richmondshire District Council (RDC) to support the purchase and development of Bainbridge Chapel. Initially they planned to manage the entire project themselves but ultimately ended up partnering with North Star Housing Group (NSHG). This was beneficial to the project because not only could NS provide development skills and experience, they were also able to contribute financially to the project and access Homes England Grant.
- 2.3 As a result of this partnership, UDCLT were able to complete the Bainbridge Chapel conversion into two high quality affordable homes without the need to utilise all of the RDC grant. A remaining balance of £110,668 was left over. This money is still held by UDCLT and they have been working with officers from the Housing Strategy and Partnerships team to identify options for how it can support their next project.

Total grant provided from RDC	£324,000
Amount of RDC grant spent on Bainbridge Chapel scheme	<u>£231,304</u>
Remaining balance held by UDCLT	£110,668

3.0 CHAPEL GARTH AFFORDABLE HOUSING PROJECT

- 3.1 Following a Housing Needs Survey, a second project has been identified by UDCLT, which they are calling Chapel Garth and is located in Langthwaite. This scheme will deliver four new affordable homes, which will be available for social rent. They intend to partner again with NSHG, who has already supported by undertaking some initial feasibility work. As with the Bainbridge Chapel scheme, the intention this time is for UDCLT to purchase the land and then lease it to NSHG, who will support the development and management of the homes.
- 3.2 The group have held detailed discussions with the landowner, the Yorkshire Dales National Park Authority (YDNPA) and NSHG. As a result, they currently estimate a total scheme cost of £1.4m with a price per home around £350k. This is quite a high figure but reflects some of the challenges and additional costs related to building in the YDNP area. As an example, the YDNPA have indicated that they are supportive of the scheme in principle but only if the homes incorporate certain design features (e.g. stone fronted) and incorporate low carbon heating.
- 3.3 Initial plans have been submitted to YDNPA as the planning authority and are waiting validation. UDCLT hope the project to start on site in summer 2026 with completion around Spring 2027.

4.0 PROPOSAL TO TRANSFER £80,000 FROM THE REMAINING GRANT BUDGET TO THIS SCHEME

- 4.1 UDCLT have worked with officers from NYC throughout the development of this project so far, both on the Housing Needs Survey but also in discussion around the funding of the homes. Following these discussions, they are now making a formal request to use £80,000 from the remaining RDC grant balance to complete the feasibility stage of this project. A breakdown of what this money will be used for has been provided by UDCLT and attached in the Confidential Appendix A, but includes a range of pre-development costs, such as planning and legal fees, searches, surveys and architect designs. An additional £30,000 in pre-development costs are being provided by NSHG.
- 4.2 The transfer for the grant funding from one affordable housing scheme to another is allowable under the grant agreement but only with written agreement with NYC. If the remaining funding was repaid to the Council, it would be returned to the Community Housing Fund and used to deliver community led housing projects. The Council's Community Led Housing Framework, allows for grants up to £80,000 at the feasibility stage of a project, so this proposal would align with this.
- 4.3 Should this proposal be accepted; this will allow the UDLT to complete the pre-development stage. They have indicated that for the development they intend to come back to the Council to apply for further development funding, as set out in our Community Led Housing Framework. It is expected that part of that funding would come from what would be the remaining £30,668 unallocated funding from the legacy RDC grant, with any additional needed coming from the 2nd homes council tax premium Community Housing Fund. At that stage they will need to demonstrate a clear understanding of costs as well as provide details of what funding has been secured through Homes England and what contribution NSHG are making to the cost of the project. It has been made clear to the group that any development funding would be limited to the overall intervention rate of £100,000 per home (inclusive of any monies spent during the feasibility stage).

- 4.4 Following discussion at the Affordable Housing Fund Panel on 23 February 2026, it was recommended that the group retain the total allocated amount of £110,668. This would be retained and approved under the following terms:

£80,000 to be retained under a variation of the grant terms and used for feasibility works.
The remaining £30,668 to be retained under a variation of the grant terms, subject to;

- a) A full, formal application of development funding being submitted within four months of the formal decision being published
- b) A new grant agreement for the development funding being entered into within six months of the formal decision being published.
- c) A requirement that the retained £30,668 is not spent by the group until approval of full development funding has been approved and a new grant agreement has been entered into by both parties.

5.0 CONSULTATION UNDERTAKEN AND RESPONSES

- 5.1 **Housing Delivery and Partnerships** – officers from this service have worked with the UDCLT throughout the undertaking of the Housing Needs Survey and the development of this project so far. We will continue to work with the group going forward.
- 5.2 **Homes England** – are aware of the project and have expressed overall support for community led housing, particularly in rural locations.
- 5.3 **Yorkshire Dales National Park Authority** – as the planning authority, discussions have been held with the YDNPA. They have expressed support in principle for the scheme
- 5.4 **Executive Member for Culture, Arts and Housing** – the Executive Member will be briefed once the panel has discussed the proposal.

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 Should this proposal not be accepted, the Council could go back to UDCLT and request that they pay the outstanding £110,668 back. This however would not help address housing need in this location and it is unlikely at this stage that anyone else would come forward with an equivalent scheme.

8.0 FINANCIAL IMPLICATIONS

- 8.1 As outlined, the funding requested of £110,668 already sits with the UDCLT therefore this proposal is no new cost to the Council. Details of the proposed uses of this funding and terms and conditions are set out in section 4.4 above. Using this money first reduces any call of our Community Housing Fund, allowing this funding to be available for other groups to bid into. As the group is working with NSHG, the project will be more cost effective as it will be able to attract Homes England grant, as well all NSHG to borrow against future rental income.

9.0 LEGAL IMPLICATIONS

- 9.1 The existing Grant Agreement permits the Grant to be used for another affordable housing project subject to the Council's prior written consent. The Grant Agreement would be varied in accordance with a Variation Agreement. Any grant monies not used in accordance with the varied Grant Agreement would be required to be returned to the Council.
- 9.2 The Grant was awarded under the previous State Aid regime.
- 9.3 Any decision to award full development funding would be subject to entering into a new Grant Agreement.

10.0 VALUE FOR MONEY

- 10.1 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
- 10.2 Community Housing also provides additional social value and ensure the homes are well designed and well managed. Furthermore, Research by Capital Economics found that community led housing represents high value for money for public investment, generating £2.70 of public benefit for every £1 of public money spent

11.0 EQUALITIES IMPLICATIONS

- 11.1 An equalities impact assessment screening form has been completed for this report. See Appendix B.
- 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 C.
- 12.2 UDCLT and NSHG have confirmed that the new homes will be built to a good environmental standard with energy efficiency features.

13.0 REASONS FOR RECOMMENDATION

13.1 As outlined in the proposal, UDCLT have work extensively with the Council to find solutions to address housing needs in a very rural part of our area. This funding has already been allocated to support community led housing (albeit from RDC) and therefore this proposal supports this aim.

14.0 RECOMMENDATION

14.1 Following support from the Affordable Housing Fund Panel, the Corporate Director for Community Development in consultation with the Assistant Director for Resources approves:

- i) That £80,000 from the £110,688 currently retained by the UDCLT from the initial grant provided by RDC, is used to support the feasibility stage of the Chapel Garth development project.
- ii) That the remaining £30,688 is retained by the UDCLT in line with conditions set out in paragraph 4.4.

APPENDICES:

Appendix A : Confidential Appendix A
Appendix B : Equalities Impact Assessment
Appendix C : Climate Impact Assessment.

Nic Harne
Corporate Director – Community Development
County Hall
Northallerton
27 March 2026

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