

Examination of The Cranbrook Local Plan**Inspector:** Janet Wilson BA(Hons) BTP MRTPI DMS**Programme Officer:** Ian Kemp

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25 February 2020**To East Devon District Council**

Dear Mr Brown

Cranbrook Local Plan Examination

Following my [statement](#) made to the examination session on 12 February 2020 the intended session on viability was postponed. This responded to the request made by the Council to delay the viability session to enable you to carry out additional work. I emphasise that neither the statement nor this letter gives any indication as to my position regarding the soundness of the Plan as a whole, as this is a matter on which I will deliberate once I have completed the hearing sessions.

The purpose of this letter is twofold: a) to outline the points of clarification I am seeking in relation to the viability work, in order that I can determine whether or not the plan as a whole is sound; and, b) to set out the next steps for the Examination. It is also important that participants are made aware of the points on which I am seeking clarification and for this purpose this letter will be published on the examination website. The content of this list will not preclude additional questions from being raised on any existing or additional material at a further examination session. Additional or alternative questions may also be necessary on any new information after I have received feedback from the participants.

The Council should seek to clarify the matters identified in Annexe A to this letter which have arisen from Regulation 19 responses, hearing statements or in response to my Matters, Issues and Questions and on which I require further information.

Whilst recognising that the IDP is an evolving document I am mindful that it is specifically referred to within policies and supports the rationale of the Council for the delivery of key items of infrastructure across the four expansion areas. In order to provide as much clarity as possible for landowners and developers it

would be helpful to be clear about the input values used in the assessment and their provenance.

I would also ask the Council to respond directly on the matter of the Three Dragons model and the comments of a number of the parties in relation to paragraph 57 of the Framework which states that “*..All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available*”. Whilst the final assessment has been published the methodology and calculations supporting the conclusion were not. The examination heard evidence from parties who advance an argument that by not sharing this information openly it conflicts with guidance in both the Framework and the PPG, as it does not enable the calculations to be fully understood or tested. The Council’s response on this is requested.

Developers referred to the worked example given at appendix 1 to the IDP where the methodology to arrive at the cost per dwelling has been set out. It was requested that the Council set out a worked example for each of the four expansion areas. It would be helpful if worked examples for all four areas could be made available to inform viability considerations.

I referred in my statement to the need for a timeline to be drawn up to enable a realistic but reasonable timetable to be put together for hearings to continue. I would suggest the following approach:

- Step 1 For the Council to revisit the viability assessment in the light of the Scott schedule output including mediation, if appropriate, and as part of that work, clarify the above points.
- Step 2 For the Councils’ revised assessment to be published for examination participants to comment on for a period of 3 weeks.
- Step 3 Having reviewed the representations received, I will convene the postponed hearing session to cover viability. I will issue a detailed agenda for this session which will incorporate any questions still relevant from my Matters, Issues and Questions together with additional questions arising from the revised Viability Assessment, the Council’s clarification on the points raised above and representations from participants. It may be necessary for a further general session to be held to deal with any matters arising from this additional work. I will also give consideration as to whether a session is required to go through the main modifications suggested by the Council.

Please note that consultation on the additional work should be invited from all participants who made representations at the Regulation 19 stage.

I would hope that the timetabled steps 1 and 2 which will be for the Council to provide detailed timings would take no longer than 2 to 3 months to conclude with the hearings taking place as soon thereafter as can be timetabled but I will await the Council’s further comments on anticipated timescales.

The Council will also be aware that the matter of site allocations to provide for Gypsy and Traveller pitches remains outstanding pending additional information from the Council on the assessment of previously discounted alternative sites

and to update the Sustainability Appraisal in this regard. As discussed at the examination, parties will be afforded the opportunity to comment on the rationale for the exclusion of alternative sites and on the revisions to the SA. It is important to note that this will be a focused exercise and it will be necessary to publish this for comment ideally at the same time as the viability update in order that the reconvened sessions can be held around the same time. The additional information will be open to comment by individuals or groups who have previously made regulation 19 comments. (you are reminded that formal consultation on changes to the SA will also have to take place at any Main Modifications stage of the plan)

Please let me know how you wish to proceed regarding timings at your earliest convenience. If you have any questions on the contents of this letter in the meantime, please let me know via the Programme Officer.

Yours sincerely

Janet Wilson

INSPECTOR

Annexe A

The Council is requested to: -

1. Undertake the work that was indicated to be necessary in order to address the areas of fundamental concern referred to in the request to postpone the viability session.
2. Ensure that there is clarity on the input figures utilised in the viability appraisal with specific reference to Land Values (and methods used to calculate them).
3. Clarify what the Council consider to be the appropriate benchmark land value for:-
 - a. residential land.
 - b. employment land
 - c. self-build land.
 - d. non-residential land which will be the subject of other built form
 - e. SANG land provided directly by a developer within their own allocation.
 - f. SANG land provided to mitigate the impact of development by others where they are unable to provide their own (if different to e)
 - g. formal playing pitch land.
 - h. the allocated sites for gypsy and traveller provision.
 - i. safeguarded land for the second railway station and the energy use.
4. Provide clarity on the precise land area(s) to be used as the "developable area" and the evidence which supports any revised figure.
5. Explain in detail why a profit level of 17.5% is justified; and why this differs from the profit level referred to in the East Devon Local Plan.

6. Explain what profit levels should be applied to affordable homes revenue and why. (if different to the above)
7. Evidence any work which has been undertaken to establish and verify the Gross Development Value.
8. Show how market sales incentives have been factored into the assessment of GDV.
9. Highlight the evidence which supports the use of an average GDV for affordable housing.
10. Clarify why the BCIS standard data has been adjusted in the Councils viability assessment and the date of the BCIS data used. It has been argued in representations that this does not reflect industry norms when assessing viability.
11. Ensure that there is clarity on all the Infrastructure Delivery Plan entries so that the breakdown of individual costings is clear and the evidence to justify them is transparent and easily understood.
12. Explain the Councils justification for all the IDP costings to be equalised in the context of the tests required for their inclusion into a Section 106 agreement.
13. Identify the date the costing for the undergrounding of pylons on the Cobden's and Grange areas were established. Given reference was made to updated costs, are updated costs available? If they differ from those in the IDP please identify what the reason for variation is and provide details.
14. Provide clarity on the Council's intentions regarding the annual update of the IDP and the process to be utilised to achieve this. (including how external parties will be engaged in this process given the importance of the content to the commercial plans of any of the four expansion areas).
15. Clarify the justification for maintenance payments for SANG land - the examination hearing heard from one developer that a parish precept should be utilised for ongoing maintenance rather than a developer funded maintenance programme. Could the Council clarify its position on this point please?