

Affordable Housing Report

In respect of:

**Bugley Barton Farm,
Land South of
Victoria Road,
Warminster**

Prepared by:

Pioneer Property Services Ltd

On behalf of:

Keepmoat Homes Limited

Date:

11th March 2026



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1 Introduction

- 1.1 Pioneer Property Services Ltd (“Pioneer”) have been instructed by Keepmoat Homes Limited (“the applicant”) to prepare this Affordable Housing Report for submission to Wiltshire Council (“the Council”) in respect of the affordable housing provision on land at Bugley Barton Farm, South of Victoria Road, Warminster (“the development”). The development land is allocated as part of the wider West Warminster Urban Extension (“WWUE”).
- 1.2 Full planning consent for 227no dwellings was granted in October 2022 (reference: 17/01463/FUL) and the accompanying Section 106 Agreement (“S106”) dated 20th October 2022 requires 30% affordable dwellings, including 60% Affordable Rented Housing and 40% Shared Ownership. The dwelling mix to be provided is specified within the S106 and includes a range of types and sizes.
- 1.3 A Section 73 application (reference: PL/2025/01523) was made in March 2025 seeking to vary several planning conditions and included details of required pre-commencement conditional requirements and supporting detailed technical information that was previously reserved by condition, to ensure the Full planning consent secured by Persimmon Homes, was fully implementable and deliverable, with consent was granted in September 2025, with an accompanying S106 Deed of Variation (“DOV”) dated 4th September 2025. The DOV includes a new Affordable Housing Plan which replaces the details agreed within the S106.
- 1.4 Section 2 of this Report sets out in more detail the relevant planning history applicable to the development and the specific affordable housing requirements. Section 3 summarises the marketing exercises undertaken by the applicant and their consultant which has resulted in no Registered Provider (“RP”) interest in acquiring the S106 affordable housing dwellings. Section 4 details the amended affordable housing proposals considering the lack of RP interest which is the only proceedable alternative to delivering the development and Section 5 draws conclusions.
- 1.5 This report contains confidential information, provided by Registered Provider’s, and therefore this report should remain confidential and should not be made publicly available. If necessary, a redacted version can be provided that can be made publicly available.

2 Relevant Development Planning History

2.1 The development benefits from a full planning consent for 227no dwellings which was granted in October 2022 (reference: 17/01463/FUL) and the accompanying Section 106 Agreement (“S106”) dated 20th October 2022 requires the Affordable Housing to be provided as Affordable Rented Housing and Intermediate Housing which are defined as:

- Affordable Rented Housing is “housing let by a Transferee to a Qualifying Person and which is subject to rent controls that require a rent of no more than (80%) eighty percent of local Open Market Rent (including service charges where applicable) at the time of letting which may be increased by no more than the Consumer Price Index plus 1% (one percent) annually or such other amount as is prescribed by HE”.
- Intermediate Housing means “Affordable Housing Units for sale and rent provided at a cost above Social Rented Housing but below open market levels the form of which shall be agreed with the Council at its absolute discretion but may include (Shared Ownership Housing and equity loans) and other low cost homes for sale and Intermediate Rent (or as set out in the Affordable Housing Mix in Schedule 3) but not Affordable Rented Housing”.

2.2 The exact dwelling mix to be provided, as set out in the Affordable Housing Mix in Schedule 3 of the S106, included 60% Affordable Rented Housing and 40% Shared Ownership in the following range of types and sizes:

	Affordable Rent	Shared Ownership
1 bed 2 person apartment	8	0
1 bed 2 person apartment wheelchair	2	0
2 bed 3 person apartment	2	0
2 bed 3 person bungalow wheelchair	2	0
2 bed 4 person house	12	17
3 bed 6 person house wheelchair	1	0
3 bed 5 person house	12	10
4 bed 6 person house	2	0
Total	41	27

2.3 The S106 allows for alternative tenures or dwelling mix to be provided subject to agreement with the Council.

2.4 A Section 73 application (reference: PL/2025/01523) was made in March 2025 seeking to vary several planning conditions and included details of required pre-commencement conditional requirements and supporting detailed technical information that was previously reserved by condition, to ensure the Full planning consent secured by Persimmon Homes, was fully implementable and deliverable, with consent was granted in September 2025, with an accompanying S106 Deed of Variation (“DOV”) dated 4th September 2025. The DOV includes a new Affordable Housing Plan which replaces the dwelling mix agreed within the S106 as follows:

	Affordable Rent	Shared Ownership
1 bed 2 person apartment	10	0
1 bed 2 person apartment wheelchair	2	0
2 bed 4 person apartment	1	0
2 bed 3 person bungalow	2	0
2 bed 4 person house	11	17
3 bed 6 person house wheelchair	1	0
3 bed 6 person house	12	10
4 bed 6 person house	2	0
Total	41	27

2.5 The S106 defines Shared Ownership as:

“The Affordable Housing to be managed by a Transferee and to be disposed of in accordance with the Allocation Policy to a Qualifying Person on a lease which includes HE’s Fundamental Clauses”.

2.6 The S106 requires the Affordable Housing Units to be transferred to a ‘Registered Provider and/or the Council’. Registered Provider is defined ‘by Section 80 of the Housing and Regeneration Act 2008 from the Council’s list of preferred development partners or as otherwise agreed in writing by the Council such approval not to be unreasonably withheld or delayed’.

3 Registered Provider Marketing Process

- 3.1 The applicant undertook an initial marketing exercise in March 2024 whilst in the process of acquiring the land. A total of 13no Registered Providers ("RP's") were approached including:

RP's
Abri
Aster
Clarion
Green Square Accord
Guinness
Legal & General
LiveWest
Places for People
Sage
Sanctuary
Selwood
SNG
Stonewater

- 3.2 Each RP was sent a tender invitation email that included the planning background, an accommodation schedule, open market values, specification, indicative programme information, contract payment terms and structure, estate management charge information and the site plan. Each RP was given 12 days to review the information, and they were asked to respond with either an offer or confirmation that they are not interested in acquiring the S106 affordable dwellings.
- 3.3 Following this marketing exercise, which generated no interest in the S106 affordable housing dwellings, terms were agreed with Places for People who were willing to proceed based on acquiring the 68no S106 affordable dwellings as well as 45no market dwellings to be delivered as grant funded additionality affordable housing, assuming a mix of Affordable Rent and Shared Ownership in line with the S106 requirements and the Homes England grant funding programme at the time. Heads of terms were agreed, between the applicant and Places for People with legal contracts issued and agreed at which point the applicant entered into contract with the landowner to acquire the land in January 2025. However, at the point of exchange of

contracts in early February 2025, Places for People withdrew from the acquisition of the 113 dwellings because they had overcommitted their S106 affordable housing programme and had no further funds available to proceed with the acquisition.

As Places for People were no longer able to proceed, the applicant appointed LMA Housing Services Limited (“LMA”) to undertake a further RP marketing exercise, in September 2025, in an attempt to secure a new RP for the S106 affordable housing dwellings. In addition to this, the applicant also approached a number of RP’s in November 2025, so in total 19no parties were approached including the following:

RP's
Abri
Aster
Bromford
Cottsway
Curo
Green Square Accord
Guinness
HSPG
Legal & General
LiveWest
Places for People
Sage
Sanctuary
Selwood
SNG
Stonewater
Storm
White Horse Housing
Wiltshire Council

- 3.4 As per the S106 requirement the list of RP’s included all the Council’s preferred development partners plus an additional 9no RP’s to maximise the possibility of securing RP interest in the affordable housing provision.

3.5 Each RP was sent a tender invitation email that included the planning background, land ownership details, an accommodation schedule, open market values, specification, indicative programme information, contract payment terms and structure, estate management charge information and the site plan. Each RP was given 7 days to review the information, and they were asked to respond with either an offer or confirmation that they are not interested in acquiring the S106 affordable dwellings.

3.6 The following feedback was received:

RP	Feedback
Abri	Not interested in S106 without additionality
Aster	Not interested, full S106 programme
Bromford	Not interested, outside of core area
Cottsway	Not interested, outside of core area
Curo	Not interested, outside of core area
Green Square Accord	Not interested, outside of core area
Guinness	Not interested, no reason specified
HSPG	Unable to proceed on the terms required
Legal & General	Not interested, full S106 programme
LiveWest	Not interested, outside of core area
Places for People	Not interested, full S106 programme
Sage	No response
Sanctuary	Not interested, no reason specified
Selwood	Not interested, full S106 programme
SNG	Not interested, does not fit requirements
Stonewater	Not interested, full S106 programme
Storm	No response
White Horse Housing	Not interested, outside of core area
Wiltshire Council	Not interested, no funds available

3.7 A meeting with the applicant, LMA and the Council's Housing Enabling Team¹ was held in December 2025 to discuss the extensive marketing exercise that had been undertaken and

¹ Claire Moore and Belinda Kanzurovska

how it was proving impossible to secure an RP partner to acquire the S106 affordable housing dwellings, and how the only potential way to progress the development would be to secure an RP on the basis that they would also acquire a number of additionality dwellings, as was the case with Places for People.

- 3.8 However, due to the new Homes England funding requirements, and the level of grant funding available, simply selling a number of market dwellings as affordable housing additionality would not enable the affordable housing delivery without some of the S106 affordable housing dwellings being removed from the affordable housing obligation and converted to market housing to enable grant funding to be secured on these dwellings, as well as the market housing additionality dwellings, to provide them all as affordable housing. It is understood that the Council accepted this principle to facilitate the delivery of the affordable housing provision.
- 3.9 The RP feedback received reflects our experience of the current market, where there is a general lack of RP interest in S106 affordable housing opportunities, not only within Wiltshire but also across most areas within England. RP's either have a full development programme, are focusing on their Homes England grant funding programme or they are pausing development activity to focus spending on other priorities such as repairs and maintenance and de-carbonisation of existing stock.
- 3.10 The acute lack of RP interest in S106 opportunities has been going on for some time, having been featured in the July/August 2024 edition of Housebuilder magazine. Furthermore, a survey undertaken by the Home Builders Federation ("HBF") and summarised in 'Home Building: An Engine for Growth, Prosperity and Opportunity – A Blueprint for the New Government' found that 'at least 13,000' S106 dwellings with detailed planning permission to be uncontracted. The HBF survey suggested at least 40 sites to be delayed and others failing to commence due to the lack of RP appetite.
- 3.11 A follow-up survey conducted by the HBF in October 2024, summarised in their December 2024 report 'Bid Farewell: An Examination of the Crisis in S106 Affordable Housing', involved a broader range of housebuilders and revealed that at least 17,432 S106 affordable housing dwellings with detailed planning permission remain uncontracted and across the country, 139 home building sites are currently delayed due to uncontracted S106 dwellings. Suggesting that the crisis in S106 affordable housing is becoming more detrimental over time.

- 3.12 This concerning finding by the HBF has been noted during debates in the House of Lords² and the lack of RP appetite for S106 affordable housing has been reported on in March 2024 by Inside Housing³ and then in July 2024 by Savills.⁴ In August 2024 Inside Housing⁵ reported that many of the country's largest developing housing associations forecast that they would reduce their Section 106 proportion significantly in 2024-25.
- 3.13 In their Blueprint, the HBF recommend options to relieve the issue, including encouraging a greater acceptance of cascade arrangements by local planning authorities which allow alternative tenures (or a commuted sum) after a certain time period.
- 3.14 In a further update in July 2025, the HBF published a '2025 Government Progress Report' reviewing progress against the Government's commitment to 'back the builders, not the blockers' one year on from the General Election. This report re-states the 'Bid Farewell' HBF findings that 100,000 market homes and at least 17,400 affordable homes are blocked or delayed due to a lack of bids from Registered Providers for S106 dwellings and concludes that this matter has not been addressed and that if the Government's 1.5 million new homes target is to be met significant barriers, with 'the growing backlog of uncontracted Section 106 affordable housing dwellings' being 'chief' among these, need to be addressed.
- 3.15 Notwithstanding the Government launch of the £39 billion 'Social and Affordable Homes Programme for 2026 – 2036' (which will not provide funding to RPs to directly purchase S106 homes) and announcements on strategies for rebuilding the sector's financial capacity⁶, the external pressures currently still being brought to bear upon the business plans of RPs are unlikely to increase the level of interest in the short to medium term.
- 3.16 The issues around the deliverability of S106 affordable housing have also been recognised in a letter from Rt Hon Steve Reed OBE MP, Secretary of State for Housing, Communities and Local Government, titled '*Next phase of reforms to accelerate growth and housebuilding*' written to all Local Authority Leaders and all Metro Mayors, as well as all Local Authority Chief Executives and Combined Authority Chief Executives in England, dated 16th December 2025. The 'Modifying Planning Obligations' section of this letter sets out that the government recognises the current challenges faced in housebuilding, and "expects local planning

² Hansard, Lords Chamber: Social Housing: Right-to-buy Sales Volume 837: debated on Thursday 18 April 2024

³ <https://www.insidehousing.co.uk/news/housing-associations-could-stop-buying-section-106-amid-new-homes-cliff-edge-lq-chief-warns-85618>

⁴ https://www.savills.co.uk/research_articles/229130/364374-0

⁵ <https://www.insidehousing.co.uk/insight/what-is-really-happening-with-section-106-87957>

⁶ 'Delivering a Decade of Renewal for Social and Affordable Housing (July 2025)', Ministry of Housing, Communities & Local Government, 2nd July 2025

authorities to adopt a pragmatic approach when responding to requests to renegotiate Section 106 planning obligations”⁷.

- 3.17 This letter was followed by a letter from Matthew Pennycook MP, Minister of State for Housing and Planning, titled *‘Modifying Planning Obligations’* written to the Chief Executive of the Planning Inspectorate, dated 18th December 2025. This letter sets out that the Government recognise that it may be necessary in specific circumstances to modify existing planning obligations to improve viability of housing developments and highlighting the route of doing so through Section 73 applications.
- 3.18 On the 28th January 2026, a Written Ministerial Statement (“WMS”) from Matthew Pennycook MP, Minister of State for Housing and Planning, was published titled *‘Resetting the S106 system’*. The WMS sets out the Governments intentions to unlock ‘unsold and uncontracted S106 homes’ following a sharp drop off in demand in recent years. The WMS is accompanied by a policy paper titled *‘Policy Statement: a roadmap for Section 106 delivery in England’*. Whilst the policy paper focuses on sites where discussions are not yet underway with local authorities on how to vary S106 planning obligations, so does not apply to this development, it highlights the Governments awareness and commitment to ensuring that developers and local authorities reach timely and pragmatic decisions in order to facilitate much needed delivery of both affordable and market housing.
- 3.19 The lack of interest in acquiring S106 dwellings by Registered Providers has been ongoing for circa 2 years and is not showing any signs of easing. The issue and potential solutions are being discussed by HBF, RP’s, local government representatives, Homes England and the Ministry of Housing, Communities and Local Government and it is therefore essential that all parties are flexible to ensure that developments do not stall and prevent much needed market and affordable housing from being delivered.

⁷ ‘Next Phase of Reforms to Accelerate Growth and Housebuilding’, Ministry of Housing, Communities & Local Government, 16th December 2025

4 Amended Affordable Housing Proposal

- 4.1 Despite the lack of RP interest in the S106 affordable housing dwellings, to avoid the lapse of the planning consent which was due to expire in October 2025, the applicant had to make a start on site. However, without an RP to acquire the S106 affordable housing dwellings it is likely that the site will stall which in turn would prevent the delivery of much needed market and affordable housing, it is therefore necessary to seek an alternative position to facilitate delivery of the development as a whole.
- 4.2 The development land is allocated as part of the West Warminster Urban Extension ("WWUE") and therefore the development is of strategic importance in assisting the Council deliver its five-year housing land supply, which at the time of writing stands at only 2.4 years, therefore delivery of the development is essential to minimise the shortfall. The Council's flexibility towards the amended affordable housing proposal will enable delivery of 227 new homes, of which 113no will be provided as affordable housing, which will greatly assist the affordable housing need, which according to the Local Authority Housing Statistics 2024 – 2025, shows that there are 3,999 households in the housing register (waiting list) requiring affordable housing in Wiltshire.
- 4.3 As noted in the previous section of this report, the issues around deliverability of S106 affordable housing is a national problem being reported on in main stream property news and highlighted by the HBF in their 'Blueprint for the New Government', and most recently being addressed in a letter by Government which expects local planning authorities to be pragmatic to S106 planning obligation renegotiation requests.
- 4.4 As set out in the previous section of this report, there has been no interest in acquiring the S106 affordable housing dwellings and the only proceedable option is with Abri. The applicant is in detailed discussions with Abri, who have confirmed that they are willing to acquire the 68no S106 affordable housing dwellings but only on the basis that they also acquire 45no market dwellings to deliver as affordable housing additionality.
- 4.5 However, in order for the applicant and Abri to be able to proceed in this way, it is necessary to seek the Council's consent to vary the S106 agreement to reduce the affordable housing obligation contained within it to 10% (23no dwellings) so that Abri can secure grant funding to provide not only the 45no market dwellings as affordable housing additionality but also the other 20% (45no) S106 affordable housing dwellings in the same way.

- 4.6 Homes England have launched a new grant funding programme for 2026-2036, which focuses on the provision of Social Rent in favour of other affordable housing tenures (such as Affordable Rent), with a minimum of 60% of the programme being allocated to Social Rent. To secure grant funding, RP's are generally applying this principle to each site to ensure the requirement is met, as is the case with Abri on the application site. The inclusion of Social Rent (as opposed to Affordable Rent which was the tenure assumed by Places for People in line with the Homes England grant funding requirements at the time) has an impact on scheme viability, as the rental income is significantly less which in turn means that the RP can pay less for the dwellings. The latest Guide to Local Rents 2025 data⁸ shows that the average weekly Social Rent in Wiltshire is 28% lower than the average weekly Affordable Rent. Even with higher grant rates for Social Rent, it does not make up the shortfall in revenue that providing Affordable Rent would have generated and as such it is necessary to ask the Council to vary the S106 to reduce the affordable housing obligation contained within it to 10% (23no dwellings) so that Abri, the applicants preferred partner RP, can secure grant funding to provide not only the other 20% S106 dwellings, but also an additional 45no dwellings, as grant funded affordable housing additionality, including much needed Social Rent dwellings in line with the latest Government and Homes England requirements for grant funded developments.
- 4.7 As an alternative, if this proposal is not acceptable to the Council, then the applicant will need to consider tenure options that do not require the involvement of a RP and would therefore need to convert all the S106 affordable dwellings to some form of equity loan or other low cost homes for sale, such as Discount Market Sale, as permissible through the S106, with agreement with the Council.

⁸ Regulator of Social Housing, RP social housing by local authority area 2025, Guide to Local Rents

5 Conclusion

- 5.1 The development benefits from a full planning consent for 227no dwellings which was granted in October 2022 (reference: 17/01463/FUL) and the accompanying S106 dated 20th October 2022 requires 30% affordable dwellings, including 60% Affordable Rented Housing and 40% Shared Ownership.
- 5.2 A Section 73 application (reference: PL/2025/01523) was made in March 2025 seeking to vary several planning conditions and included details of required pre-commencement conditional requirements and supporting detailed technical information that was previously reserved by condition, to ensure the Full planning consent secured by Persimmon Homes, was fully implementable and deliverable, with consent was granted in September 2025, with an accompanying DOV dated 4th September 2025. The DOV includes a new Affordable Housing Plan which replaces the dwelling mix agreed within the S106.
- 5.3 The S106 requires the Affordable Housing Units to be delivered by a 'Registered Provider and/or the Council'. Registered Provider is defined 'by Section 80 of the Housing and Regeneration Act 2008 from the Council's list of preferred development partners or as otherwise agreed in writing by the Council such approval not to be unreasonably withheld or delayed'.
- 5.4 An initial marketing exercise in March 2024 identified that there was no RP interest in acquiring the S106 affordable housing provision without RP's requiring further market housing being converted to affordable housing additionality. A contract was agreed with Places for People including the 68no S106 affordable dwellings and a further 45no market dwellings as affordable housing additionality. Places for People withdrew from the acquisition shortly after the applicant had entered into contracts to acquire the land. A further, more extensive marketing exercise was then undertaken in November 2025 and again the RP feedback confirmed the same position, that there is no RP interest in the S106 affordable dwellings without affordable housing additionality.
- 5.5 This feedback reflects our experience of the current market, where there is a general lack of RP interest in S106 affordable housing opportunities, not only in Wiltshire but also across most areas within England. RP's either have a full development programme, are focusing on their Homes England grant funding programme or they are pausing development activity to focus spending on other priorities such as repairs and maintenance and de-carbonisation of existing stock.

- 5.6 The applicant has been able to secure interest from Abri, who again are willing to acquire the 68no S106 affordable dwellings only on the basis of also acquiring 45no market dwellings as affordable housing additionality however in light of changes to the grant funding programme requirements this proposal only works if the S106 affordable housing obligation is reduced to 10% (23no dwellings) to enable Abri to secure Homes England grant funding on the other 20% S106 affordable housing dwellings plus the market housing to all be provided as additionality.
- 5.7 The applicant has started on site to avoid the planning consent from lapsing despite having no RP partner for the S106 affordable housing dwellings however there is now a real risk that the site will stall which in turn would prevent the delivery of much needed market and affordable housing as there is no certainty regarding the affordable housing delivery given the lack of RP interest in acquiring the S106 affordable housing, it is therefore necessary to seek an alternative position to facilitate delivery of the development as a whole.
- 5.8 The development land is allocated as part of the West Warminster Urban Extension (“WWUE”) and therefore the development is of strategic importance in assisting the Council deliver its five-year housing land supply, which at the time of writing stands at only 2.4 years, therefore delivery of the development is essential to minimise the shortfall. The Council’s flexibility towards the amended affordable housing proposal will enable delivery of 227 new homes.
- 5.9 If the alternative affordable housing proposal is not acceptable to the Council, given there is no RP interest in the S106 affordable housing dwellings, the applicant will need to consider other means of delivering the S106 affordable housing provision that does not require the involvement of a RP, such as NPPF compliant affordable housing tenures such as discounted market sales or other low cost homes for sale as permissible through the S106 with agreement with the Council. This is not the route that the applicant wishes to propose but they cannot be in a position whereby the site is stalled because there is no RP interest in acquiring the S106 affordable housing dwellings on a standalone basis.
- 5.10 The applicant seeks to undertake a Deed of Variation to the existing S106 to reduce the 30% affordable housing obligation to 10% (23no dwellings) to be provided as nil subsidy (in accordance with the approved scheme), thereby enabling Abri to secure Homes England grant funding on the other 20% plus an additional 20%, which will in turn allow the applicant to deliver 50% (113no.) affordable housing on site with Abri. To provide the Council will some comfort that the alternative affordable housing proposal will be delivered, the applicant and Abri are

willing to enter into contract to provide the affordable housing, conditional upon the Deed of Variation being completed.