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Sent by email to: emma.parkes@horsham.gov.uk
CC: Robert.Hermitage@horsham.gov.uk

3rd January 2024

Dear Sir/Madam,

This letter is submitted in support of a request to agree a variation of the Section 106 Agreement for the development of the site formerly known as Vineyards, Old London Road, Washington, RH20 3BN.

**Background**

The redevelopment of the site for the erection of 16no residential dwellings was approved by Horsham District Council under planning reference DC/20/0717.

The planning obligation in question was agreed under Section 106 of the Town and Country Planning Act 1990 and dated 15th September 2020. As part of the agreement, a contribution towards the delivery of affordable housing offsite was agreed.

The original application was supported by a financial viability assessment that concluded that the provision of any affordable housing as part of the development would not be viable. An independent review of this viability assessment, undertaken by Bespoke Property Consultants on behalf of Horsham District Council (dated 2nd March 2020 and updated in



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June 2020) also concluded that the development could not viably deliver any affordable housing contribution.

Despite these conclusions, through negotiations with the applicant the Council sought to secure the provision of one shared ownership unit onsite. However, in taking their decision, District Council officers considered it unlikely that a registered provider would be willing to take on a single shared ownership unit onsite and opted to request payment of an equivalent financial contribution towards offsite affordable housing provision as part of the Section 106 process. Given the delays incurred through the application process and the additional costs and uncertainty of the appeal process, the applicant agreed to this provision and agreed the legal agreement on this basis.

This final figure written into the Section 106 Agreement (£79,500) was therefore based on District Council guidance rather than an agreed 'affordable housing pot' identified through the viability assessment process. The viability assessment process, including the independent review commissioned by the District Council, concluded that no affordable housing contribution should be viable.

The development was commenced, and details reserved by conditions have been discharged through the normal application process.

**Viability Position**

A Financial Viability Review Update has now been produced by Oakley Property (dated October 2023) and revises estimated figures from the earlier viability exercise to reflect actual revenues realised and costs incurred in developing the site.

The update shows that the GDV has improved since the 2020 estimate, reflecting increased sales values, however costs have also increased – most notably in relation to development finances. These changes from the estimated viability position reflect wider market changes, and particularly interest rate rises over the term and an extended development period.

The viability position demonstrates that the initial expectation that an affordable housing contribution would not be viable was an accurate conclusion and the development as built

cannot support a contribution. This reflects actual sales prices and build costs and even with an increase in GDV, the payment of an affordable housing contribute is not viable.

**Summary**

On this basis it is requested that an agreement be reached between the Council and applicant to vary the Section 106 Agreement to omit the affordable housing contribution sought by the local planning authority at application stage. Robust viability evidence has not supported the viability of an affordable housing contribution at either application stage or post-development.

If you require any further information or wish to discuss this matter further, please contact Simon Bareham or Joseph Pearson at Lewis & Co Planning on 01273 413700.

Yours faithfully,

**Lewis & Co Planning**

If replying, please email to joseph.pearson@lewisplanning.co.uk