

## NORTH SOMERSET COUNCIL

**DECISION OF COUNCILLOR NIGEL ASHTON, LEADER OF THE COUNCIL,  
AND EXECUTIVE MEMBER FOR BUDGETS, PARTNERSHIPS,  
WESTON-SUPER-MARE URBAN EXTENSION**



**WITH ADVICE FROM THE DIRECTOR, PEOPLE AND COMMUNITIES**

**DECISION NO: P&C07**

**SUBJECT: APPROVAL OF USE OF FUNDING FOR AFFORDABLE HOUSING  
DEVELOPMENT AT WESTON VILLAGES**

### **1. DECISION**

- 1.1 That the council enter into a formal contract to provide Aster Homes with £380,000 of Local Authority grant funding to support the delivery of 18 shared ownership units at Weston Airfield, Weston-super-Mare.

### **2. BACKGROUND**

- 2.1 Persimmon Homes, the developer, were granted planning permission in 2012 for up to 900 homes (Phase 1) at the former Weston Airfield. Following a detailed viability review, it was agreed the developer would provide 12% affordable housing without the need for public subsidy (*nil-subsidy units*). To bring it in line the Councils affordable housing requirement, an additional 18% affordable housing could be delivered should public subsidy be available or if there is excess developer profit to subsidise these units (*with subsidy units*). The developer is free to dispose of the additional 18% on the open market if these conditions cannot be met.
- 2.2 The developer is currently on site delivering the 251 unit sub-phase of this scheme. Following a tendering exercise by the developer, Aster Homes put forward an offer to deliver the Registered Provider-led aspect of this development. This comprises the 18 nil-subsidy affordable rented units (3x2 bed flats, 5x2 bed houses, 7x3 bed houses, 3x4 bed houses) along with an offer for 18 of the additional 45 units to be delivered subject to the availability of public subsidy as shared ownership (7x2 bed houses, 11x3 bed houses).
- 2.3 The shared ownership housing would be funded using receipts from the sale of the owned element and loan funding that Aster Homes are able to obtain. After taking this into account an additional £760,000 is required to deliver the shared ownership housing. Aster Homes have secured grant funding from the Homes and Communities Agency (HCA) under the Affordable Homes Programme 2015-18 of £380,000 to part fund the shared ownership homes and have requested LA grant funding of £380,000 to fund the remainder.

### **3. REASONS**

- 3.1 To contribute to the Councils target to provide at least 150 affordable homes per year.
- 3.2 Approval of this funding will enable the delivery of 18 shared ownership homes for which priority will be given to those with a local connection to the district. This part-rent, part-buy option is designed to help people onto the property ladder who may not be able to purchase a home outright.
- 3.3 Approval of this funding will also safeguard the delivery of the 18 affordable rented units which will be allocated to applicants on the Councils HomeChoice register.

### **4. OTHER ALTERNATIVES CONSIDERED**

- 4.1 Not agreeing to fund these units would mean that;
  - Aster Homes would not be in the financial position to deliver any of these affordable homes. Without securing funding for the 18 with-subsidy shared ownership units Aster Homes could not deliver the 18 nil-subsidy affordable rented units;
  - Aster Homes would not be able to draw down on their HCA grant funding of £380,000 and this opportunity to utilise additional public sector funding in the district would be lost;
  - The developer could argue that for reasons outside of their control, public subsidy could not be secured to deliver additional units; therefore, in line with the s106 legal agreement, they are free of the obligation to provide additional units on this sub-phase;
  - Whilst the developer would still be required (subject to the above) to deliver the nil-subsidy element of this sub-phase, it is a possibility that there would be limited interest from RPs through a further tendering round. In these circumstances the proposed affordable housing mix may need to be reviewed which could result in a loss of affordable units delivered.

### **5. FINANCIAL IMPLICATIONS**

- 5.1 This funding requirement will be met from commuted sums; payments received from developers which are ring fenced for the provision of affordable housing within the district.

### **6. IMPLICATIONS FOR FUTURE YEARS**

- 6.1 LA grant funding has already been allocated to a previous sub-phase of this development. There may be future funding requirements when the rest of Phase 1 comes forward to enable the 30% affordable housing provision to be delivered however any funding requests would be considered on a case by case basis taking into account value for money considerations, the availability of funding and best use of public subsidy.

Signed: .....

Councillor Nigel Ashton, Leader of the Council,  
and Executive Member for Budgets, Partnerships,  
Weston-super-Mare urban extension

Dated: .....

Reviewed

Signed: .....

Mark Hughes, Head of Housing and Directorate Governance

Dated: .....

Confirmation of advice given

Signed: .....

Sheila Smith, Director, People and Communities

Dated: .....