

The Cranbrook Plan: Examination

Matter 15 Viability

Statement on Behalf of East Devon New Community
partners

Matter 15 – Viability

Issue 21: Are the assumptions made regarding land values fully justified in respect of the Viability/Infrastructure Delivery Plan?

Q166. What evidence is there that the viability assessments reflect the recommended approach in Paragraph 57 of the Framework?

1. As an important precursor to the viability session of the Examination, the context here – a Cranbrook DPD - is different to a conventional Local Plan. The DPD is intended to help delivery of Cranbrook. The delivery of Cranbrook is critical here in East Devon as the delivery of Cranbrook to date has successfully enabled East Devon to meet housing requirements in a sustainable manner and to resist unsustainable development elsewhere in the District.
2. In a normal Local Plan process the early adoption of a Plan may be expected to encourage the delivery of much needed housing. In this instance – for the reasons set out below and in the regulation 19 representations, the early and quick approval of the Cranbrook DPD will have the opposite effect. Once the remaining 1000 plus dwellings are completed within the existing approved consents, the viability issues are such that Cranbrook delivery will slow or halt and pressure will grow for development elsewhere in the District contrary to the East Devon Local Plan.
3. As set out below we believe that the viability is so far awry that the cost of section 106/infrastructure needs to be reduced by something of the order of £60million (for further discussion in the Examination) and consideration given to the affordable housing requirements.
4. After your careful consideration of the evidence in relation to viability, we would urge you to require EDDC to constructive negotiate with EDNCp and other objectors (as appropriate), to achieve a cost saving of some £60m from the proposed infrastructure/section 106 costs and to amend the Plan/IDP accordingly – rather than rush to the unhelpful adoption of the DPD. If, upon consideration, you consider that the savings required are a different figure –then please set out your expectations of necessary cost savings. EDNCp confirm that they are ready and willing to negotiate with the Council and have always wanted to do that (see attached correspondence). It is regrettable that the Council has pressed on regardless and that we have in consequence needed to make such substantive representations in relation to viability and infrastructure delivery.
5. EDNCp agree that a standardised approach in methodology, based on the calculation of a residual land value, has been used that reflects the Framework and Viability Practice Guidance.
6. However, the viability assessment fails to follow the recommended approach in a number of important respects. These include:
 - a) the absence of a collaborative and iterative approach (Para 002 of PPG on Viability);
 - b) the inappropriate use of inputs in the Council’s viability model through the use of inputs that are all at the lower end of the standard range (or below) and some not reflecting the specific circumstances nor reflecting the type of development the Cranbrook DPD is promoting such as the developers risk, mix of house builders likely to be involved which

need to be reflected in the base build costs (BCIS figures), treatment of financial costs which are low.

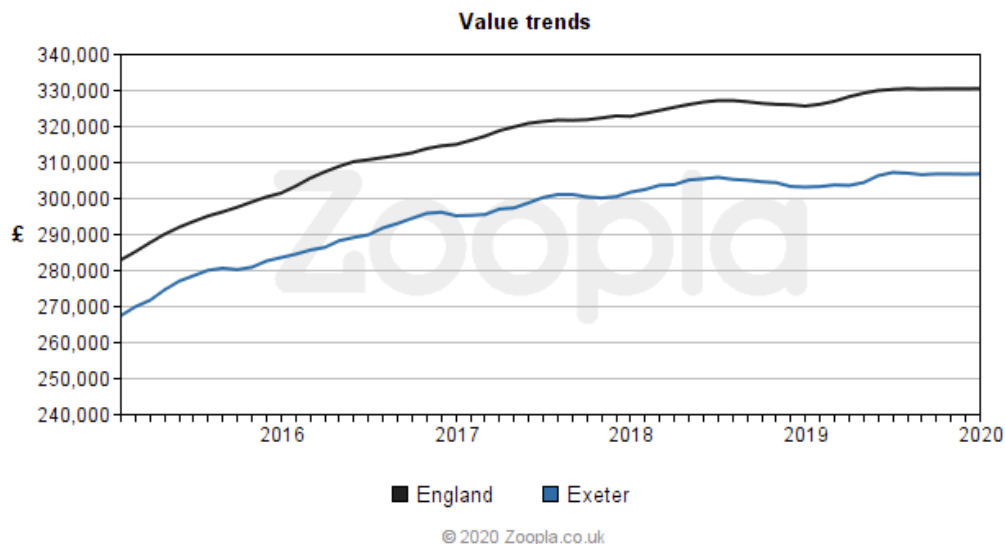
- c) the failure to satisfy the advice in Para 29 of the Viability PPG that: “the total cost of all relevant policies should not be a of a scale that will make development unviable”.
7. It is considered the treatment of such issues means that the DPD Viability Assessment is a departure from the NPPF para 57 and the associated guidance.
8. Attached to its regulation 19 representations, EDNCp set out an Evidence Paper on Viability Issues dated 23 April 2019. That evidence paper was based on mimicking the Council’s viability model for the Bluehayes expansion areas alone and applying more appropriate assumptions. It set out a through critique of various aspects of the Council’s approach and inputs – notably benchmark land values and the treatment of SANGS but also the land use budget for the DPD; affordable housing revenue values; and various costs allowances. It demonstrated that the Bluehayes development would not have been found to be viable had appropriate assumptions been made.
9. In July 2019, an update note (4th July 2019) of the EDNCp Evidence paper on viability issues was submitted to the Council. In particular, the Note was updated to reflect new evidence of higher affordable housing revenues that might be anticipated. The updated paper similarly concludes that the Bluehayes development would not have been found to be viable had appropriate assumptions been made in the viability assessment. The Update Paper submitted to the Council in July 2019 is attached as appendix A to this statement. Appendix 2 to that July Update statement also sought to set out on a like for like basis the anticipated infrastructure and section 106 burden on the expansion areas of Cranbrook now proposed in the DPD and the costs that have been and are being incurred in relation to the existing consented scheme for some 3500 dwellings. The comparison in the former case is £28,300 per dwelling in the DPD and £10,900 in the existing scheme (excluding CHP costs funded significantly through external financial support).
10. The arguments set out in both evidence papers remain extant and should be read in conjunction with this statement as being highly germane to the Matters and Questions asked by the Inspector. This applies in particular to the land use budget, the treatment of SANGS and the appropriate developer return.
11. Throughout the preparation of the DPD, EDNCp have sought to engage with the Council mindful of the obligation in the PPG for the Council to collaborate with developers (among other stakeholders) with the specific purpose to “ensure that policies are realistic and that the total cumulative cost of all relevant policies will not undermine deliverability of the Plan” (Para 002).
12. Examples of correspondence to the Council in this regard is set out in Appendix B to this note seeking engagement on viability issues prior to the submission of the DPD. In the event the DPD was submitted to the Secretary of State in July 2019. The only response received from the Council is that set out in Appendix C to this statement which effectively makes no amendments or further attempt to strike the balance between policy expectations and viability. As EDNCp understand the Council’s approach, regrettably (as despite repeated efforts by EDNCp no serious or constructive dialogue has taken place with EDDC), it is that it will be for the Examiner to consider the arguments and evidence put by both sides. No draft of the Viability Study was published, and the final version of the Viability report (dated January 2019 but only published in February 2019) was only made available alongside the Submission version of the DPD which had

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- been finalised and published for approval a few days later by the EDDC Strategic Planning Committee in February 2019.
13. In order to assist the Inspector, EDNCp have prepared a further Update Note of the viability issues and assumptions underpinning the Cranbrook DPD. This has been prepared by Whiteleaf Consulting with inputs from Nigel Jones of Chester Commercial. In order to most assist the Inspector, the latest (January 2020) Note updates information where necessary but in particular, mimics the Council's viability model over not just the Bluehayes development (as previously) but across the 4,170 dwellings and allocations proposed in the DPD.
 14. Again the headline is that the policies in the DPD and the assumptions made in the Cranbrook DPD result in a development that falls a long way short of viability. The latest January 2020 note sets out the reasons for this. The Note is attached as Appendix D highlights the issues of developer rate of return and the calculation of the residual land value (once an appropriate value is assigned to the SANGS land and an appropriate land use budget is adopted). These key points are addressed also in this Statement.
 15. For the sake of the avoidance of repetition, there are a number of other factors and differences however that are set out in the January 2020 update note that need to be considered at the DPD examination. These include:
 - Sales rates (although the Council's trajectory has been adopted in the Whiteleaf model);
 - Base build costs;
 - Professional fees;
 - Finance costs;
 - Marketing and selling costs; and
 - Affordable housing revenue
 16. Before moving on from those issues in this statement I include by way of reference an appeal decision in relation to "The Manor, Shinfield" [APP/X0360/A/12/2179141 dated 8 January 2013 and often cited in relation to viability matters. In relation to professional fees the decision considers that they are normally in the range of 8% to 12% and that 10% seems more realistic (para 41)). In that decision the Inspector also:
 - noted that the parties agreed a debit rate of 7% for finance costs (para 56); and
 - concluded that a developer's profit of 20% of GDV was to be preferred as reasonable, being "at the lower end of the range" (para 44) [the range of 20-25% being the usual targets evidenced from national housebuilders].
 17. The decision is appended to this statement as Appendix E by way of reference. In addition, Appendix I includes a summary and case reference of other decisions concerning relatively small schemes where a 20% developer return has been found to be appropriate. That Cranbrook involves considerable additional scale and complexity only adds to the robustness of a 20% developer return at Cranbrook.
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18. One of the key issues in the viability assessment is the developer's expectations of a development return. The Viability Planning Practice Guidance (para 002) notes that *"it is the responsibility of site promoters to engage in plan making, take account of any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant"*. This is exactly what EDNCp have sought to do throughout since the Council's policies and viability work were published. Since this was unsuccessful, this is exactly what EDNCp is seeking to do through the Cranbrook DPD examination. The issue remains that EDNCp's attempts to participate have yet to achieve the outcome in sought in the PPG – ie proposals for development that are policy compliant. The DPD has been rushed out on the basis of viability assessment that was produced at the last minute and with little or no real engagement.
 19. The context for the discussion with regard to the rate of return is that the Council has had to place an expectation on developers that they will only receive a 17.5% return on development value for market housing and only 6% of affordable housing costs (not revenue). EDNCp consider that a minimum developer's return of 20% is required on market housing and 6% of development value on affordable housing.
 20. The expectation of a 17.5% rate of return is wholly inconsistent with the all available evidence and precedent. Equally it fails to reflect that Cranbrook is a town development project not a simple housing development. There are complex development, infrastructure and sustainability requirements and the developer return must reflect this.
 21. The East Devon Viability Study 2013 (see attached Appendix F) considers Cranbrook as a strategic development site in section 7.4. Prepared by Peter Brett and Three Dragons, and adopted by the Council, the report says that the main testing should be based on a 20% return. It also includes a sensitivity test to allow for a 22.5% rate of developer return – presumably since 20% would have been at the lower end of expectations. Inspector Thickett, in writing to the Council on 24 April 2014, noted that *"I am satisfied that the assumed rate of return[of 20%] is reasonable and supported by appropriate evidence"* (Appendix G).
 22. Equally, the latest (2019) Viability Study prepared for EDDC to support the Draft Charging schedule adopts and tests some 13 case studies/development typologies varying from a small site with no affordable housing to the expansion of Cranbrook. They do so in different areas of the District.
 23. Bizarrely whilst a 17.5% developers return is assumed for the most costly, complex and long term development in one of the least valuable areas of the district (Cranbrook):
 - a 20% return, plus a buffer, is employed in the Viability Study for the smallest and simplest residential scenarios; and
 - a 20% return is employed in the Viability Study for the high value areas of the district at Sidmouth and Budleigh Salterton – when setting CIL rates (see Appendix H of the Viability Study).
 24. Having had to reduce the rate of return at Cranbrook to 17.5% (to try and make the viability model work rather than to reflect evidence) the latest viability study also appears to include little or no buffer compared with sites where there a positive CIL rate is set.

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25. Please refer to paragraphs 5.37 to 5.59 of the April 2019 Evidence Paper submitted by EDNCp as part of its Regulation 19 representations for a more detailed explanation of why it is wholly inappropriate to arbitrarily reduce the expected developer rate of return.
 26. The only rationale offered to reduce the return from the 20% employed everywhere else in the District, and indeed in the previous Viability Testing report that supported the previous CIL schedule (where 20% was employed at Cranbrook) is offered by Three Dragons in para 6.4.3 of the Viability Study: *“As noted in section 2, PPG suggests a range of 15%-20% developer return. Given that the initial development at Cranbrook is now well under way it is justifiable to assume that the overall level of risk is reduced and therefore the developer return need not be at the top of the range suggested by PPG”*.
 27. This is a wholly inappropriate interpretation of the PPG guidance implying that the 15-20% range is applicable to any site. That however is not its intent - The range is to reflect the range of sites - small and simple to large and complex.
 28. Equally national planning guidance acknowledges that plan makers should adopt appropriate figures “according to the type, scale and risk profile of planned development” (NPPG Reference ID: 18-002-20180724), not pick an average.
 29. Para 2.1.18 - 21 of the EDDC Viability Study draws attention to the publication “Viability Testing Local Plans - Advice for Practitioners” highlighting its role as guidance and its endorsement by MHCLG; LGA; PINS and POS.
 30. That guidance is helpful in relation to developers return noting in particular that: *“the required developer return varies with the risk associated with a given development and the level of capital employed” (Viability Testing Local Plans – Advice for Planning Practitioners, June 2012 page 36)*.
 31. In practice therefore:
 - *“Smaller scale, urban infill sites will generally be regarded as lower risk investments when compared with complex urban regeneration schemes or large scale urban extensions” (Viability Testing Local Plans – Advice for Planning Practitioners, June 2012 page 36)*.
 - *“Schemes with high upfront capital costs generally require a higher gross margin in order to improve the return on capital employed”. (Viability Testing Local Plans – Advice for Planning Practitioners, June 2012 page 37)*.
 32. The principal factors contributing to risk include: value, costs, delay, financing.
 33. Viability Testing Local Plans - Advice for Practitioners – sets out the relationship between risk and value (as well as other factors) as follows: *“project risk is a function of the strength of the housing market within the given area, the size of the scheme and the extent of any abnormal and unpredictable costs such as remediation or new technologies” (page 45)*. So, project risks and required rate of return are lower in high value areas. Devon is not a high value area and, within East Devon, Cranbrook and the edge of Exeter are accepted as lower value areas – with lower CIL rates adopted as a result in the current CIL schedule. Cranbrook offers values lower than Exeter also.

Value profile of Exeter area compared with England and with the higher value South East



34. As to costs, reference is made above to the comparison between the infrastructure/section 106 costs for the expansion areas as envisaged in the DPD (some £28,300 per dwelling) and those in the existing 3500 permission (£10,900 per dwelling excluding in the later case CHP (which was significantly funded with external support)).
35. The potential costs of development have therefore grown very substantially since the current phase of development increasing the risks to the developers and increasing the rate of return that is likely to be required to secure necessary borrowing.
36. There is also significant additional uncertainty and risk relating to the costs of development at this point in time – not least the effect of exiting the European Union on Build Costs.
37. There is less prospect of grant or loan funding now than was known about at the time of the commencement of Cranbrook - in particular the up front Kick Start funding that was made available to support the early phases of development. The developer risk grows accordingly. There is little comfort from the District Council that funding support may be replicated.
38. That the upfront costs and risks are undiminished is further emphasised by the fact that three of the expansion areas have been the subject of comprehensive outline planning applications since December 2014 (Treasbeare, Bluehayes and The Cobdens). The DPD has added substantial delay and cost and there is still no certainty when the applications will be determined. . The extended timescales and lack of certainty plus the promotion and pre development costs therefore remain extensive in connection with the expansion areas. Land for some of the expansion areas has been tied up for 10 or more years – with the costs of promotion disproportionately high as a result.
39. Similarly, the implementation period post commencement is undiminished. If anything the absence of Kick Start funding may result in more extended implementation period. Implementation over extended periods inevitably exposes developers to extra risk - changes in market, changes in costs, changes in regulatory environment etc etc. None of these risks are reduced in the case of the expansion areas compared to the first phase of Cranbrook now being implemented.
40. One issue raised in the Update Note attached as Appendix D, is that of cash flow. Whilst we have yet to be able to examine the cash flow forecasts adopted in the Council's Three Dragons

model (despite requests for more detailed information) we understand that these will be based on the highly optimistic development profile set out in Table 6.5 of the 2019 Viability Study. Whilst necessarily high level Whiteleaf Consulting in its updated report (Appendix D to this statement) reveals that the expansion areas may not turn cash positive. This has a dramatic effect on risk and the required rate of return.

41. For all of the reasons above it appears to be no basis whatsoever to adopt a reduced 17.5% developer return in the Viability Study.
42. Other matters in relation to viability are set out in the attached appendices or in response to other questions raised by the Inspector.
43. Finally, by way of context, the most recent independent consideration given to viability at Cranbrook was in the context of the present adopted CIL Charging Schedule. Mr Thickett's Report of the Examination of the Draft CIL Charging Schedule is attached as Appendix H to this statement for reference. By way of comparison Mr Thickett noted in para 15 that the then assumed section 106/infrastructure costs was £3,879.50 per dwelling, and that the proposed £125 per sq metre rate could not be supported in the expansion areas. Instead, allowing for an appropriate buffer, a rate of £68 per sq metre was proposed and adopted. Assuming an average GIA per dwelling of 95sq metres (as assumed in the latest Three Dragons viability study) then the collective obligation then considered appropriate was £6,460 per dwelling (95sq m x £68 per sq. metre) per dwelling of CIL plus £3,879 of section 106 = £10,339 per dwelling. – dramatically below that now proposed.

Q167. Should Travel Planning be listed as critical rather than important in relation to the priority attributed to it? How would this impact on the viability of its delivery?

44. EDNCp has not commented specifically on the prioritisation of any item – travel planning or the upgrading of London Road. As a generality both important and critical requirements in the IDP are treated as a S106 cost in the Viability Appraisal in support of the Cranbrook DPD. Therefore, the treatment as critical or important is irrelevant to the Council's stance.
45. It is our view that greater rather than less distinction should be drawn between those infrastructure elements regarded as critical and those that are considered important or indeed desirable and considerably greater scrutiny should be applied to the planning obligation tests.
46. Again by way of reference, EDNCp note that the previous 2015 IDP ranked infrastructure across the district in the same manner but with just £44.8m critical, £167.4 necessary and £30.9 as desirable (para 6, Appendix G). The Cranbrook IDP disproportionately determines that virtually all infrastructure is critical.

Q168. Should the upgrading of London Road be critical given its linkage to Policy CB25?

47. See above.

Q172. What is the risk associated with a blended benchmarking rate regarding delivery of infrastructure serving Cranbrook?

48. It gives a false assessment of affordability as it treats SANGS as a low cost element providing for additional available monies to pay for infrastructure when in reality this would be needed to purchase the SANGS land.

Q169. How is the Section 106 allowance of £16,828 per plot arrived at? Does it reflect the actual cost of contributions?

49. The calculation of £16,828 appears to be the simple division of the £70.17m estimated section 106 costs set out in Table 6.4 of the CIL Viability study by 4170 dwellings.

50. The figure does not reflect the total infrastructure costs as set out as £113m in the Cranbrook IDP. The estimate therefore seeks to describe elements of this bill as development costs. The figure therefore gives a false impression of the full obligations required for the Cranbrook expansion areas.

51. In terms of actual costs, these may vary subsequently as they are estimated only at this stage with widely varying degrees of accuracy. The list is also not described as exclusive and may be subject to additional costs. For instance, the NHS in a consultation response on the latest Bluehayes application seeks a contribution of the order of £1m (broadly £4m for Cranbrook as a whole).

Q170. Is a breakdown of disaggregated assumed abnormal costs available and how has it featured in the costs per dwelling figure?

52. Within the DPD Viability the abnormal development costs are stated as £210,529,283 or £52,632 per unit (plus £76m for section 106 costs). Some work has been undertaken in understanding these costs although further information has been requested from EDDC. It is understood these are derived from the Council's Masterplan and benchmarked against other developments. However, such costs can never be fully understood until further detailed master planning and site investigation has been undertaken at application stage. Such uncertainty adds to the development risk associated with such a large strategic project.

Q171. What is the justification for deviation from the same benchmark rate across the development (eg SANGS).

53. This is a question directed primarily towards the Council and is a key issue within the DPD Viability Assessment.

54. The EDDC Viability Assessment has assumed SANGS land can be purchased at normal agricultural land values (£25,000 per hectare). This is not a logical assumption for all of the reasons set out in the EDNCp Viability Evidence Paper (23 April 2019) submitted with EDNCp's Regulation 19 representations.

55. In the spirit of minimising the repetition of evidence and the length of additional statements - reference should be made to paragraphs 5.12- 5.18. There is no reason to assume a £25,000 per hectare value for the SANG land and to artificially deflate the benchmark rate to £205,000 per hectare. Primarily the DPD dictates where the SANGS land should go (generally within the same land ownerships and contracts as the development land) reducing the chance of the developer negotiating release of other land at a lower cost. The release of the land releases residential land values and enhances the value accordingly.

56. There is a high risk to deliverability due to having a falsely low benchmark value (especially when coupled with other issues with the Viability Assessments). The risk here is that in using a low benchmark value, the resultant developments are not viable, impacting on their ability on infrastructure delivery.

Q173. What evidence is there to support the land values used in the assessment?

57. The use of £300k pgha is not objected to. What is not supported is reducing to a blended reduced value by assuming SANGS land would be available to a developer at normal agricultural values. See points made at Q172.

Q174. What evidence is there to support the index used for the assessment? Does it reflect current costs or inflation over the interim period?

58. No comment.

Q175. Does the GDV used by Three Dragons follow market norms?

59. The revenues for market housing used by Three Dragons in their Model are not contested. However the values it should be treated with some caution given that the market is changeable at this moment in time and that we have the issue of space standards to conform to, which could dilute revenues.

60. Equally the ability to deliver the housing units within specific development areas is questionable. For example, at Bluehayes the net acreage available for housing development is less than that assumed in the DPD Viability Assessment. This means that the density has to increase to above market norm or the number of units has to decrease. Both have an impact on the GDV either by a high-density development providing lower revenue units or by decreasing the number of units. Please refer to para 5.19 to 5.36 of EDNCp Viability Evidence Paper (23 April 2019) submitted with EDNCp's Regulation 19 representations.

Q176. Has any sensitivity testing been undertaken in respect of the figures used in the housing trajectory?

61. This matter can have a significant impact on the viability as it determines how quickly a developer pays back the upfront costs associated with the development and thus what finance costs need to be accounted for. It is not apparent that additional sensitivity testing of a more realistic housing trajectory has been undertaken by EDDC.

62. In Appendix D Whiteleaf Consulting in its updated report reveals that the expansion areas may not turn cash positive. This has a dramatic effect on risk and the required rate of return.

Q177. How does the plan adequately acknowledge the value of residential development land lost to infrastructure?

63. The Plan significantly underestimates the amount of land required for infrastructure. In addition it significantly underestimates the amount of land that will form the master plans for each expansion area. No detail is available in DPD documentation other than a theoretical land use budget. No account is taken of site topography, features, place making etc. The theoretical land use budget is potentially some 40 hectares less than the land that is allocated and could come forward for development through detailed master planning work.

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64. The effect is again to artificially depress the calculated residual land value as well as potentially impacting on density and hence revenues.

Q178. What justification is there for the trajectory of housing delivery at Cranbrook in comparison to the actual delivery of units since 2011?

65. Housebuilding commenced at Cranbrook in May 2012 with first completions in September of that year. The Council's most recent Housing Monitoring Report estimates that 2004 dwellings were completed by 31 March 2019. On average therefore completion rates between September 2012 and April 2019 have been some 308 per annum, albeit higher initially when supported by Kick Start funding. More recently development rates have dropped as a result of market changes and delay in securing detailed approvals.
66. While it is possible that the completion rates may increase from these figures with the construction of the four expansion areas simultaneously a substantial increase in build rates to 585 is unrealistic. Similarly, the estimates of first completions in 2020/21 and 2021/22 are optimistic.

Q179. To what extent does the higher projection affect the delivery of the overall volume of housing at Cranbrook in relation to housing delivery.

67. Housing delivery is market driven. If the market is stagnated then delivery is stagnated. Simply applying a higher delivery in a Viability Assessment will not ensure such a delivery can be met by the market. It will provide for an unrealistic Viability Assessment especially when coupled with other concerns on the DPD Viability Assessment.

AQ21. Are any Main Modifications proposed in relation to Issue 21?

68. It is for the Council to propose Main Modifications.

69. For the DPD to be viable it continues to be necessary to:

- reduce the expectations placed on the development in respect of affordable housing and other costs; and/or
- reduce the expectations placed on the development in terms of infrastructure delivery and section 106 obligations.

70. To assist the Inspector the work completed by Whiteleaf and Partners suggests that on the basis of their evidenced assumptions in Appendix E then to ensure a viable development then the affordable housing contribution would need to be reduced to 10% AND a substantial proportion of the development costs/section 106 expectations would be unaffordable (potentially some £60m of the £113m spelt out in the Cranbrook IDP). This would need to be coupled with other more realistic assumptions relating to other inputs into the development model.

71. As set out above after your careful consideration of the evidence in relation to viability, we would urge you to require EDDC to constructive negotiate with EDNCp and other objectors (as appropriate), to achieve a cost saving of some £60m from the proposed infrastructure/section 106 costs and to amend the Plan/IDP accordingly – rather than rush to the unhelpful adoption of the DPD. If, upon consideration, you consider that the savings required are a different figure – then please set out your expectations of necessary cost savings. This is critical if delivery of Cranbrook and housing in East Devon is not to be undermined.

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72. As indicated in the PPG a balance needs to be struck. The DPD seeks to achieve all possible outcomes in terms of Healthy new towns, Zero carbon, GI, custom built housing; Design Codes; digital connectivity; new railway infrastructure; ultra low emission charging and so on and so on. The anticipated extremely large section 106 contributions and the 15% affordable housing policy expectation are therefore unaffordable.
73. EDNCp have hitherto suggested scenarios to close the gap between the demonstrable residual values and the benchmark values. Consideration needs to be given to:
- a. A reduction in the affordable housing expectation to 5% or 10%;
 - b. An amendment in the affordable housing tenure mix;
 - c. A reduction in the proportion of an infrastructure cost that is anticipated to be attributable to Cranbrook expansion
 - d. The removal, or postponement until funding is secured from third parties, of a number of infrastructure savings.
74. It is likely that more than one of the above options will be necessary.
75. With regard to potential savings in the infrastructure/section 106 obligation expectation, a number of factors should be considered including:
- a. The lack of soundness evident in a number of the policy aspirations of the Plan (see EDNCp representations on a number of DPD policies – often the result of a failure to be consistent with national policy);
 - b. The cost effectiveness of infrastructure expectations - for instance:
 - a cost of £8million to help deliver public transport – the benefits of which are not demonstrated and which in any event are claimed only in relation to the very final phases of development;
 - a collective and overlapping cost (£27million) of Combined Heat and Power PLUS carbon reduction measures;
 - c. the ability to deliver elements sought – e.g. the feasibility and practicality of delivering the Health and Wellbeing Centre when the constituent parts are increasingly looking to different delivery models;
 - d. those elements of the package that need not be funded by the development but that are more effectively and more likely delivered by the private sector – for instance extra care housing (£3.5m), the retail asset endowment.
76. Equally it is apparent that there is no detailed costing for a number of elements of the IDP or that this is an exhaustive list. It remains high level and detailed viability testing is likely to be necessary at the application stage to reflect – revised costs, detailed masterplanning, the availability of their party funding etc.
77. That further viability assessment is likely to be necessary given the uncertainty and inaccuracy presently attached to the evidence base should be made explicit in the Inspectors report.

SCHEDULE OF APPENDICES

APPENDIX A: REPRESENTATIONS ON THE CRANBROOK PLAN – EVIDENCE PAPER VIABILITY ISSUES Update Note (4 July 2019)

APPENDIX B: CORRESPONDENCE TO EDDC PRIOR TO SUBMISSION OF DPD (Both Letters sent to all Members of Strategic Planning Committee and officers)

APPENDIX C: RESPONSE RECEIVED FROM EDDC

APPENDIX D: Cranbrook Expansion Viability Issues: Executive Summary and Conclusions, January 2020, Whiteleaf Consulting

APPENDIX E: APPEAL DECISION, The Manor Shinfield (APP/X0360/A/12/2179141)

APPENDIX F: EAST DEVON VIABILITY STUDY, 2013.

APPENDIX G: Letter from Mr Thickett to EDDC 24 April 2014

APPENDIX H: REPORT OF EXAMINATION OF DRAFT CIL CHARGING SCHEDULE, 15 January 2016

APPENDIX I: APPEAL DECISIONS REGARDING DEVELOPER RETURN (Tetlow King)