

Mr I Kemp  
Programme Officer  
PO Box 241  
Droitwich  
WR9 1DW  
**BY EMAIL ONLY**

Our ref: 7348

**13 August 2021**

Dear Mr. Kemp

**The Cranbrook Plan: Examination  
Response to Viability Information (July/August 2021)**

On behalf of Cranbrook LVA LLP (respondent no. 145) I write in response to the latest round of viability information that has been presented as part of The Cranbrook Plan Examination. Thank you for providing the opportunity to comment. Please read this letter in conjunction with the attached submission provided by Sturt and Co - Viability Advisors to Cranbrook LVA.

**General comments on PSD34 – EDDC Letter to Inspector**

**i) EEDC Letter and ongoing work on Viability**

It seems apparent that the Council's position on viability is not yet at a fixed position. It is therefore difficult to comment with certainty on certain aspects of the work undertaken.

For example the papers make reference to the creation a Revolving Infrastructure Fund and a Cranbrook Local Infrastructure Fund but there does not appear to be any definitive commitment to delivery at this stage.

In July 2021, East Devon District Council's Strategic Planning Committee papers proposed that the Council should look to borrow up to £40m from the Public Works Loan Board to allow the Cranbrook Local Infrastructure Fund to be agreed – the draft minutes of this meeting suggest that members tentatively agreed with this recommendation, however a further report will need to be taken to Cabinet (we assume in September or October) – so there is still uncertainty on whether this will be agreed and brought forward.

**ii) Affordable Housing Thresholds**

There is also reference to a reduced Affordable Housing (AH) threshold within the Plan. It appears that a concession can be offered that will reduce the requirement for 15% on-site AH to a new 10% threshold. Reference is also made to the potential to make "...a further £4million IDP saving." However, at the same time EDDC also seem to indicate they are happy with their position on viability and these changes are



not necessary to make the plan sound. They also support the introduction of a Viability Review Mechanism so that viability issues should be reviewed periodically.

As pointed out by the Inspector, the NPPF states that the plan needs to be viable now, therefore would encourage the LPA to do all they can to improve viability situation with the Cranbrook Plan. Given the doubts that exist we would suggest that the LPA should lower the A/H threshold to 10% to avoid further uncertainty. This is especially critical given the inability of the Council to agree the appropriate S106/IDP package.

Whilst the theory behind the introduction of a Viability Review Mechanism is understood, this is not an approach that our client (as landowner and promoter of the Farlands Site) would support. They understandably fear that it would present uncertainty for those purchasing the site who will want assurances on land values. There are concerns that such an approach could undermine delivery with developers being reluctant to be at the behest of the LPA where the viability position could potentially change year on year. This creates risk.

### iii) Additional £4m saving

The Inspector's letter to the LPA asked for clarification as to what the 'further £4million of IDP savings' refers to (in EDDC's Paragraph 3 of PSD34) and what concession would be made to achieve it. The LPA have provided the table below in response to where these savings could be made. We would ask the LPA to consider whether the build specification or streams of external funding for both the Health and Wellbeing Centre and Fire Station could be further revised to enhance viability.

Item	IDP No.	Current CEA Value	Potential CEA Value	Potential Saving	Impact
Health and Wellbeing	41	£7,000,000	£6,250,000	<b>£750,000</b>	An increase in the residual gap meaning that the spec would need to be reduced or greater external funding secured
Fire Station (Blue light facility)	37	£1,400,000	£850,000	<b>£550,000</b>	An increase in external funding would need to be secured
Sustainable Transport	49	£6,378,000	£3,998,000	<b>£2,380,000</b>	PSD 26 <sup>1</sup> shows the breakdown of the original request. The retained budget would still allow an increase in bus services to 15 minutes. The remaining residual budget would be used to provide some of the evening, weekend and 10 minute services originally sought but this would be less comprehensive than proposed
1x Adult Football pitch (from Treasbeare hub)	22 & 24	£849,880 (Pitches) £2,808,000 (land)	£749,880 £2,586,000	<b>£100,000</b> <b>£222,000</b>	Since the SLRC report <sup>2</sup> was prepared and due to the clarified status of the AGP which was associated with Cranbrook Phase 1, this reduction in pitch provision would maintain a policy compliant land take provision when assessed against Strategy 43 of the Local Plan
<b>Total</b>				<b>£4,000,000</b>	

At this stage we would ask whether further savings could be made over and above those set out. For example, could the proposed Leisure Centre be included within this list?



#### iv. Land Values

EDDC maintains their position that £25,000 per hectare for SANGS land is appropriate – this value was agreed by the Inspector in her interim letter, and we fully support this position.

#### **PSD 35 - INFRASTRUCTURE DELIVERY PLAN JUNE 2021**

##### **Observation on IDP costs**

The suggested savings which the LPA are making from the IDP along with their restructured equalisation approach to infrastructure into 4 categories is noted. The work undertaken seeks to clarify those categories that require cash contributions, those that must be delivered on site and those which are appropriate for equalisation.

We understand that the revisions made result in a net per dwelling cash equivalent contribution falling to £16,112. However, this doesn't take account of items that are now being classed as 'build costs' that could equally be part of a S106 planning obligation package.

##### ***Direct Build/on site costs that have previously been sought as S106 cash contributions:***

- CHP @ £5000 per dwelling
- Carbon Reduction over building regs @ £1523 per dwelling\*  
***\*this gives a combined total of £6.5k in addition to the £16,112 thousand per dwelling identified***

##### ***Non-direct build costs that may not be sought as part of S106:***

- SANGS maintenance @£990 per dwelling
- BNG @£178 per dwelling
- Various Open space typologies @ at £1462 per dwelling
- Plug-in EV Charing @ £96 per dwelling

The above gives a figure of circa £9250 per dwelling. Whilst these are not direct sums that will be sought as part of a S106, collectively the above still gives an approximate infrastructure cost in excess of £25k per dwelling.

We have previously urged the LPA to reduce S106/IDP costs further, and our correspondence with the LPA on this matter is appended to this letter for the Inspector's attention.

#### **PSD37 - VIABILITY CRITIQUE – VICKERY HOLMAN**

See further comments from Sturt and Co (Viability Advisors to Cranbrook LVA) in the attached letter.

#### **PSD41 – STATEMENT OF COMMON GROUND**

##### **General Comments on Statement of Common Ground (SoCG)**

We have sought to engage with the LPA and assist with viability matters where possible. This correspondence is appended to our submission.



As EDDC have set out in their response letter to The Inspector, the Statement of Common Ground is signed by those who represent a large extent of the proposed allocations for Bluehayes, Treasbeare and Cobdens. EDDC have also suggested that those participants grouped themselves together for the purpose of the Statement.

Cranbrook LVA would like to place on record that they are certainly not against being part of a SoCG/Position Statement. They confirmed this in their email to the LPA dated 7<sup>th</sup> May 2021 (appended to this letter). However, having not been party to round table discussions with other participants since the last round of examination hearings it was unclear how much consensus had been reached.

We have now had chance to review the SoCG and would ask you to review the accompanying letter provided by Sturt and Co (Viability Advisors to Cranbrook LVA) which comments on the issues that they consider need a ruling in order for the LPA and other participants to test whether the plan is viable. These are:

- Appropriate Profit Level
- Profit on private as a percentage of GDV
- Profit/return on Affordable
- Percentage and whether it is to be applied to GDV, base cost, or base cost plus additional costs for example CHP, carbon reduction and SANG maintenance.
- Base Build cost, whether it is lower quartile, average of lower quartile, mean or median.
- Land payment profile proportion. Proportion to be paid initially and when the remainder needs to be paid

Once a ruling has been made on these points, the Council should be requested to revise their appraisal with the inputs using industry standard software to establish the residual outcome.

#### **PS43 – Draft Main Modifications Schedule 1**

Of the modifications listed, we would again ask the Inspector to note that in relation to education and the delivery of primary schools, the wording for Policy CB7 (Phasing) still does not provide the flexibility that a site like Farlands needs to be able to come forward and provide much needed early housing delivery. We raised this point at the modifications session at the end of the last round of hearing sessions, but unfortunately no allowance seems to have been made for the ‘smaller sites’.

As drafted, the wording of policy and phasing of school delivery means we would still be beholden on a third party to deliver a school or hand over a site to the LEA before Farlands could come forward. We have previously advocated that interim solutions such as temporary classrooms at existing schools could be an acceptable way of facilitating housing delivery. The current approach has serious implications for housing delivery and the Council’s ability to hit their housing trajectory which identifies houses being built in the Cranbrook 2022, which includes Cobdens where Farlands is located.

The delay in delivery must be bringing the LPA’s ability to demonstrate a 5 year housing land supply into question, and we would suggest EDDC need to take note of this, particularly in their drafting of Main Modifications, so that smaller self-contained sites such as Farlands can come forward to deliver much needed housing in the short term and not be held up unnecessarily.

#### **CONCLUSION**



We trust the above is of assistance to the Inspector and look forward to hearing her intended next steps for the examination in due course.

It is apparent from the LPA submission viability work is still ongoing (noting the Strategic Planning Committee Papers of June 2021 and the need to refer further proposals to Cabinet) and as has been set out by Sturt and Co in the attached letter, there still seems to be a number of key actions and rulings that need to be made so that developers and the Local Authority, can test whether the plan is viable.

Yours sincerely

**BELL CORNWELL LLP**



**DANIEL ROGERS** BA Hons, MTP, MRTPI

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**Encs.**

**Appendix 1 – Letter from Sturt and Co**

**Appendix 2 – Correspondence with EDDC on IDP/S106 costs**

**Appendix 3 – LVA correspondence to EDDC**



Ref: RAS/hah

Date: 9<sup>th</sup> August 2021

Mrs J Wilson  
c/o Ian Kemp  
Programme Officer  
PO Box 241  
Droitwich  
WR9 1DW

Dear Mrs Wilson

**Re: Cranbrook Plan Examination**

We act for Cranbrook LVA LLP in connection with their Farlands site at Cranbrook.

We have reviewed the most recent round of information prepared for East Devon District Council with the additional Viability Report prepared by Vickery Holman.

**Statement of Common Grounds**

We were not party to the preparation or discussion informing the Statement of Common Grounds, but I have an opportunity of reviewing the submitted document. It appears that all the substantive points in dispute remain unresolved between the stakeholders and the Council. Until there is a resolution to some of these outstanding matters, it is not possible for the developers, nor the Local Authority, to be able to test whether the plan is viable.

In particular, the points in dispute in Paragraph 2.1(VI) are fundamental to any appraisal. Until these points are resolved, it will not be possible for the parties to be able to finalise a view as to the level of Affordable Housing and whether the IDP Costs can be sustained.

We would request that a ruling is made to the principal points in Paragraph 2.1(VI) which would then enable the parties to refine their residual appraisal.

In particular, a ruling is required on the following:

- Appropriate Profit Level
- Profit on private as a percentage of GDV
- Profit/return on Affordable
- Percentage and whether it is to be applied to GDV, base cost, or base cost plus additional costs for example CHP, carbon reduction and SANG maintenance.

UNLOCKING VALUE FROM LAND

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- Base Build cost, whether it is lower quartile, average of lower quartile, mean or median.
- Land payment profile proportion. Proportion to be paid initially and when the remainder needs to be paid.

Once a ruling has been made on these points, the Council should be requested to revise their appraisal with the inputs using industry standard software to establish the residual outcome.

### **Vickery Holman**

We have always had two major concerns with the Three Dragons report. The first being the input they have used and secondly, the valuation model they adopted. Three Dragons have not used a valuation model that is used by Chartered Surveyors when undertaking Market Valuations of development land.

We note that EDDC have now engaged with Vickery Holman, a firm of Chartered Surveyors. Although they have reviewed and commented on a few of the inputs, they have not considered the residual appraisal at all nor have they produced their own appraisal.

Being a firm of Chartered Surveyors, they will have access to Argus, the proprietary valuation software that is used by all major Chartered Surveying firms to undertake this residual appraisal.

We request that Council is asked to instruct Vickery Holman to undertake an appraisal using the Argus programme. All the surveyors acting landowners and developers will be able to swiftly review this as it is a format used by all of them and designed to make auditing easy. In addition, it will also eliminate part of the dispute between the parties regarding the validity of how the appraisal is programmed as Argus's default programming is already in an industry accepted format in relation to how costs, finance and fees are linked.

Once Vickery Holman have undertaken the appraisal, we would welcome the opportunity of having the active valuation programme circulated by way of a wcf. file format as opposed to the pdf printout which cannot be audited fully. This will enable parties to fully interrogate program which is not possible with a pdf version of the printout.

If you require any further information from me, I can provide this.

Your sincerely

Richard Sturt  
**MRICS, FRGS, MSc, BSc (Hons)**



S T U R T  
& C O M P A N Y



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Our ref: 7348

**03 March 2021**

Dear Mr Brown

**Cranbrook DPD Examination**

**Response to EDDC's approach to sensitivity testing and omissions and changes to the IDP and associated policy on behalf of Cranbrook LVA**

Thank you for your letter dated 15<sup>th</sup> February 2021, whereby you have requested the views of EiP participants on two issues. These are:

- a) the range of inputs that should be used within the sensitivity modelling that EDDC have agreed to undertake; and
- b) On a "without prejudice" basis changes that are necessary to the list of obligations within the IDP.

Please see our response below. We would welcome a further discussion once you have had chance to consider the position set out.

**a) Sensitivity Testing**

**(Potential variables for sensitivity testing on a without prejudice basis)**

Before responding to the council's suggested list of variables, we would suggest that the timescales set out for the council's work appear short, especially as the sensitivity analysis will need to be checked mathematically to ensure that it is correctly linked and reflects accepted practice.

As part of this process, Sturt and Co. (viability advisors to Cranbrook LVA) would request that all Three Dragon's workings and on-going appraisal need to be openly circulated as part of this process, in line with the NPPF guidance. We would ask that all of the Excel worksheets must be circulated at the same time in each stage so they can be properly scrutinised for robustness.

Sturt and Co. would also stress that the use of "base" is also potentially misleading as each sensitivity scenario needs to be tested on its own merits and without any predetermination of the outcome.



Overall, we would suggest it appears their timescales are tight especially due to COVID, however if Three Dragons are completely open in providing all their working in Excel it may be achievable.

Variable	Base and Sensitivity Tests	Participant's comments
Developer return on market housing	Base case 17.5%  Sensitivity test 18.75%  Sensitivity test 20%	We note these base and sensitivity test levels were set out in the Inspector's letter and we have no further comment to make at this stage.
Return on affordable housing	Base case 6% as contractors return on cost  Sensitivity test 6% return on value	We have no further comment to make at this stage.
Build Base Costs	Base Lower Quartile  Sensitivity test Mid-Point between LQ and Median  Sensitivity test Median  Sensitivity test Mid-point between Median and Upper Quartile	We have no further comment to make at this stage except for the points raised with regard to Building Regulations Carbon Reduction and Future Homes Standards, as per the requirements set out below through s.106.
Finance Costs	Base case 50% of land at the start of development and 50% at the mid-point  Sensitivity test 75% of land cost at the start development and 25% at 50% together with a review of the infrastructure timeline	We have no further comment to make at this stage.
S106/S278 Costs	Revised base case with changes to the IDP	As discussed at the hearing sessions, the overall burden of S106 and S278 costs set out in IDP will not allow development to come forward. Our comments on IDP matters are set out below.

**Omissions and changes to the IDP and associated policy  
(Potential changes offered on a without prejudice basis)**



In September 2020 we were provided with a scheme specific list of S106 IDP requirements for our planning application on the Farlands site. This was based on the EDDC viability evidence that was available at the time and obviously before the most recent viability hearings and the Inspector's letter on viability matters. In September 2020 a per-dwelling contribution of £30,059 was requested.

Whilst the invitation to provide commentary on the matters listed below is welcomed, in order to unlock and support a viable DPD process we would strongly suggest that the overall IDP burden on developers (and subsequent per dwelling figure) needs to be readjusted and fixed at a much lower figure.

We would also ask the LPA, in line with the Inspector's advice, to give careful consideration as to whether some costs within the IDP can be funded from other sources (such as Central Government and Homes England) whether by loan or capital payments.

We have obviously reviewed the content of the Inspector's interim letter which acknowledges that the Council has important choices to make on which items from their infrastructure list are critical and to reappraise what costs are justified and required.

As stated by the Inspector, some ground needs to be ceded by the Council to ensure that the expansion areas are deliverable and in a time critical manner to help deliver the Council's 5-year housing land supply which relies on delivery starting in 2022/3.

We raise this, as whilst changes and tweaks can be made to the IDP, we would suggest there is a significant degree of cost that needs to be removed to enable development to come forward.

Item	Cost Saving	Participant's comments
<b>Pylons</b>  To remove requirement to underground	<b>£5.1 million (£1,223.02 per plot if equalised across the whole of Cranbrook).</b>	We are supportive of this proposal. The benefits of undergrounding the pylons does not justify the cost and risk of delay that this would place on housing delivery.
<b>Treasbeare Bluehayes Bridge</b>	<b>£2.3 million (£1.8M residual, £431.66 per plot if equalised across the whole of Cranbrook)</b>  Leaving a budget of £0.5million for enhanced crossing upgrade	We are supportive of this proposal.
<b>Cobdens Lane Roundabout</b>  To provide a revised junction with reduced land take	<b>£1.3 million (£0.8M residual, £191.85 per plot if equalised)</b>  Residual budget of 0.5m for improved right hand turn junction with feeder lane	We are supportive of this proposal.



<b>Offsite sports contribution</b>  (Cricket; Bowling and Hockey)	<b>£0.7 million (£167.87 per plot)</b>	We accept that as 'desirable infrastructure' as defined in the IDP, these are costs that are not justified against the CIL regulations, as the contribution is not necessary to make the development acceptable in planning terms.
<b>Reduced funding for some of:</b>  Blue Light Services building Health and Well Being Retail Asset for TC	<b>£4.3 million (£1,031.18 per plot)</b>  (Derived from various savings from the items listed)	This is welcomed, but can the LPA specify which specific item these costs are reduced from.  We would also ask the LPA to consider further reductions over and above the £4.3 million sought. There is a general lack of information/justification behind the specification of buildings and facilities.  These infrastructure costs are significant, and in IDP terms, not 'essential'.
	Subtotal saving = £3,045.58 per plot	

### Other items

In your letter, you invite commentary on other IDP/S106 items. We would ask the LPA to review the items listed below as part of their appraisal.

### District Heating: £20,850,000 (£1,300,000 for Farlands) £5,000.00 per plot

The cost of CHP at £5000 per dwelling, plus Carbon reduction above B'regs at £1523.26 per dwelling across the 4170 plan area) is a significant burden where additional funding should be sought and incorporated into the IDP to reduce the risk of housing delivery. Whilst we acknowledge that some form of contribution is required, we would urge the LPA to continue to explore funding possibilities that can help deliver this infrastructure. We would also add that Carbon Reduction measures in accordance with Building Regs is not a s.106 matter, rather it is a point to address in the build cost scenarios.

The Council have previously confirmed in hearing statement for stage 2 (Forward Funding AQ13) that interim measures will be put in place to connect the eastern expansion lands, before an EfW plant becomes operation from 2023. The Council have confirmed that funding bids are being progressed to the government's Heat Network Investment Programme in conjunction with E.ON to secure a connection from this plant to the District Heat/ Energy centre at Cranbrook. We would suggest that further external funding has to succeed for additional connections to individual dwellings otherwise this



feature of the development will cause serious viability consequences, which could result in some (if not all) developers not wishing to continue to develop schemes in Cranbrook. It is a significant burden.

This bid needs to be factored into IDP calculations and additional funding sought toward CHP connections if appropriate.

**Carbon reduction above building regs: £6,352,000 at £1,523.26 per plot**

This contribution seeks to address carbon reduction through fabric first measures in order to reduce the energy demands generated by development. Whilst noted, we are mindful of the direction of travel that is proposed with the Future Homes Standard and the similar objectives that will be introduced through changes to national building regulations. We would suggest that EDDC's carbon reductions measures could be met through requirements for dwellings to comply with the Future Homes Standard at the appropriate time. The need for a financial contribution seems unnecessary given the legislative changes that are proposed to be introduced.

**SANGS Capital Cost: £4,130,000**  
**SANGS Maintenance: £2,500,000**

Whilst we acknowledge there inevitably has to be allowances for SANG Capital Cost (the setting up of SANGS) and SANG Maintenance (in-perpetuity for a period of 80 years), not all parcels of land required for SANG will require significant capital costs or maintenance throughout their lifetime (e.g. they could be in an existing condition that makes them readily suitable for SANG use and therefore there should be greater flexibility on the level of costs associated with SANG delivery, particularly maintenance of SANG).

One way of dealing with this matter, could be taking these costs out of IDP and negotiating applications specific contributions dependent on the current character and layout of the SANG land and the extent of the works needed for its conversion (e.g. if less intervention is required, less capital costs and mitigation costs may be justified). Of course it would be necessary to consider the acquisition costs for new SANG areas, where required, in accordance with the Inspector's fair conclusions on the land value that would typically be attributable to the acquisition of areas of land for such purposes (i.e. £25k per ha). That payment would be treated on a project-by-project basis and would need to be factored into the viability of the specific project that it relates to.

**Extra Care £3,500,000**

We do note the justification behind the request for a payment toward 'extra care' provision, and the Inspector's commentary on this matter. We had previously suggested that this facility could be delivered by the private sector, however, we now understand that this is accommodation required to help the County Council carry out their statutory duties toward care provision.

Notwithstanding this point, we would ask the LPA to consider whether a private developer model could be used, noting that again, this contribution is classed as 'desirable' in the IDP – this classification does not seem to pass the CIL regulations as an absolute requirement to make the development of Cranbrook acceptable as a whole. Furthermore, if this item is being provided for public sector delivery, should this not be factored in as part of the affordable housing quota for the town?

**Sustainable Transport: £6,378,000**



Table 3.1 – Extract from IDP p35 Appendix 2

			Priority	Location	Type	Item/ project	Cost
18	3	-	1 (C)	Cranbrook - Expansion Areas	Transport	"Public transport" range of measures including bus services, enhanced rail frequency and 2nd train station	£6,378,000
19	3	-	2 (I)	Cranbrook - Expansion Areas	Transport	Off site walking and cycling infrastructure	£2,530,000
20	3	-	3 (D)	Cranbrook - Expansion Areas	Transport	Car club vehicles and/or e-bike docking stations	£300,000
21	3	-	2 (I)	Cranbrook - Expansion Areas	Transport	Travel planning	£285,000

Clearly a contribution is justified, but The Awcock Ward Partnership (Cranbrook LVA's Transport Consultants) provided a note as part of AQ17-AQ19 for the stage 2 hearings which critiqued the rating of some the infrastructure items listed by the LPA Items – for example item "19 Off site walking" listed above, is classed as "important" and not "critical" and strictly do not seem to meet the CIL regulation tests for planning contributions. The Cranbrook LVA consultant team would therefore question whether this contribution should be sought.

#### **Leisure Centre                    £3,993,940.00**

Whilst we would not doubt the need for a leisure centre within the town, PSD24 (IDP July 2020) does not provide details of how the leisure centre will be managed or funded.

Whilst not exclusive to leisure centre development (and a similar approach could be taken within the extra care facility), we wonder if this is piece of infrastructure where the LPA could undertake a competitive procurement exercise to identify a private sector partner who will design and build a new leisure centre for the town. This partner could then operate and maintain the new facility for the first 20 years after opening. The Council's preferred partner could construct the development and repay the council a large proportion of the cost of building the new facilities over the first 20 years that they are run.

Furthermore, further funding could be exploring various funding sources to bridge that gap, including Sport England Strategic Facilities Fund to ensure the project is delivered.

#### **CONCLUSION**

Whilst we are generally supportive of the additional work that has been outlined in the Council's letter, we would urge you to explore further reductions to the proposed IDP costs and Section 106 contributions. We would suggest that the LPA should be looking at further reductions to those set out, to bring the per dwelling contribution closer to a figure of £15k per dwelling, rather than the £30k figure that was set out in September 2020. My clients and indeed myself have never dealt with such a huge s.106/infrastructure burden, which continues to look disproportionate to the overall development scheme and the anticipated revenue to be generated from a development project in this location.

We are of course amenable to discuss and negotiate the figures further with you as required. As you know, the land at Farlands represents an excellent opportunity to release a part of the Cranbrook expansion for early delivery, giving the Council clear ability to satisfy its housing land supply and its intended housing trajectory in the forthcoming years. In order to enable early delivery of this site, which



has a high chance of being delivered by a small or medium enterprise, and particularly by a bespoke housing developer, the infrastructure and Section 106 burdens must be commensurate to make this happen.

We would be grateful for your comments on the above and look forward to discussing in more detail.

Yours sincerely

**BELL CORNWELL LLP**



**DANIEL ROGERS**

**Associate**

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cc Alex Anderson, Land Value Alliances LLP

**From:** [Alex Anderson](#)  
**To:** [James Brown](#)  
**Cc:** [Robert Tizzard](#); [Daniel Rogers](#); [Richard Sturt](#); "[Malcolm Barber](#)"; [Graeme Keen QC](#)  
**Subject:** Cranbrook Plan DPD sensitivity testing  
**Date:** 07 May 2021 10:58:43  
**Attachments:** [Letterhead 03032021 letter to EDDC re sensitivity testing and IDP FINAL.pdf](#)  
**Importance:** High

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Dear James

The Cranbrook LVA LLP team have been reviewing the Council's latest evidence with regard to the Cranbrook DPD.

With all due respect, we feel somewhat underwhelmed by the response from the Council, as per the email received on 13<sup>th</sup> April 2021. We would appreciate more information from EDDC and Three Dragons as to how the scenario test figures have been arrived at. There is a lack of explanation and rationale for those figures provided; Three Dragons have not provided the report or Excel workbooks that normally accompanies such figures.

Notwithstanding the above, in terms of the s.106 and infrastructure costs, we have made our position clear as to what should be deducted from the overall requirement. My understanding of the testing scenarios would be to establish how the viability would work with a range of reduced s.106 and infrastructure package figures.

In their interim letter, the language used by the Inspector was very telling. Mrs Wilson has made it clear that ground needs to be ceded by the Council and that "*...The Council has important choices to make on which items from their infrastructure list are critical (my emphasis)...*". She has also been clear that this next stage of work is vital, and that failure to get this right "*...has serious consequences for this examination (my emphasis) and also the Council's 5-year housing land supply which relies on the development to provide over 1,800 dwellings across all four expansion areas, with delivery starting in 2022/3.*"

The Council needs to ask itself whether it has done what is required as set out by the DPD Inspector earlier this year. We run the risk of not agreeing suitable s.106 and infrastructure costs and I am not confident that the Inspector will support the current progress in coming to a view on soundness.

The logical next steps will be to establish what the interested parties including LVA are prepared to offer in terms of s.106 and infrastructure costs, compare and contrast those positions and agree a reduced package accordingly. You have our representation already in this regard. LVA will attend any round-table discussions as required; an open and frank debate between all parties is necessary rather than the continual exchange of documents and spreadsheets.

I trust this response is noted and, on behalf of Cranbrook LVA LLP, I look forward to engaging directly with EDDC further in due course in order to resolve this matter for the benefit of all parties concerned.

Regards

Alex



**Alex Anderson MRTPI**

**Associate Partner**

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**From:** Plan Cranbrook - DPD consultation <[PlanCranbrook@eastdevon.gov.uk](mailto:PlanCranbrook@eastdevon.gov.uk)>

**Sent:** 13 April 2021 12:49

**To:** Daniel Rogers <[DRogers@bell-cornwell.co.uk](mailto:DRogers@bell-cornwell.co.uk)>

**Subject:** Cranbrook Plan DPD sensitivity testing

Dear Mr Rogers

Following on from our correspondence in mid-February, please find attached a letter and associated documents which we are sending to all participants involved in the viability sessions of the Cranbrook Plan DPD. This letter sets out the results of the sensitivity testing and seeks your views on this exercise.

We look forward to hearing from you in response to this letter, including setting up a meeting to discuss the sensitivity results, but if you have any questions, please do not hesitate to contact us.

Kind regards

Thea

**Thea Billeter MRTPI**

Cranbrook New Community Manager

East Devon District Council

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