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25<sup>th</sup> September 2026

Planning Department  
Wiltshire Council  
County Hall  
Bythesea Rd  
Trowbridge  
BA14 8JN

Dear Sir or Madam,

**Re: Planning permission reference 19/05898/OUT and PL/2023/07797**

I write regarding the site known as 'Land off Park Road, Malmesbury', which was subject to the outline and reserved matters applications above.

The outline application was submitted on 18<sup>th</sup> June 2019 and following a committee decision against officer recommendation, was refused on 16<sup>th</sup> September 2021. Following an appeal, outline planning permission was granted on 26<sup>th</sup> September 2022, subject to conditions and s106 agreement.

The reserved matters application was then submitted and was also determined by the Planning Inspectorate following an appeal against non-determination. That appeal was allowed and reserved matters approved on 21<sup>st</sup> August 2025.

As you may be aware, Lagan Homes have now taken the site on, and have implemented the planning consent to the effect that it should now be considered extant.

This enquiry pertains to the s106 agreement which accompanies the outline permission. A copy has been attached with this enquiry for reference, and is also available on the online planning file. The agreement was signed during the course of the outline appeal, and is dated 21<sup>st</sup> July 2022.

Within the first schedule of the agreement, the Owner covenanted to provide 40% of the dwellings (16 units) as affordable dwellings, to be split as 60% affordable rented units and 40% shared ownership units. It was also agreed that an Affordable Housing plan and details of the affordable housing mix would be provided at Reserved Matters stage.

Now that Lagan Homes have taken on the site and commenced development, they have undertaken a review of the scheme from a viability perspective.

As may be expected, 4 years on from the outline decision, the viability position on the site is not as strong as hoped. The market conditions facing the housebuilding industry are well-rehearsed, with factors such

as materials costs rising significantly in recent years, as well as higher finance costs, slower sales volumes, and lower growth on sales values. It is also notable that Building Regulations, in particular Part L, which have been updated since the agreement was signed have also increased build costs significantly, as well as Future Homes Standards.

Thomas Hegan of Turner Morum Chartered Surveyors has been appointed by Lagan Homes to undertake a viability review of the scheme as approved, and to scenario test a range of alternatives. His full report is included as part of this submission, but relevant extracts are included herein.

As described in the report, the valuer has undertaken a robust analysis of the scheme's viability. He first identified the costs associated with the development using an industry-standard methodology to source relevant data and comparables. He then identified likely sales values based on local examples, taking a conservative approach. This leads to a calculation of the Residual Land Value, or RLV.

As described at paragraph 3.1 of his report:

*"If the RLV exceeds the Land Value, a surplus is generated and the scheme can be deemed "Viable". However, if the RLV is less than the Land Value, a deficit is produced and the scheme should be considered "Non-Viable"."*

The results of the analysis are shown below, where 5 scenarios were examined against a Benchmark Land Value of £307,615.

As evident in the table, none of the tested scenarios result in a RLV which is higher than the BLV, meaning all scenarios are mathematically unviable.

| Scenario | Scenario                            | RLV         | BLV      | Surplus/<br>Deficit | Actual Dev<br>Return |
|----------|-------------------------------------|-------------|----------|---------------------|----------------------|
| 1A       | Residual Appraisal - 40% Affordable | -£1,758,687 | £307,615 | -£2,066,302         | 0.6%                 |
| 1B       | Residual Appraisal - 20% Affordable | -£1,178,022 | £307,615 | -£1,485,637         | 7.9%                 |
| 1C       | Residual Appraisal - 10% Affordable | -£910,169   | £307,615 | -£1,217,784         | 10.7%                |
| 1D       | Residual Appraisal - 10% DMS        | -£707,535   | £307,615 | -£1,015,150         | 12.7%                |
| 1E       | Residual Appraisal - 0% Affordable  | -£655,020   | £307,615 | -£962,635           | 13.4%                |

However, Lagan Homes has considered the scenarios and finds that scenario 1D as presented above is something they would be prepared to deliver. While the development return of 12.7% is much lower than what is usually accepted in the industry, a commercial decision has been taken and they are content to proceed on that basis in order to deliver the scheme. This would see 10% of dwellings as affordable, delivered as 4 Discount Market Units.

Under the provisions of s106A of the Town and Country Planning Act 1990 (as amended), a party to a s106 agreement may, prior to the passing of 5 years since the date when the obligation was entered into, seek agreement from the authority to whom the obligation is enforceable, to modify said obligation.

Lagan Homes therefore seek this agreement from Wiltshire Council, in light of the significant viability issues presented by the scheme which they are currently covenanted to provide. The scenario they would like to pursue is that which is outlined above, offering 10% affordable dwellings as discount market units. The other s106 items including financial contributions would be unchanged.

Once you have had opportunity to read this submission we would be grateful if a meeting could be arranged to begin the discussion.

Yours sincerely,

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Principal Planner

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