BHF ASSESSMENT AND SCORING FRAMEWORK - STAGE 1 GATEWAY ELIGIBILITY

Contents

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1 Purpose and application

This guidance sets out the mandatory Stage 1 eligibility requirements for applications to the Hull and East Yorkshire Combined Authority (HEYCA) Brownfield Housing Land Fund (BHF).

Stage 1 is a gateway assessment. It determines whether a proposal is eligible to proceed to Stage 2 - prioritisation and scoring. It does not constitute an offer of funding, approval of a business case, confirmation that all requested expenditure is eligible, or a commitment by HEYCA to enter into a BHF funding Funding Agreement.

Applicants must satisfy all eligibility tests E1–E8. HEYCA may request further information, impose conditions precedent, amend the proposed funding instrument, or decline an application where evidence is incomplete, inconsistent or insufficient to demonstrate eligibility.

The guidance should be read with:

- HEYCA's Single Assurance Framework.
- The applicable BHF prospectus, funding call or programme requirements.
- HM Treasury Green Book principles, including the five-case model.
- Relevant national planning policy and the definition of previously developed land.
- The Subsidy Control Act 2022, relevant statutory guidance and HEYCA's subsidy-control procedures.
- The proposed Funding Agreement, including its monitoring, payment, audit, variation, recovery and clawback provisions.

The Homes England Brownfield, Infrastructure and Land Fund guidance provides a national benchmark; supporting housing-led proposals that would otherwise stall or not progress, that demonstrate value for money, and are put forward by eligible entities. It identifies land acquisition, remediation, enabling works, utilities and transport infrastructure, placemaking/community facilities, specified Section 106 infrastructure, and capitalised delivery fees as potentially Eligible Activity.

2 Eligibility principles

A proposal brought forward by a Promoter will be eligible only where it demonstrates all of the following:

- It is a qualifying brownfield, housing-led scheme in the HEYCA area.
- BHF intervention is necessary to address a defined market failure or development constraint.

- The requested support is the minimum necessary to unlock a viable and deliverable scheme.
- The proposal can achieve agreed milestones and outputs within the applicable BHF programme period.
- The BHF funding will fund eligible, prospective activity rather than reimburse historic expenditure or replace ordinary developer obligations.
- The applicant has an appropriate legal, commercial and subsidy-control route.
- The public investment represents acceptable value for money and can be managed under HEYCA's assurance, monitoring and audit arrangements.
- The development of housing must starts on site by 31 March 203: Eligible Activity itself does not count as a housing start, this aspect will align to the funding programme allocation.

An applicant takes responsibility for providing complete, current and auditable evidence. HEYCA may verify information independently, commission external technical, legal or financial advice, and rework financial appraisals using its own assumptions.

3 Gateway tests

3.1 E1. Brownfield land and geography

3.1.1 Requirement

The proposal must relate to land within the HEYCA region that is wholly or predominantly previously developed land ("PDL"), commonly referred to as brownfield land.

For this purpose, PDL should be interpreted consistently with national planning policy; as land lawfully developed and occupied by a permanent structure, associated fixed surface infrastructure and, where appropriate, its curtilage. The definition also includes large lawfully developed areas of hardstanding. It excludes agricultural and forestry buildings, land subject to restoration requirements, private gardens, parks, recreation grounds, allotments, and land where former structures or surfaces have blended into the landscape.

A site may include limited non-PDL land only where:

- That land is demonstrably necessary to enable a coherent, policy-compliant and deliverable brownfield-led development.
- The principal development opportunity, abnormal costs and BHF intervention are attributable to the brownfield element.
- Funding is not requested for greenfield land development except where expressly permitted by HEYCA in writing as essential enabling infrastructure.

3.1.2 Evidence required

- Site location plan, red-line boundary and site area in hectares.
- Site photographs and aerial imagery.
- Brownfield Land Register reference, where available.
- Planning history, former-use evidence, historic mapping, title information, site investigation reports or other proportionate evidence of PDL status.
- A schedule quantifying the brownfield and any non-brownfield areas within the red-line boundary.
- A statement explaining why any non-PDL element is necessary and how it relates to the brownfield-led scheme.

3.1.3 Pass standard

HEYCA must be satisfied that the site is within the HEYCA geography and that the scheme is substantively brownfield-led.

3.1.4 Fail examples

- Predominantly greenfield development presented as brownfield because it includes only a minor previously developed feature.
- Residential garden land, open space or restored mineral/landfill land treated as PDL without compelling evidence.
- A site outside HEYCA's administrative area, except for discrete off-site enabling infrastructure approved by HEYCA as integral to an eligible HEYCA scheme.

3.2 E2. Housing-led proposal and net additional homes

3.2.1 Requirement

The proposal must be housing-led and result in net additional, permanent homes.

Housing must be the principal intended land use and material outcome of the investment. Mixed-use schemes may qualify where housing is the dominant use by floorspace, site area, development value, or, where these measures point in different directions; the overall purpose and output of the scheme in contribution to active regional strategy.

The scheme must meet the minimum dwelling threshold specified in the relevant BHF prospectus or funding call. Unless a different threshold is published, HEYCA may exceptionally consider smaller proposals where they deliver a clearly evidenced strategic regeneration, remediation, infrastructure-unlocking or place-making outcome.

'Net additional homes' means the completed dwellings less any lawful existing dwellings that will be demolished, converted out of residential use, or otherwise lost as a direct consequence of the scheme.

3.2.2 Evidence required

- Proposed site layout and accommodation schedule.
- Existing and proposed dwelling schedule, showing gross, demolished/lost and net additional units.
- Planning application, consent or pre-application material, where available.
- Description of tenure mix, unit sizes, accessibility standards and any specialist housing.
- Mixed-use floorspace schedule where non-residential uses are included.
- Evidence of the relevant local housing need and the scheme's contribution to it.

3.2.3 Pass standard

The proposal delivers the minimum required number of net additional homes and housing is the principal outcome.

3.2.4 Fail examples

- Primarily commercial, retail, industrial or public-realm projects with incidental housing.
- Refurbishment, estate works or infrastructure proposals that do not create net additional homes.
- A scheme whose apparent gross output masks a negligible or negative net housing gain.

3.3 E3. Deliverability and programme

3.3.1 Requirement

The applicant must demonstrate a credible, resourced and realistic route to contract, start on site, delivery of the funded activity and completion of the agreed outputs within the relevant BHF timeframe.

The programme must identify all material dependencies as key milestones, including land assembly, planning, discharge of pre-commencement conditions, procurement, statutory approvals, financing and any third-party agreements, and the duration of the Eligible Activities identified separately to the start of house building development. It must contain realistic sequencing, ownership of actions, risk allowances and contingency.

For the purpose of BHF, 'start on site' will normally mean the point at which substantive, authorised physical works commence under the relevant planning permission and contracts for the Eligible Activities. It does not include surveys, design development, feasibility work, site investigation, legal negotiations, planning submission or other preparatory activity unless HEYCA agrees otherwise in writing.

3.3.2 Evidence required

- Critical-path programme, preferably in Gantt-chart form.
- Milestone schedule covering contracting, planning, procurement, 'start on site', practical completion, output completion and final claim.
- Delivery plan, risk register and mitigation plan.
- Procurement strategy summary, including applicable procurement route, anticipated tender timetable and contract form.
- Details of utility, highways, environmental, heritage, remediation and other statutory dependencies; and dependencies to commence the Eligible Activities.
- Confirmation of delivery-team roles, governance, decision-making routes and professional appointments.

3.3.3 Pass standard

HEYCA must judge that the Promoters programme is achievable within the funding period, with adequate allowance for foreseeable risk, assessed in respect of the Eligible Activities and achieving the start of housing development.

3.3.4 Fail examples

- Delivery depends on unresolved or unprogrammed land, planning, procurement or infrastructure decisions.
- The programme assumes a start or spend profile beyond the BHF programme allocation long-stop date.
- The scheme relies on speculative future funding, unconfirmed partners or uncommitted finance without a credible contingency.
- No critical path, risk register or accountable delivery structure is provided.
- Required activities required to be implemented or completed before the Eligible activities are not assessed as being practicable within the scope provided

3.4 E4. Market failure, abnormal costs and viability gap

3.4.1 Requirement

The Promoter / applicant must demonstrate that the scheme would not proceed, would stall, or would materially under-deliver without BHF intervention; and that it can proceed with the requested support.

The Applicant must evidence a specific and quantifiable market failure or exceptional brownfield constraint that creates a demonstrable viability or delivery gap. Eligible support may be considered only for the minimum necessary capital intervention required to address that constraint and unlock net additional housing.

Illustrative constraints include abnormal remediation or site-preparation requirements, contamination, abnormal ground conditions, necessary demolition, essential utility or access infrastructure, flood-risk mitigation, land assembly, fragmented ownership and exceptional conversion costs. Inclusion in this list does not establish eligibility. Each cost must be directly attributable to the approved intervention, evidenced, proportionate, prospective, non-duplicative and confirmed by HEYCA as eligible under the BHF funding Funding Agreement.

BHF will not support ordinary construction or development costs, routine policy or developer obligations, avoidable costs, retrospective expenditure, cost overruns, or expenditure recoverable through another funding source, contractual arrangement, insurance, land-value adjustment or third party.

The requested funding must be proportionate and limited to the minimum necessary to address the evidenced gap. BHF cannot be used to improve returns beyond a reasonable level, substitute for ordinary development costs, cover avoidable overruns, or compensate for an overpayment for land.

3.4.2 Evidence required

- Full development appraisal in HEYCA's required format, including cash flow and sensitivity analysis.
- Independent or appropriately evidenced assessment of benchmark land value, existing-use value, development value, development costs, finance, developer return and BHF funding requirement.
- Detailed abnormal and Eligible Activity cost plan, costed schedule and relevant supporting reports, quotations or professional estimates.
- Market-failure narrative linking each constraint to the funding ask and development outcome.
- "Without BHF" and "with BHF" scenarios.
- Evidence that other funding, land-value reduction, cost reduction, redesign, cross-subsidy, debt, equity or commercial mechanisms have been considered.
- Confirmation of all public funding sought, secured or anticipated for the site alongside application and status of securing assessment.

3.4.3 Pass standard

HEYCA must be satisfied that:

- A genuine market failure or structural constraint exists.
- The scheme is not viable or not deliverable at the required output without BHF.
- The requested intervention resolves, or materially reduces, the viability/delivery barrier.
- The funding request does not exceed the minimum necessary.

3.4.4 Fail examples

- A generic assertion of the constraints without site-specific cost evidence.
- An appraisal using unsupported values, disproportionate contingencies, disproportionate developer return, uncompetitive build costs or unrealistic sales rates.
- Funding requested to fund normal build costs, routine Section 106 obligations, marketing costs, corporate overheads or profit enhancement.
- An application without evidence for refining specification, tenure, phasing or other scheme assumptions to demonstrate an efficient scheme before seeking funding support.

3.5 E5. Land control and planning status

3.5.1 Requirement

The applicant must have sufficient legal and practical control of the site to deliver the funded activity, or a clearly evidenced and low-risk route to secure such control within the programme.

The scheme must have a credible planning basis. This may comprise full planning permission, a resolution to BHF funding , a submitted application supported by positive pre-application engagement, an outline consent with a viable reserved-matters route, or an earlier-stage proposal with clear policy support and a realistic planning strategy.

Land control and planning readiness are separate tests from the Stage 2 deliverability score. At Stage 1, the question is whether there is a credible route to delivery; Stage 2 differentiates among eligible schemes according to strength and maturity.

3.5.2 Evidence required

- Official title register, title plan and details of all relevant ownerships, leases, easements, covenants, rights of way and known third-party interests.
- Executed development agreement, option, conditional contract, agreement for lease, landowner consent, heads of terms or acquisition strategy, as relevant.
- Planning decision notice, application reference, pre-application advice, allocation reference, Local Plan policy evidence or adopted masterplan.
- Schedule of pre-commencement conditions, Section 106 obligations and likely discharge timetable.
- Site constraints plan and evidence of how material issues will be addressed.

3.5.3 Pass standard

The applicant has control of the land, or an evidenced and credible route to full control to allow the start of eligible activities and the commencement of development to meet the programme longstop dates; and the development is either consented or has sufficient planning policy support and a credible path to consent.

3.5.4 Fail examples

- Unknown ownership, unresolved ransom strips, high risk land assembly or material third-party rights with no mitigation plan.
- A proposal fundamentally contrary to adopted policy with no realistic route to planning permission.
- Planning assumptions reliant on another party obtaining separate consent, infrastructure or land rights with no binding arrangement.

3.6 E6. Value-for-money gateway

3.6.1 Requirement

The proposal must demonstrate acceptable value for money in accordance with HEYCA's assurance arrangements and appraisal methodology.

Normally, the scheme must achieve a benefit-cost ratio ("BCR") of at least 1.0 after HEYCA has reviewed the methodology, inputs and assumptions. Where a conventional BCR is not proportionate or cannot fully reflect the intervention, HEYCA may apply an equivalent documented value-for-money assessment, including cost-effectiveness, strategic benefits, qualitative benefits, distributional impacts and risk-adjusted appraisal.

The proposed BHF funding per net additional home and BHF funding per hectare must be within the soft caps or benchmark ranges specified in the BHF prospectus or otherwise notified by HEYCA. Exceeding a soft cap does not necessarily preclude eligibility, but the applicant must provide a compelling site-specific justification and demonstrate that alternatives have been exhausted.

3.6.2 Evidence required

- Economic Case and BCR model, with full assumptions and source data.
- BHF funding -per-home and BHF funding -per-hectare calculations.
- Cost-effectiveness comparisons against relevant local, regional or programme benchmarks.
- Sensitivity and risk analysis, including treatment of assumptions where relevant.
- Explanation of unmonetised benefits, including why they cannot reasonably be captured within the BCR.
- Evidence of private investment, other public contributions and leverage.

3.6.3 Pass standard

The scheme meets the minimum BCR or equivalent VfM standard and its public funding ask is proportionate to the outputs, benefits, risk and brownfield constraints.

3.6.4 Fail examples

- BCR below 1.0 without an agreed alternative methodology or exceptional assurance case.
- Costs, benefits or outputs cannot be evidenced or reconciled to the financial appraisal.
- BHF funding per home materially exceeds programme benchmarks without convincing evidence of exceptional constraints and minimum-necessary support.
- Exceedance of BHF funding per home, materially impacts HEYCA's ability to meet core funding requirements in achieving the number of homes through the deployment of the funding programme

3.7 E7. Subsidy control, applicant eligibility and compliance

3.7.1 Requirement

The applicant must be an eligible legal entity capable of entering into a legally binding funding agreement and delivering the scheme. This will normally include a local authority or public body, UK-registered company, LLP, registered provider, development partnership or special-purpose vehicle with appropriate guarantees and delivery capability.

The proposal must have a lawful route under the UK subsidy-control regime. HEYCA must determine whether the proposed financial assistance is a subsidy and, if it is, ensure that it is structured and documented in compliance with the Subsidy Control Act 2022 and relevant guidance.

Public authorities must consider the subsidy-control principles before awarding a subsidy and may give it only where they are satisfied it is consistent with those principles. The statutory assessment framework requires a clear policy objective addressing market failure or an equity concern, appropriate incentives and proportionality, minimisation of distortive effects, and a balancing exercise.

Applicants must accept HEYCA's standard requirements on subsidy control, transparency, records, monitoring, audit, state-aid legacy issues where applicable, repayment, clawback and recovery of overpayment.

3.7.2 Evidence required

- Certificate of incorporation or equivalent legal-status information.
- Companies House details and group-structure chart, where relevant.

- Details of directors, beneficial ownership and proposed delivery vehicle.
- Evidence of authority to apply and enter into the funding agreement.
- Subsidy-control declaration, including all relevant subsidies, Minimal Financial Assistance, Services of Public Economic Interest Assistance and public support received or applied for during the relevant period.
- Proposed subsidy-control route and a proportionate assessment of compliance.
- Confirmation of procurement compliance where the applicant is a contracting authority or otherwise subject to public procurement obligations.
- Confirmation that the applicant accepts HEYCA's standard GFA conditions.

3.7.3 Pass standard

HEYCA is satisfied that the applicant is legally capable, financially and operationally credible, and that the proposed support has a lawful and documented subsidy-control route.

3.7.4 Fail examples

- No identified beneficiary or no legally capable contracting entity.
- Incomplete disclosure of prior public support or group relationships.
- No credible subsidy-control route, or a proposal that would breach applicable subsidy-control requirements.
- Refusal to accept monitoring, audit, transparency, repayment or clawback conditions.

3.8 E8. Prior works, prior commitment and eligible expenditure

3.8.1 Requirement

BHF funding is prospective. It must not be used retrospectively to reimburse activity that has already been completed, paid for or contractually committed before the GFA has been signed by all parties, unless HEYCA has issued a written and specific approval that such expenditure may be treated as eligible.

An applicant must not begin the funded works, enter into an irreversible commitment to undertake them, or place a contract order for them before GFA execution. This protects the fund's additionality. HEYCA must be able to demonstrate that its intervention enabled the project to proceed.

For this test, 'funded work' include remediation, demolition, enabling infrastructure, utilities works, land acquisition, heritage works and other expenditure for which BHF support is sought as the eligible activity.

The following will not normally constitute a prohibited start, provided they are separately funded and do not commit the applicant to undertaking the BHF-funded works:

- Feasibility studies, surveys, site investigation, valuation and due diligence.
- Design development and planning work.
- Legal, commercial and funding negotiations.
- Non-binding market testing or tender preparation.
- Temporary emergency works necessary to protect life, property or the environment, where notified promptly to HEYCA.

HEYCA may permit limited pre-BHF funding activity only where it gives prior written consent, the activity is demonstrably necessary to maintain programme progression, it does not undermine additionality or procurement compliance, and the applicant accepts that any expenditure remains at its own risk until the BHF funding agreement is executed.

3.8.2 Evidence required

- Applicant declaration confirming no funded works have started and no relevant contracts have been executed.
- Schedule of all expenditure and commitments incurred to date, including purchase orders, contracts, letters of intent, land agreements and construction packages.
- Applicable decision record confirming the scheme remains conditional on HEYCA funding.
- Draft procurement and contract programme identifying proposed award dates.
- Evidence of any written pre-approval issued by HEYCA.

3.8.3 Pass standard

No BHF-funded activity has commenced or been irreversibly committed before funding agreement has been agreed, unless HEYCA has provided explicit written approval.

3.8.4 Fail examples

- BHF-funded activity has already started of has been contractually committed to start.
- A construction or works contract has been signed, or a letter of intent creates a binding obligation for the activity for which BHF funding is sought.
- The applicant claims reimbursement for historic costs without written prior approval from HEYCA.

- The scheme is already fully committed and would proceed on the same terms without BHF support.

4 Eligible expenditure principles

Subject to the BHF funding agreement and any fund-specific rules, BHF may support capital expenditure that is directly necessary to unlock eligible housing development, including:

- Land assembly where it is demonstrably necessary, properly valued and represents the minimum intervention required.
- Anormal and disproportionate works for site preparation, demolition, remediation, contamination treatment, ground stabilisation and abnormal foundation works.
- Works to heritage assets where necessary to facilitate housing delivery.
- Disproportionate on-site or off-site utilities and transport infrastructure.
- Disproportionate works to secure site access, servicing, strategic enabling infrastructure and remediation-validation works.
- Placemaking improvements and community facilities that are necessary to unlock the housing proposal.
- Specified Section 106-required infrastructure, but not affordable-housing subsidy unless expressly permitted by the funding terms.
- Capitalised professional fees directly attributable to delivery of the funded intervention.

National Brownfield, Infrastructure and Land Fund guidance describes these categories as eligible activity but states that support **must** unlock housing-led development and meet the fund's wider eligibility tests.

The following will normally be **ineligible** unless HEYCA expressly agrees otherwise in writing:

- Retrospective costs or costs incurred before GFA execution.
- 'Ordinary' construction and site-development costs that do not address a defined brownfield constraint.
- Developer overhead, corporate administration, sales, marketing and financing costs, except where expressly agreed as an eligible capitalised delivery cost.
- Costs already funded by another public source, insurance payment, third-party contribution or statutory utility obligation.
- Avoidable cost overruns, cost increases resulting from poor procurement or project management, and costs arising from applicant default.
- General affordable-housing subsidy, unless expressly eligible under the applicable BHF terms.

- VAT where it is recoverable by the applicant.
- Expenditure that is not supported by invoices, contracts, evidence of payment and an auditable link to the approved project.

5 Stage 1 assessment record

For each proposal, HEYCA will complete an Eligibility Assessment Record containing:

Test	Decision	Required assessment conclusion
E1 Brownfield and geography	Pass / Fail / Clarification	Is the site demonstrably PDL and within HEYCA?
E2 Housing-led and net homes	Pass / Fail / Clarification	Does it deliver qualifying net additional housing?
E3 Deliverability and programme	Pass / Fail / Clarification	Is there a credible route to delivery within programme deadlines?
E4 Market failure and viability	Pass / Fail / Clarification	Is a minimum-necessary funding gap evidenced?
E5 Land and planning	Pass / Fail / Clarification	Is site control and planning route credible?
E6 VfM gateway	Pass / Fail / Clarification	Does it meet BCR/equivalent VfM and benchmark requirements?
E7 Compliance and subsidy control	Pass / Fail / Clarification	Is there an eligible applicant and lawful funding route?
E8 Prior works and expenditure	Pass / Fail / Clarification	Has no funded work started or been committed prematurely?

A proposal can proceed to Stage 2 only where all mandatory tests are recorded as **Pass**, subject to any minor clarification that does not affect the substantive eligibility decision.

Where a scheme is eligible but carries residual risk, HEYCA may proceed to Stage 2 while identifying proposed conditions precedent. Conditions will **not** be used to defer resolution of a fundamental eligibility failure; for example, absence of a credible viability case, an unlawful subsidy route, or works having commenced before funding approval.