

North Yorkshire Council

Executive

21 April 2026

Bidding for Homes England funding from the Social and Affordable Homes Programme

Report of the Corporate Director, Community Development

Appendix A to this report contains exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006

1.0 PURPOSE OF REPORT

- 1.1 To request approval of a programme to deliver 30 homes to take into the Housing Revenue Account for use as affordable housing and to apply to Homes England for grant to support the delivery of these homes. The report requests approval for the principle of acquisition of 30 properties which are still to be identified and all will be subject to further approvals in line with the Council's constitution.

2.0 SUMMARY

- 2.1 In January 2023, the Council approved the Housing Revenue Account (HRA) Medium term plan, which includes the delivery of 500 new homes over the next 5 years to 2029. These homes will be rented homes, which will address local housing needs across North Yorkshire and be rented out to local households in housing need.
- 2.2 This report seeks approval to deliver a buyback programme of up to 30 homes across North Yorkshire.
- 2.3 The report also seeks approval to submit a bid to Homes England for grant funding under the Social and Affordable Housing Programme (SAHP) 2026-2036.

3.0 BACKGROUND

- 3.1 Homes England is an executive non-departmental public body, sponsored by the Department for Levelling Up, Housing and Communities. Their new Social and Affordable Homes Programme, which commences in April 2026, provides grant funding to support the capital costs of developing affordable housing for rent or sale. Through a process known as Continuous Market Engagement (CME), Registered Provider partners are invited to bid for grant at the point opportunities arise.
- 3.2 North Yorkshire Council has an ambition to deliver more Council homes through a range of delivery mechanisms including developer led acquisitions. In January 2024, the Executive and Council approved the Housing Revenue Account (HRA) 30-year Business Plan, which includes the delivery of 500 new homes over the next 5 years to 2029. These homes will be a mix of tenures.

- 3.3 We will be seeking funding from Homes England to acquire up to 30 individual properties, either through the “buyback” of properties previously sold through Right to Buy (RTB), or on the open market. This would be to replace properties that have recently been sold through Right to Buy, and the acquisition will be subject to further approvals in line with the constitution.

4.0 PROPOSAL

- 4.1 **Buyback proposal:** The proposal is to set up a targeted programme of acquiring properties in higher values areas in order to replace existing Council properties lost through RTB. The key areas to be targeted will be the Harrogate area, where values are highest across North Yorkshire, and Richmondshire, especially the rural areas and the Yorkshire Dales National Park, where there is both a shortage of affordable homes and high values.
- 4.2 Discussions have taken place with Homes England regional team who are supportive of the Council’s application for grant funding for the proposal schemes.
- 4.3 A financial viability has been undertaken. The scheme pays back within the 40-year model using a mix of grant, HRA capital and loan.
- 4.4 The social rented properties will be allocated to households in need in accordance with the Council’s allocations policy
- 4.5 All of the homes will meet Nationally Described Space Standards (NDSS) and are to a specification which meets the Council’s requirements. In addition, the Council will seek to acquire properties, which meet EPC “C” and will be built to Future Homes Standards. However, works will be undertaken to any properties that fall below EPC “C” to ensure that they meet this requirement.

5.0 CONSULTATION UNDERTAKEN AND RESPONSES

- 5.1 The Council’s Housing Landlord Service have also been consulted with and have both confirmed the housing need across the relevant localities and their support for the acquisitions.

6.0 CONTRIBUTION TO COUNCIL PRIORITIES

- 6.1 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

7.0 ALTERNATIVE OPTIONS CONSIDERED

- 7.1 Not applying for Homes England grant would see the council miss out on the opportunity to deliver up to additional 30 affordable homes.
- 7.2 The Council can continue to acquire “buyback” properties without grant. However, this would mean being restricted to only acquiring properties, which would be viable without grant, which would be very difficult to achieve in higher value areas where there is high need. It would also mean that we could acquire sufficient properties to replace the ones lost through Right to Buy.

8.0 IMPACT ON OTHER SERVICES/ORGANISATIONS

8.1 There will be minimal impact on other key services within the Council, apart from the management and maintenance responsibilities within the wider Housing service. The Buyback properties will be targeted at former stockholding areas, where we have an existing management and maintenance presence.

9.0 FINANCIAL IMPLICATIONS

9.1 The financial implications are set out in confidential Appendix A. The cost of the delivery of the 30 homes will be met from the existing HRA Housing Delivery Budget.

10.0 LEGAL IMPLICATIONS

10.1 The Council will be required to enter into a grant funding agreement with Homes England for the funding. This will need to be approved by the Council's Legal Services. The funding agreement will be a standard Home England funding agreement like other such agreements that the Council has for Homes England funding.

10.2 The council's legal team will be acting on all conveyance matters in respect of the acquisition of the homes, and will also act in respect of the sale of shared ownership housing

11.0 EQUALITIES IMPLICATIONS

11.1 An Equalities Impact Assessment screening has been undertaken, Appendix B, which demonstrated that the proposal will have positive equality implications. As a result, a full Equalities Impact Assessment is not required.

12.0 CLIMATE CHANGE IMPLICATIONS

12.1 A Climate Change Impact Assessment screening has been undertaken, Appendix C, which demonstrated that the proposal will have positive climate change implications. As a result, a full Climate Change Impact Assessment is not required.

13.0 REASONS FOR RECOMMENDATIONS

13.1 Acquiring these homes and claiming Homes England grant will allow the council to deliver up to an additional 30 affordable homes, which will be for social rent and will be a mix of 1-, 2-, 3- and 4-bedroom homes. These will support the Council in meeting our target for delivering a minimum of 500 new affordable homes and will support the replacement of properties lost through RTB sales.

14.0 RECOMMENDATION(S)

14.1 To request approval from Executive for the following:

- i) To approve the principle of an acquisition programme of up to 30 affordable homes to take into the Housing Revenue Account subject to individual business cases and approvals in line with the Council's constitution
- ii) To approve the submission of an application for grant funding to Homes England as set out in the confidential Appendix A to support the acquisition of these homes.

APPENDICES:

Appendix A: Confidential Appendix

Appendix B: Equalities Impact Assessment

Appendix C: Climate Change Impact Assessment

BACKGROUND DOCUMENTS: None

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