



The North Yorkshire Affordable Housing Subsidy Scheme 2025 - 2030

This Subsidy Scheme has been made by North Yorkshire Council under the Subsidy Control Act 2022. It may be used to award subsidies, at the sole discretion of North Yorkshire Council, provided the relevant terms and conditions are met. For the avoidance of doubt, satisfaction of the conditions does not give rise to any entitlement to funding.

Common Provisions

1. North Yorkshire Council ("**NYC**") makes the following subsidy scheme (the "**Scheme**") in compliance with the [Subsidy Control Act 2022](#) (the "**Act**") having due regard to, *inter alia*, Section 10(1) of the Act and the Subsidy Control Principles set out at Schedule I of the Act and relevant [Statutory Guidance](#) ("**SG**").
2. The Scheme has been made by Nic Harne, Corporate Director Community Development, on behalf of North Yorkshire Council on 23 December 2025 in line with the Act and SG.
3. The purpose of the Scheme is to allow NYC to award grants to third parties in line with the Act using the following NYC funds:
 - a the Community Led Housing Fund;
 - b the Affordable Housing Delivery Fund; and
 - c the Rural Housing Delivery Fund.

between 1 October 2025 until 31 March 2030 (the "**Term**") with the purpose of increasing and improving the supply of affordable housing supply within North Yorkshire¹.

4. A subsidy shall only be regarded as having been made under the Scheme where it can be demonstrated that the award:
 - a is conferred by NYC;
 - b aligns with the eligibility conditions² of the relevant fund³; and
 - c fulfils each of the terms set out herein.
5. The Scheme may only be used to make awards of subsidy to:
 - a a registered provider⁴ or housing association; or
 - b any incorporated community organisation;

towards the costs of creating new affordable housing units⁵ within North Yorkshire in line with NYC Housing Strategy 2024 to 2029⁶.

6. Subsidies will normally be awarded in the form of grants. However, NYC reserves the right to award other forms of financial support. Where other forms of support are provided, the value of the subsidy shall be determined, in advance, in line with the [Subsidy Control \(Gross Cash Amount and Gross Cash Equivalent\) Regulations 2022](#).
7. The budget of the Scheme shall be £20m during the Term. The maximum subsidy to any one beneficiary for a single project under the Scheme shall be £1m, but for avoidance of doubt this shall not include subsidy provided to the same project and beneficiary by another public authority. A beneficiary may

¹ All references to North Yorkshire in this Scheme refer to the North Yorkshire Council administrative area and includes areas within the North Yorkshire Moors and Yorkshire Dales National Parks that fall within the County of North Yorkshire.

² Available at <https://www.nypartnerships.org.uk/housing-delivery-funds> and <https://www.northyorks.gov.uk/housing-and-homelessness/other-housing-information/community-led-housing-across-north-yorkshire>

³ The funds are listed at Section 3 (a) – (c) above (i.e. the Community Led Housing Fund, the Affordable Housing Delivery Fund and the Rural Housing Delivery Fund). Any public funding outside these funds or awarded by an organisation other than NYC does not have cover under the Scheme.

⁴ As listed at <https://www.gov.uk/government/publications/registered-providers-of-social-housing>

⁵ Affordable housing is as [defined](#) within this link but, for the avoidance of doubt, includes refurbishing and repurposing existing housing units to become affordable housing as well as the construction of new units;

⁶ Available at <https://www.northyorks.gov.uk/housing-and-homelessness/other-housing-information/housing-policies-and-strategies>

receive more than one award of subsidy under the Scheme during the Term provided that this can be demonstrated to be for a separate project and eligible costs.

8. Subsidies given under the Scheme shall be directed by the recipient solely towards costs directly incurred in planning and delivering affordable housing schemes including:
 - a preparatory costs, including land assembly, legal services, consultancy, design studies and other activities that help inform the development of the affordable housing scheme;
 - b construction costs, including land remediation, infrastructure (both on and off site), construction services and other activities which lead to the delivery of new affordable homes; and
 - c set-up costs of community organisations, including assistance with the organisation's legal structure and governance and advising the organisation on community led housing models and funding opportunities.
9. A subsidy may only be given under this Scheme where NYC has sufficient grounds to determine that:
 - a the subsidy will be spent upon eligible defrayed costs which contribute to the construction of new affordable housing units within North Yorkshire;
 - b the completed homes will be operated as affordable housing by a registered provider or social housing provider for not less than thirty-five years from completion of the homes⁷; and
 - c the value of the subsidy has been calculated and suitably limited through a viability gap calculation (also taking into account any other subsidy from another public authority provided against the same eligible costs, if applicable) and there are reasonable grounds to conclude that the subsidy is no greater than is necessary to enable the affordable housing scheme to proceed.
10. Where goods, works or services are obtained from third parties, appropriate steps shall be taken to demonstrate the remuneration is at or below market rate, including, where appropriate, undertaking an open and transparent procurement process.
11. Any grant which has not been spent by three years after the end of the Term shall be repayable to NYC to the extent it has not been fully spent as at that date.
12. The legal basis for awards made by NYC under this Scheme shall be Section 1 of the Localism Act 2011. NYC reserves the right to make awards under any other legal power available to it.
13. The Scheme shall not be used to award a subsidy which:
 - a is subject to EU State aid law, either because it falls within [Article 10 of the Northern Ireland Protocol](#) (as amended by the Windsor Framework) or [Article 138 of the Withdrawal Agreement 2019](#);
 - b would relieve the beneficiary from any existing liabilities arising from its responsibilities as a polluter under the law of England and Wales, Scotland or Northern Ireland;
 - c would, but for Section 30(1) of the Act, be subject to any of the prohibitions or be in contravention of any other requirement contained in Sections 15 to 29 of the Act; or

⁷ For the avoidance of doubt, the recipient of subsidy is responsible for procuring that the affordable housing use is maintained (including by transfer to a third party registered provider or social housing provider by way of freehold sale or long leasehold) and NYC reserves the right to recover the subsidy under Section 77 of the Act, should this condition be breached.

- d is towards an activity that the beneficiary would undertake anyway absent the subsidy and/or spent upon eligible costs already substantively committed or incurred prior to the award of the subsidy.
14. NYC shall be responsible for ensuring that all transparency obligations are fulfilled with respect to each subsidy awarded under the Scheme. This shall include, where relevant, posting the required information on to the [Subsidy Database](#) in line with Chapter 3 of Part 2 of the Act within not more than 3 months of awarding the subsidy.
 15. NYC shall have the right to take all reasonable steps to monitor and check the compliance of any award made under this Scheme, including to ascertain that the subsidy is being used for the purpose it was given and reserves the right to recover the subsidy in the event of misuse⁸.
 16. Any third party receiving subsidy under the Scheme is responsible for making its own independent assessment of compliance with the requirements of the conditions of the Scheme and the Act. NYC shall not be liable if a measure does not meet the terms of the Scheme or if an award is subsequently challenged under Section 70 of the Act.
 17. The Scheme does not give cover to a subsidy which would be classed as a "Subsidy of Particular Interest" under the Subsidy Control (Subsidies and Schemes of Interest or Particular Interest) Regulations 2022, as amended from time to time.
 18. Nothing written in the Scheme should be interpreted as providing any potential beneficiary of subsidy under the Scheme with any entitlement to subsidy. In choosing whether to apply the Scheme to a particular proposed award of subsidy NYC's judgement shall be final and nor is NYC obliged to use the Scheme in making a subsidy or other award of financial assistance for the purposes set out above.

⁸ Section 77 of the Act