



1 April 2023

**YORK & NORTH YORKSHIRE**

# **Brownfield Housing Fund**

**PROSPECTUS**



# Please Note: Activity undertaken at risk

## York and North Yorkshire **Brownfield Housing Fund**

Applicants should note that this process is being run at risk in order to maximise the preparedness of projects to deliver by March 2025.

Receipt of the £12.7m Brownfield Funding is subject to devolution progressing and a Mayoral Combined Authority (MCA) being created. Creation of the MCA requires a formal decision by both City of York and North Yorkshire Councils to progress devolution based on the results of the statutory consultation.

The statutory consultation ended on 16th December and the responses will be analysed and considered by both City of York and North Yorkshire Councils.

If City of York and North Yorkshire Councils approve the Mayoral Combined Authority Scheme following consultation, this scheme will then be subject to due diligence by Government and the creation, and passing, of an Order through Government.

**All activity and expenditure, up to the order being passed by Government, is undertaken at the applicant's risk.**

# Background

On 1st August 2022, a Devolution Deal between the Government and the local authorities of York and North Yorkshire was announced. This included the proposal to establish a York and North Yorkshire Mayoral Combined Authority (MCA).

As a Mayoral Combined Authority, the York and North Yorkshire Combined Authority will be awarded £12.7 million of developed capital funding across 2023/24 and 2024/25 to support the building of new homes on brownfield land.

This prospectus sets out an opportunity to bid for this funding.

We are looking for proposals that will help to deliver this initial funding allocation. However, we would also like to build a pipeline of further projects for future years, so we would still like to hear from you about potential future brownfield housing opportunities.

Prior to the formal establishment of the York and North Yorkshire Combined Authority, the York and North Yorkshire Brownfield Housing Fund will be administered on the behalf of the proposed Combined Authority by the York & North Yorkshire Local Enterprise Partnership.

## Indicative Timeline:

16 December 2022: Devolution Public Consultation Closed

**3 January 2023: Launch of call for proposals**

**13 January 2023: Webinar (Information for Applicants)**

**6 February 2023 (at noon): This Expression of Interest Closes**

February 2023: City of York and North Yorkshire Councils consider the consultation responses and decide whether to proceed with devolution. If approved, the Mayoral Combined Authority Scheme will be submitted to Government.

**Mid-March 2023: Shortlisting of prioritised proposals agreed**

**End-March 2023: Notification to applicants of prioritised proposals decision**

May/June 2023: Government due diligence complete and draft Order created

**31 May 2023: Full Business Case Submission (close)**

**July/August 2023: Full Business Plan approved for funding**

November 2023: Order passed by Government

December 2023: MCA created and funding from Government drawn down

**December 2023: Funding Agreements issued**

**March 2025: Delivery complete (Housing starts target to be delivered by March 2025)**

# What is the York and North Yorkshire Brownfield Housing Fund?

## The Purpose

The purpose of the York and North Yorkshire Brownfield Housing Fund is to unlock housing development on brownfield site to enable new homes to start on site by March 2025.

Priority will be given to schemes that help to deliver affordable, accessible and low carbon housing, creating sustainable and high quality places.

As part of the York and North Yorkshire Devolution Deal, we have received an allocation from the Government's Brownfield Housing Fund of £12.7m. The target with this investment is to unlock 900-1,000 homes. The intervention rate necessary to achieve this target is around £14,000 per home unlocked. This intervention rate will be considered when assessing schemes but higher rates will be looked at under specific circumstances and if a strong case can be made. Other factors such as strategic fit and value for money of the scheme will also be assessed.

## Who can apply for funding?

Funding is available to public and private sector bodies across the housing sector (subject to the production of a strong and compliant Business Case). Applications are encouraged from:

- Local Authorities within York and North Yorkshire
- Housing Associations/Registered Providers
- Private Sector Developers (subject to Subsidy Control Compliance)
- Any other Housing Developers (i.e. community cooperatives)

**£12.7m of funding**

**900-1,000 new homes started on site by end of March 2025**

## What type of investments can be funded?

The funding is for **capital** expenditure only, and can fund a range of interventions that unlock the development of housing on brownfield land which would otherwise not happen.

Eligible capital expenditure could be:

- Off site infrastructure
- Site remediation and demolition to prepare sites
- On site infrastructure
- Direct delivery of new homes
- Site acquisition and land assembly
- Place infrastructure such as public realm, place-making interventions
- Capacity to support any of the capital delivery activity detailed above, where it is directly attributable to the creation or maintenance of a capital asset

## Meeting local Strategic Priorities

The Fund will contribute to the overall aspirations and vision for the York and North Yorkshire economy. In particular, the ambition for more affordable, high quality and low carbon homes. This will include:

- Low carbon and modern methods of construction
- Enhanced energy efficiency standards
- Decarbonised heat measures
- Adaptable and accessible properties to support local needs
- Enhanced place making

# Assessment Criteria

## Gateway Criteria

Every scheme must:

- Be on brownfield land (note 1)
- Evidence the rationale for public sector intervention
- Be unlocked with new home starts by 31st March 2025 (note 2)
- Achieve a minimum Benefit Cost Ratio (BCR) of 1 (note 3)
- Must be located in York and North Yorkshire (note 4)

## Other Assessment Criteria

Schemes must also demonstrate:

- **Regional Strategic Fit** - Contribute towards the strategic priorities of York and North Yorkshire
- **Local Strategic Fit** - Alignment with planning policy (Local Plan), local economic growth and housing strategies. Show evidence of any local support (if available)
- **Housing Need** - Clearly address housing need, including affordability and rural housing needs
- **Low Carbon** - Be sustainable and contributing to the region's ambition to be carbon negative
- **Risk Analysis** - Consider all risks and mitigating actions
- **Deliverability** - Be deliverable with a clear plan, capacity and expertise in place to deliver the proposed scheme
- **Need for intervention** - Address a market failure showing a clear rationale why the scheme would not otherwise be delivered
- **Place Making** - Demonstrate place making and high quality homes

- **Unlock Brownfield Land**
- **Support provision of affordable housing**
- **Contribute to economic growth priorities for York and North Yorkshire**
- **Enable high quality homes with great place making**
- **Deliver sustainable and low carbon housing**

## Compatibility with Other Funding

We encourage co-funding of schemes where the opportunity exists. Investments through this fund should always add maximum value and this should be clearly proven and evidenced by the applicant. Early discussion with other funding bodies is needed to ascertain compatibility.

## Notes

Note 1: A brownfield site is an area that has been used before and tends to be disused or derelict land.

Note 2: We are also interested in building a pipeline of schemes for future funding rounds so would welcome Expressions of Interest for schemes with delivery outcomes beyond March 2025.

Note 3: BCR of 1 means Benefit Cost Ratio as defined in the HM Treasury Green Book.

Note 4: York and North Yorkshire means the Local Authority areas of the City of York and North Yorkshire County.

# The Process



All schemes will be assessed and processed using HM Treasury Green Book Principles.

The process consists of two stages:

## Stage 1: Identifying a Pipeline of Schemes

All applicants will need to complete an initial Expression of Interest form. This will be assessed, and prioritised based on the principles in the assessment criteria. This prioritised list will form the pipeline. A reserve and longer term pipeline will also be developed.

## Stage 2: Business Case Development

Advice and guidance will be provided to applicants on the prioritised pipeline to develop their schemes to produce high quality, compliant business cases. At Full Business Case application stage, all applicants will be required to obtain and submit a UK subsidy control regime assessment provided by a solicitor.

Full Business Cases will be assessed and presented to the Joint Committee for the proposed York and North Yorkshire Combined Authority for a decision.

Once approved, the grant recipient will claim funding in arrears. Progress will be monitored against the agreed contract and delivery milestones and outputs delivered.

**Complete an Expression of Interest Form by Noon on 6th February 2023**

## How much can you apply for?

There is no set limit to the amount that can be applied for but it should be noted that the total Fund (up to March 2025) is £12.7m and the intervention rate necessary to achieve the overall target of new homes started is around £14,000 per home.

This intervention rate will be considered as part of the assessment but higher rates can be considered if a clear rationale is evidenced (for example, rural housing sites, projects which are delivering net zero carbon use homes or homes designed to meet higher accessibility standards where costs are higher).

## How to Apply?

Complete an Expression of Interest (EOI) form and return no later than noon (12:00hrs) on **Monday 6 February 2023** to the following email address: [enquiries@ynylep.com](mailto:enquiries@ynylep.com)

# Future Opportunities

Although the main purpose of this call is to identify eligible and deliverable schemes within the parameters set out by the initial funding, we are also interested in longer term opportunities to develop future programmes. This will help to support housing development across York and North Yorkshire.

Therefore, even if you do not have a scheme that would meet the Brownfield Housing Fund criteria, we would still like to hear from you. Please use the Expression of Interest form to submit your potential proposal.

**We are keen to hear about future opportunities**



# Contact for more details:

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If you would like help in completing your Expression of Interest form, have queries about the process, or want to have an informal chat about your proposed scheme, please contact:

[enquiries@ynylep.com](mailto:enquiries@ynylep.com)