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16th March 2026

Planning Services
Mid Sussex District Council
Oaklands
Oaklands Road
Haywards Heath
West Sussex
RH16 1SS

Dear Sir / Madam,

SITE AT: SITE OF FORMER MAXWELTON HOUSE, 41 - 43 BOLTRO ROAD, HAYWARDS HEATH, WEST SUSSEX
REDEVELOPMENT OF SITE TO PROVIDE A DEVELOPMENT OF 50 RETIREMENT LIVING APARTMENTS, ASSOCIATED PARKING, LANDSCAPING AND AMENITY PROVISION.
APPLICATION REF: DM/22/2218

I write further to the above matter as I would ask that this letter be taken as a formal request to vary the Section 106 agreement associated to the above referenced planning application. As set out below the scheme is currently unviable and while McCarthy Stone are keen to bring the development forward for the older population of Mid Sussex and realise the many benefits that Retirement Living developments bring to the local community, the currently viability position is impeding this from happening.

The Applicant's initially made a request to the Local Planning Authority to discuss viability matters in January 2026 in the anticipation of reducing the affordable housing contribution required in the Section 106 agreement. Following a meeting with Steve Ashdown, Head of Planning and Joanne Fisher, Team Leader, they agreed that the Local Planning Authority would be willing to consider such a request, which should be formally submitted, with an appropriate viability assessment. This application is therefore submitted as requested with an independent Financial Viability Assessment. It is understood that there is no fee for this application and it is accepted at the discretion of the Local Planning Authority.

As a way of background the above mentioned application was submitted in July 2022 and a development of 50 retirement living apartments, associated parking, landscaping and amenity provision was approved in July 2023 under reference DM/22/2218. This application followed a grant of planning permission for the demolition of the existing office building and provision of 54 apartments with associated parking and landscaping on this site (DM/20/3516). The officer's report to the Planning Committee confirmed that the proposal will deliver positive social and economic benefits through the delivery of housing, would also deliver a number of construction jobs and the Council would also receive a new homes bonus.

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Viability

During the course of the application the Councils Housing Officer requested a commuted sum of £913,000 in lieu of on-site affordable housing units. An off-site contribution was considered appropriate in the circumstances of this application as Retirement Living schemes do not lend themselves to on-site provision of affordable housing due to operational and eligibility reasons. This sum was agreed and therefore provided policy compliant level of affordable housing through an off-site commuted sum.

It should be noted that while this sum was agreed in full Policy DP31 of the adopted District Plan states:

“Proposals that do not meet these requirements will be refused unless significant clear evidence demonstrates to the Council’s satisfaction that the site cannot support the required affordable housing from a viability and deliverability perspective. Viability should be set out in an independent viability assessment on terms agreed by the relevant parties, including the Council, and funded by the developer. This will involve an open book approach. The Council’s approach to financial viability, alongside details on tenure mix and the provision of affordable housing will be set out in a Supplementary Planning Document.”

Alongside affordable housing It was also agreed that the following list of contributions would be paid:

- Library - £14,547
- Total Access Demand - £66,335
- Formal Sports - £28,941
- Community Buildings - £25,522
- Local Community Infrastructure - £28,964
- Health - £58,573

The library and Total Access Demand payments have been made in full in accordance with the Section 106 Agreement. While the remaining contributions are due to be paid shortly the affordable housing payments are due before any above ground works (50%) and prior to the first occupation of any dwelling (50%).

However, since the granting of the planning permission McCarthy Stone, as well as most retirement housing developers, have experienced multiple impacts outside of their control which have severely impacted the ability to redevelop sites such as the former Maxwellton House. The wholesale increase in the cost of materials and labour has had a dramatic impact in increasing the build cost of the development. This drastically increased cost is further exacerbated by the retirement housing market going through a period of stagnant growth, far below that of open market housing. This combination of unfavourable forces mean that the site is not viable to bring forward within the immediate future and to that end all works have regrettably been ceased at this time.

Assessments have been undertaken in order to try to revive the scheme but the only way in which a suitable scheme can be brought forward is to seek a reduction in some of the payments due to be

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made under the Section 106 Agreement. This is a means of last resort but is seen as the only way a viable scheme can come forward as all other value engineering opportunities have been taken. To this end, a recent application amending the original scheme was approved by the Council in December 2025, which saw a change in materials which allowed for some savings while still ensuring the appropriate building quality is provided.

In light of the above it is with some regret that the Applicants are left in the position that they have to further discuss viability with the Local Planning Authority, with a focus on affordable housing payments.

The attached Financial Viability Assessment, prepared by Alder King, sets out the viability issues being encountered by this development. The Residual Land Value (RLV) for the scheme with the provision of the full s.106 obligations as included within the existing s.106 agreement equates to £486,441. After allowing for the Benchmark Land Value (BLV) of £2,610,000 this produces a deficit of (£2,123,559) and an actual developer return of 10.19% against the target position of 20%, as per Viability PPG profit guidance.

When the relevant Affordable Housing Contribution (£913,000) is removed but all other appraisal inputs remain consistent, the RLV of the scheme is increased to £1,285,441. After allowing for the BLV, this produces a deficit of (£1,324,559) and an actual developer return of 13.88%.

Benefits of the development

Notwithstanding the above, McCarthy Stone are still seeing a demand for older persons housing and are determined to ensure that the older population will still be able to benefit from the security and comfort that purpose built retirement housing can provide.

Retirement Living developments are a proven option for older people who wish to move into accommodation that provides comfort, security and the ability to manage independently to a greater extent. It enables older people to remain living in the community and out of institutions whilst enjoying peace of mind and receiving the care and support that they need. While they do not provide the onsite facilities of care provision, the needs of homeowners are accounted for through the provision of a range of communal facilities that are also tailored to meet the needs of its elderly residents.

As you are likely aware, there is a growing demand for specialist retirement housing alongside an older growing population, that provides genuine choice for older people so that they can continue to live locally in a home that meets their needs and aspirations in their later years.

McCarthy Stone's specialist retirement housing has a number of benefits to the local high street, as well as wider health and social benefits:

- Average health and social care saving of £3,500 per person, per year when someone moves into a retirement community
- The average 80-year-old feels a decade younger after moving in
- A potential saving of £2.1billion to the state every year in NHS and social services costs by building 30,000 more retirement units each year for the next 10 years

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- Our customers are around half as likely to have falls than they would have in their previous homes
- Those in specialist retirement housing are half as likely to be lonely, making them significantly less likely to develop dementia
- Rates of COVID-19 infections in McCarthy Stone communities were significantly lower than among people of the same age in wider society
- An average of £555,000 of spending each year per retirement development, with more than 50% of this spent in the local high street, providing an important boost to the local economy
- Most McCarthy Stone customers move from within a 5-mile radius, releasing housing back into the market for families and first-time buyers
- Every 2 in 3 moves into retirement housing enables a first-time buyer to join the housing market
- The creation of up to 91 new and permanent jobs through construction, management and repairs, high street jobs and within the developments

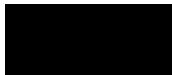
These benefits and the need for such accommodation should be a major consideration when balancing the developments against the provision of affordable housing.

Realising the Development

Section 106A (11) of the 1990 Town and Country Planning Act states that a planning obligation can be modified or discharged by agreement (at any time) between the appropriate authority and the person or persons against whom it is enforceable. An agreement to modify or discharge a planning obligation can be made at any time (and can only be entered into by Deed, by virtue of section 106A (2)). The previous discussions as outlined above indicates that the Local Planning Authority are willing to enter into negotiations at this time. The viability assessment indicates the sums that are available and the Applicants will be willing to have the independently assessed before an agreement can be reached and reported to the relevant Committee to be voted on and finalised.

I trust this is sufficient to enable the Council to register and determine the application but if you require any further information or wish to discuss the application further, please do not hesitate to contact me on 07580 388223.

Yours faithfully,



Ian Hann
Principal Planning Associate
The Planning Bureau Ltd.

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