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7th August 2020

Mr Andrew Spiers
Planning Officer
Swale Borough Council
Swale House, East Street
Sittingbourne
Kent
ME10
3HT

7th August 2020

Dear Mr Spiers,

Re: Land to the East of Ham Road 16/504575/OUT)

We write to you as the client in reference to the above application and matters surrounding the ongoing Reserved Matters Approval determination process.

Further to the request by Swale Borough Council to impose a new planning condition after the Reserved Matters application was submitted, we instructed the enclosed Financial Viability Assessment, produced by DHA ref: AGH/DI/14731 to assess the impact of matters relating to Energy Efficiency requested by the Borough on the viability of the scheme.

This project, as you know, has been entered into contract with our construction partners based on an appraisal model for a 100% affordable housing development that sits within the 16-21 Homes England Affordable Housing Programme. Requests to completely change the site layout and plot positions by Swale's Urban Designer have all been accommodated to date, adding substantial delays, considerable re-design and additional costs to the project, outside of any energy efficiency improvement measures such as unaccounted electric vehicle charging which have also been incorporated at the request of KCC.

At this stage, additional costs for re-designs, tree removal where not initial anticipated due to new location of buildings and associated ongoing staff and management costs for delays since the submission of Reserved Matters approval, for matters outside of energy efficiency, are reported as an additional £20k. This is far beyond the usual costs for a scheme that already had Outline approval. There is also an additional £177k of interest that we anticipate will be incurred due to the delays encountered, with a very real risk of missing programme deadlines set by Homes England which would have further ramifications for Hyde and the budget for this project. It is therefore unfortunate that almost £200k of anticipated funds cannot be used to increase energy efficiency at this development or put towards the development of further much needed affordable housing.

Considering the above, Hyde are in full support of the green agenda and are developing several procedures and strategies to combat climate change which will impact future Hyde developments. We have therefore sought approval to incur yet further additional costs to incorporate improvements to the building fabric and the inclusion of PV's to achieve a betterment of 10% over that of current

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building regulations and local policy as set out in the dha report.

The submitted Financial Viability Assessment demonstrates that when the proposed energy efficiency improvements are incorporated into the scheme, the development would produce a residual land value of £1,319,429 and therefore a deficit of £480,571 below the benchmark land value. If the proposed development was required to provide further energy efficiency measures, this would render the scheme unviable and therefore undeliverable. We urge Swale Borough Council and their members to consider this.

The scheme simply cannot take any further additional costs or delays and request that in consideration of the information contained within this letter and the report produced by DHA, Swale Borough Council seek to approve the application with a 10% improvement.

Thank you in advance for your consideration and assistance.

Yours faithfully,

A redacted signature area consisting of three thick black horizontal bars. A blue ink scribble is visible above the top bar, and a blue ink scribble is visible below the bottom bar.

Mike Finch
LAND & PLANNING DIRECTOR (SOUTH & EAST)

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