

Date: 12 June 2020
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Our ref: Cranbrook Plan - DPD



Examination participants

Dear Participants

Cranbrook DPD examination – next steps

We write to provide a further update on progress of the Cranbrook Plan examination following our letter to the Inspector on the 12th May and the response from Mrs Wilson on 29th May 2020. These letters are available on the Council's website at: <https://eastdevon.gov.uk/planning/planning-policy/cranbrook-plan/cranbrook-plan-examination/> and can be found under references PSD 17 and 18. This update focusses on the timetable for the next steps and highlights some of the changes that we will be making in revisiting our viability work in the coming weeks.

Timetable

Having already completed our revised land budget work as set out within our letter of the 12th May, we are now well placed to press ahead at pace with the revised cost plan and viability appraisal. We currently estimate that this will take 6 weeks to complete.

The Inspector has asked to have time to review this work once complete and to consider whether she wishes to ask additional questions and/or request further hearing statements in advance of the viability session of the examination taking place.

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Taking the above into consideration we are aiming to consult on the updated information in late August and early September. If consultation does take place over the school holidays/bank holiday, additional consultation time will be allowed, but the need for this will become clearer when the start date for consultation is known.

Changes to viability appraisal

Within the Scott schedule published as PSD8 for the examination, 8 key areas of concern were outlined by interested parties. These are set out below:

1. Valuation of SANGS land
2. Level of appropriate developers' Profit
3. Calculation of profit on affordable homes revenue or costs
4. Treatment of interest on the cost of land purchase
5. Gross land area
6. Marketing costs and sales incentives
7. Whether appropriate servicing costs for employment land are included
8. Profit on employment land

In addition the letter from the Inspector on the 25th February (PSD 16) identified 15 questions that she wished to be addressed. These will be addressed in full within a written statement that will accompany the consultation later this year.

Recognising both the 8 areas of disagreement within the Scott schedule and the 15 questions raised by the Inspector, the Council and its consultants will continue to reflect on a number of these while preparing the updated viability appraisal. However for clarity it is possible to set out at this stage some of the changes that we are making.

Gross Land Area (Item 5 Scott schedule / Q1 & 4 of the Inspectors letter)

Previously set out at 227.94ha, this has now been revised to stand at 277ha. It recognises in full all land required to deliver the Plan and is derived from the masterplan, itself forming an evidence document for the plan. Other than the table set out in chapter 5 of the masterplan which has necessarily been updated, the masterplan otherwise remains unchanged.

In addition, evidence will show how this gross land area is split between net developable and residual land and the definition used to determine this.

Base date of appraisal (Item 1 Scott schedule)

Recognising both one of the criticisms at the examination and the subsequent time that has elapsed we are updating the appraisal in full to a new base date of 1Q 2020. This will allow consideration of the appraisal against the most up to date stable economic period – appreciating that any current flux will be temporary and the plan period extends for more than 10 years which is longer than a normal economic cycle in any event.

Housing Trajectory (Item 53 Scott schedule)

In updating the viability appraisal and in assessing what work we are required to do, we have also checked the housing trajectory that was previously set out. Given the slippage in timescales for the preparation of the DPD, and the additional time lost from the current postponement of the examination as well as the need to set a new base date for the appraisal, it is considered appropriate that we revisit the housing trajectory. This ensures that it is robust and realistic. As a result it stretches housing delivery by a further 2 years and means that we will also be seeking a main modification to extend the plan period by 2 years to 2033. This change is not one that we suggest lightly but consider it better to be realistic rather than overly optimistic given how time has passed.

This change has two consequences.

- i. To take the plan period to 15 years; While this still does not provide for a full 15 years from adoption as advocated by national planning policy it continues to provide for the housing identified within the East Devon Local Plan in the shortest available, whilst most realistic time.
 - ii. Implications for the East Devon Local Plan and its housing delivery. Currently East Devon continues to show a robust housing land supply position in excess of 5 years. Due to housing delivery elsewhere in the district it is not expected that the change to Cranbrook delivery will cause a deficit at the end of the plan period. However this can be picked up in more detail during the Local Plan review.
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The documents being amended and changes discussed in this letter will be published together as part of the additional round of consultation. They are not yet available on the Cranbrook Plan web pages.

We trust that this update is of assistance in setting out the Council's next steps and the headlines of the changes that we are proposing to make

Yours sincerely

A handwritten signature in black ink, appearing to read 'J Brown', with a horizontal line underneath the name.

James Brown
New Community Officer - Cranbrook