

## East Devon DC Email to Programme Officer re Inspector's Post Hearing Note 21<sup>st</sup> January 2021

Please pass on our thanks to the Inspector for this detailed letter which sets out the next set of work that the Council need to complete. Over the next few days we will put together an internal work programme that ensures that we cover all the areas that must be addressed. This will also involve liaising with our consultant team to understand their timescales and availability. As indicated at the examination we are happy to seek further stakeholder engagement and will factor this into the timescales that we look to set out and which we will endeavour to share with the Inspector over the next week or so.

Your covering email yesterday offered the opportunity to raise any points of clarification that we need and from our initial reading we set these out below:

1. Paragraph 14. Is very clear about the need for a rationalised IDP and identification of costs associated with specific expansion areas but it also introduces as an example, the costs associated with mineral rights at CB3 and the impact that these have on viability.

Question - Can the Inspector clarify if she is advocating that the cost of mineral rights are considered within the viability appraisal or simply be using this as an example of what not to include within the IDP and derived planning obligations? The issue has not been subject of much debate within the examination and resulting from restrictive covenants we would normally expect this to come off the land value.

2. Paragraph 34 should refer to the Council currently using a 6% contractor return not developer return
3. Paragraph 35 discusses base build costs and identifies the use of lower and median quartile figures within the Councils revised appraisal. However PSD21A/PSD21B only uses lower quartile figures for the 4,000 general housing units based on the advice of the cost consultant (see PSD21B Appendix 8 P12 of 42 and the Appendix A to that WWA report with the BCIS extract).

Q. Can the Inspector clarify whether this paragraph should be addressing potential testing between "Lower and Median" quartiles and not "Median and higher" as most of the discussion at examination focussed on the lower – median range. Also would it be possible to clarify what is meant by "higher levels can be justified" as noted in the final sentence of this paragraph?

Q. Also can the Inspector clarify if she expects testing to be undertaken in respect of different base build costs as although this is referenced in this paragraph it appears to be excluded from the actions set out in paragraph 67(e).

4. Paragraph 38 seeks for the Council to clarify the use of 3% (compared to the suggested industry norm of 5%) applied to affordable housing, gypsy and traveller sites and employment. However our application of 3% has been against all typologies except affordable housing. Within PSD21A the sales and marketing costs are not applied to the affordable housing in the same way as open market housing, as these units are pre-sold to housing associations. For these units a smaller amount of £500/unit has been applied to cover the legal costs (PSD21B Appendix 5 line 45 on page 58).

Q. Can the Inspector clarify the inclusion of affordable housing within this paragraph and also assist us in indicating where the 5% has been set out within participants evidence as an industry norm.

5. Paragraph 45 addresses the potential equalisation of the pylons

Question – Can the Inspector confirm that there should be a “not” in the last line of this paragraph in the context of equalisation across all four expansion areas.

6. Paragraph 55 considers retail endowment. We think that this has been variously termed by different participants which has caused some confusion but we believe that participants were targeting item 33 of infrastructure schedule as opposed to the SANGS endowment (item 59). Unless otherwise directed we will check the policy basis for this entry (item 33) and its importance within the rationalisation of the IDP work. However the Council do seek clarification on the final sentence of this paragraph.

Question - Can the Inspector clarify that the last sentence ending “not being policy requirements” refers to the issue of retail endowment and not SANG endowment. We believe this point of clarification is important as the future maintenance of SANGS for the in-perpetuity period is a policy requirement and while we have not been suggesting that the endowment model is the only means to secure maintenance it is the most cost effective means of securing this and can be further addressed if necessary.

7. Paragraph 67 addresses the next steps and at point ‘e’ refers back to paragraphs 21 – 33

Question - Can the Inspector clarify if this should refer to paras 31-33 in the context of varying developer returns and whether there are other scenarios that need to be tested.

8. Equalisation – There is discussion within the letter about the need to decouple the IDP and Development Plan which is understood. However can the Inspector clarify whether the principle of equalisation could be supported if the Council are successful in reframing the relevant policies CB2 – CB6 inclusive.

We hope that the above questions are precise but if the Inspector is unclear as to the nature or reason for our queries we are happy to assist in any way we can. If it is at all possible we would very much like as many of these questions to be addressed before the letter is published as we think that this would help to avoid potential confusion in the future. We will of course however be guided by yourself and the Inspector as to when and how the examination webpages are to be updated.

Yours sincerely

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