

Annex I – Subsidy Scheme Conditions



THE NORTH YORKSHIRE SUPPORTED HOUSING DEVELOPMENT SUBSIDY SCHEME 2026 - 2030

1. Barry Khan, the Assistant Chief Executive for North Yorkshire Council's Legal and Democratic Services division, having considered the Subsidy Control principles in accordance with Chapter 1 of Part 2 of the [Subsidy Control Act 2022](#) (the "**Act**") and being of the view that the subsidies given under the scheme will be consistent with those principles makes the following subsidy scheme (the "Scheme") in accordance with Section 10(1) of the Act.
2. The Scheme is made on 5 March 2026.
3. The Scheme is made by North Yorkshire Council (the "**Council**") for use in regard to subsidies that are awarded by the Council.
4. The Scheme may be referred to as the '*North Yorkshire Supported Housing Development Scheme*' and is created for the purpose of increasing the supply of supported housing within the North Yorkshire area.
5. The public policy objective of the Scheme is to improve the well-being of those in need of housing with support, by increasing the provision of supported housing within North Yorkshire.

Definitions

6. In the Scheme the following definitions shall apply:
 - a. "*building*" has the meaning given by section 121 of the Building Act 1984;
 - b. "*enterprise*" has the meaning given by Section 7 of the Act;
 - c. "*land*" has the meaning given by Section 205 of the Law of Property Act 1925;
 - d. "*recipient*" is the beneficiary of the subsidy; and
 - e. "*supported housing*" means accommodation provided alongside support, supervision or care to help people live as independently as possible in the community, including for older people, those with a physical or learning disability as defined in more detail in the government guidance⁴⁶, including but not limited to the provision of Core Extra Care, Extra Care+, Extra Care Mini, Supported Living and Village Models.

Conditions

⁴⁶ [Supported housing: national statement of expectations](#) (version published 20 October 2020)

7. The Scheme provides for the giving of subsidies by the Council, but only where there are reasonable grounds for the Council to conclude that the measure satisfies all of the following conditions, including the subsidy having been awarded between 1 April 2026 and 31 October 2030.
8. Subsidies may be awarded in the form of:
 - a. land transferred at an undervalue⁴⁷
 - b. grants; and / or
 - c. subsidised loans⁴⁸

to any enterprise that plans to construct new supported housing in North Yorkshire⁴⁹, provided that:

- the Council has reasonable grounds to conclude that the transfer will contribute towards a change in economic behaviour by the recipient which results in the construction of additional supported housing units in North Yorkshire;
- the recipient has submitted a written application (the "**Application**") to the Council expressly stating (as a minimum) the:
 - name of the enterprise to which the recipient belongs⁵⁰;
 - the location of the project;
 - details of the project that will be delivered as a result of the subsidy;
 - the anticipated date of practical completion;
 - the number of supported housing units delivered through the project;
 - the anticipated costs involved in delivering the project;
 - a viability gap analysis for the project⁵¹;
 - confirmation that the project has not commenced⁵²;
 - an explanation of what the impact upon the project would be if the subsidy was not provided;
 - any other awards of public funding / resources towards the project; and
 - the use that the completed building is expected to be dedicated towards during the first thirty years after practical completion⁵³;
- the recipient has entered into a legal agreement with the Council, which includes commitments by the recipient:
 - to deliver the project in line with the Application;
 - specifying the outputs of the project (including the period that the completed facility shall be operated as supported housing and any nomination rights); and
 - acknowledging that the failure to deliver the project in line with the Application may be treated as a misuse of subsidy⁵⁴.

⁴⁷ including buildings (and the award may be made by way of a freehold or leasehold transfer). Where any support other than grant is provided, the value of the subsidy shall be determined, in advance, in line with any reasonable method and/or the Subsidy Control (Gross Cash Amount and Gross Cash Equivalent) Regulations 2022.

⁴⁸ But not towards loans that will only be used to refinance existing debt

⁴⁹ Including grant towards the costs of acquisition of land / buildings from third parties (provided that there is evidence that this does not lead to overcompensation of the seller of the land)

⁵⁰ This will be the business group in most instances

⁵¹ The recipient acknowledges that the viability gap takes account of future income. Therefore, should the recipient renegotiate any Council contracts in due course a change request will need to be made, this will bring about a reassessment as to whether the level of subsidy awarded was appropriate and proportionate. The recipient agrees that in such a situation the Council will have a right to recover the grant, to the extent that the grant exceeds the updated viability gap.

⁵² Including that there has been no contract entered into which means the project will be delivered, absent the subsidy

⁵³ The expectation is that this will be supported housing (including through the Extra Care programme). The statement within the application (use and period in which this will be delivered) shall be considered to be the purpose under Section 77 of the Act (unless superseded, by way of conditions within a contract entered into by the Council).

⁵⁴ where practical completion has not been achieved six calendar months after the anticipated practical completion date set out in the Application or where there are reasonable grounds, noting the Council's public law obligations, to conclude that the project will not be delivered in the timescales set out in the Application then the Council may take action to recover the subsidy (including, where appropriate, directing the land be transferred back to the Council).

9. The Scheme has a budget of £60m⁵⁵.
10. The maximum subsidy provided to any single enterprise under the Scheme for an individual project shall not exceed £5m (noting that the maximum subsidy by way of a land transfer shall be limited to £1.95m).
11. The Scheme may be used to award subsidy towards the capital costs of building new supported housing units, including site preparation works, construction costs and professional fees.
12. The maximum subsidy under the Scheme shall be limited to the lower of:
 - 15% of the project costs; or
 - the viability gap affecting the project,as determined by the Council, prior to the award of subsidy and taking account of the representations provided by the recipient, including in the Application.
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 liabilities arising from any of its responsibilities as a polluter under the law of England and Wales, Scotland or Northern Ireland; or
 - c. would, but for Section 30(1) of the Act, be subject to any of the prohibitions or any other requirement contained in Sections 15 to 29 of the Act.
14. The Council 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 national [Subsidy Database](#) in line with the requirements of the Act.
15. The Scheme does not give cover to a subsidy which would be classed as a "Subsidy of Particular Interest" under the Act and any implementing Regulations including the [Subsidy Control \(Subsidies and Schemes of Interest or Particular Interest\) Regulations 2022](#).
16. Where goods, works or services are obtained from third parties to deliver the works appropriate steps shall be taken to demonstrate the remuneration is at or below market rate.
17. Any 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. The Council shall not be liable for any act or omission if a measure is found not to meet the terms of the Scheme.
18. Nothing written in the Scheme should be interpreted as providing any potential recipient of subsidy with any entitlement to subsidy. In choosing whether to apply the Scheme to a particular proposed award of subsidy the Council's interpretation and judgement shall be final. The Council is not obliged to use the Scheme in awarding a subsidy or other award of financial assistance.

⁵⁵ The budget is a threshold above which no cover under this scheme is available. It does not, at this time, represent available public funding which the Council holds for this purpose.