

Report to: Cranbrook Placemaking Group



Date of Meeting 6 October 2025

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Mechanism for allocation and spend of Category 4 Infrastructure Contributions

Report summary:

The council is collecting category 4 infrastructure contributions from new developments permitted since the adoption of the Cranbrook Plan in October 2022. These contributions are pooled to fund a number of projects that lie within category 4. The council needs to establish a mechanism for the allocation and spending of these contributions to ensure that an appropriate balance is struck between funding the critical infrastructure necessary for the proper functioning of the town and that which is categorised as important.

Is the proposed decision in accordance with:

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

Recommendation:

1. That the Cranbrook Placemaking Group identify their preferences for the set of principles to be used in establishing a formal mechanism for the allocation and spend of category 4 infrastructure contributions and these be reported to Strategic Planning Committee and then to Cabinet.

Reason for recommendation:

The requirement to have a clear set of principles in place for the spending of category 4 infrastructure contributions is important to ensure the fair and transparent allocation and spending of the millions of pounds that will be received over the coming years. The preferences of the Group will be taken into consideration in producing the principles reported to Strategic Planning Committee.

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Portfolio(s) (check which apply):

- ☐ Assets and Economy
- ☐ Communications and Democracy
- ☐ Council, Corporate and External Engagement
- ☐ Culture, Leisure, Sport and Tourism
- ☐ Environment - Nature and Climate
- ☐ Environment - Operational
- ☐ Finance
- ☒ Place, Infrastructure and Strategic Planning
- ☐ Sustainable Homes and Communities

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk; Click here to enter text on risk considerations relating to your report.

Links to background information Cranbrook Local Infrastructure Fund - [Agenda for Cabinet on Wednesday, 28th July, 2021, 6.00 pm - East Devon](#); Cranbrook Infrastructure Delivery Plan [infrastructure-delivery-plan-august-2022.pdf](#); Community Infrastructure Levy bid recommendations [Agenda for Strategic Planning Committee on Monday, 19th May, 2025, 10.00 am - East Devon](#)

Link to [Council Plan](#)

Priorities (check which apply)

- ☒ A supported and engaged community
- ☐ Carbon neutrality and ecological recovery
- ☐ Resilient economy that supports local business
- ☐ Financially secure and improving quality of services

Background

1. The Cranbrook Plan Development Plan Document (the Cranbrook Plan) categorises infrastructure requirements into four categories to ensure the timely delivery of infrastructure in a manner which also secures cost equalisation across the four expansion areas of the town. It also provides policy support for financial contributions to be made from housing schemes outside the allocated expansion areas.
2. Category 4 infrastructure includes a variety of projects that financial contributions are to be secured for through section 106 agreements for new development within the Cranbrook Plan Area, as detailed in the table below. Most of the category 4 projects are not on land within the expansion area allocations and therefore developers will effectively be making 'off-site' financial contributions for projects to be delivered by a third party.

Category 4 infrastructure project	IDP Priority	Financial contribution (at 1Q 2020)
Fire station (blue light facility)	2 – Important	£1,400,000
Children's centre fit out	2 – Important	£36,218
Youth centre fit out	2 – Important	£36,218
Library fit out	2 – Important	£480,000
Extra Care provision	1 – Critical	£3,500,000
Health and Wellbeing Hub	1 – Critical	£7,000,000
Leisure Centre	2 – Important	£3,993,940
Offsite walking and cycling enhancements	2 – Important	£2,530,000
Pavilion and 8 team changing rooms for Treasbeare Sports Hub	2 – Important	£1,350,000
4 no. Tennis Courts with flood lighting	2 – Important	£373,000
Secondary School education	1 – Critical	£2,583,429
SEND school provision	1 – Critical	£1,017,573
Shared cars and e-bikes	2 – Important	£300,000
Sustainable transport enhancements	1 – Critical	£6,378,000

3. Because category 4 contributions are used to equalise costs across the expansion areas, those developments with the highest on-site infrastructure burdens will be making proportionally lower off-site category 4 contributions than their counterparts who have minimal on-site infrastructure to deliver. Additionally, of the s106 agreements that have already been signed for the expansion areas, as well as those currently being negotiated,

phased payment of category 4 contributions is included to ensure that development remains viable within the context of developer cash flow.

4. Together with the fact that category 4 contributions are pooled into one pot, these factors mean that the receipt of category 4 contributions will be spread over a number of years and without forward funding, will mean that the council needs to make difficult decisions about which projects to prioritise and fund in the earlier years of the expansion of the town.
5. There are several different options to be considered for both the process of prioritising the order of funded projects and the mechanism for funding requests to be made and decisions to be taken. These are considered in turn in the following paragraphs.

Timing of requests

6. Starting with the process for requests for funding to be made there are a couple of options;
1. Requests for funding to be made at any time or 2. Requests for funding to be made during a defined period.
7. Accepting funding requests at any time allows for project funding to be awarded in a dynamic manner, aligning with project timelines. However, it also risks funding being awarded for projects that may have been considered a lower priority had additional bids been received at the same time and there then being inadequate funding available when those higher priority projects come forward.
8. The acceptance of funding requests only during a defined period is the same mechanism used for the council's CIL funding, whereby infrastructure providers are advised of the opening of a funding round and invited to submit bids. This process ensures that all bids are considered in the same timescale and allows them to be weighted against one another. However, the process is not as dynamic as the first option and could result in delay to a project that may otherwise be capable of progressing further. The frequency of bidding rounds could be based on calendar periods (e.g. annual or bi-annual) or when a specific amount of funding is available for allocation or they could align with the times when the CIL fund is also open for the submission of bids.

Prioritisation of projects

9. As shown in the table at paragraph 2, the category 4 projects have been allocated a priority as part of their inclusion in the Cranbrook Infrastructure Delivery Plan (IDP), with them being either priority 1 projects that are critical and fundamental to the delivery of the vision, objectives and policies of the Development Plan or priority 2 projects that are important to delivery specific development schemes and meet the needs of new residents. Regardless of how the process of funding bids being accepted is decided, a further exercise in project prioritisation will be required as there are multiple projects in both IDP priorities 1 and 2.
10. Projects could be ranked within their existing IDP priority so that a list is devised that starts with the highest priority 1 project and ends with the lowest priority 2 project. Funding will be allocated from top to bottom, setting a clear mechanism and expectation for infrastructure providers. However, it wouldn't recognise the likely significant discrepancies in timescale for project progression and could mean that a project that isn't ready for delivery is funded before one that is otherwise shovel ready.
11. An alternative to the method in paragraph 10 would be to weight bids assessed on not only their IDP priority but also to include criteria relating to other matters. For the East Devon CIL bidding process in 2024/25 the additional criteria were demonstrable need, value for money (inc. match funding) and deliverability. For the Cranbrook category 4 projects it could be said that the demonstrable need has already been evidenced through the production of the Cranbrook Plan and its associated IDP as the two go in to far more detail than the East Devon Local Plan. Looking at it differently and more akin to the CIL bidding process, assessing demonstrable need allows for consideration to be given to the current infrastructure issues in Cranbrook, the consequences of not carrying out the project, the support it gives to housing and/or economic development and whether it delivers physical infrastructure.

Decision making

12. The terms of reference for the Cranbrook Placemaking Group state that it is an advisory body and therefore the Group does not have the ability to decide which projects to fund and when. As is the process for the allocation of CIL funding, the council's Strategic Planning Committee will be the ultimate decision-making body. However, the Placemaking Group have an important role to play in making recommendations on how funding should be allocated.
13. The council's already established CIL Member Working Party could be utilised as a neutral group for the consideration of funding bids and could either receive recommendations from the Cranbrook Placemaking Group or the two could make separate recommendations directly to the Strategic Planning Committee, although this latter option could make the decision of SPC particularly challenging if the two groups make different recommendations.
14. A further opportunity of using the CIL Member Working Party could arise if the wider process is set up to receive bids at the same time as CIL bids are made as there could be scope for a project to also bid for match funding from CIL. This would allow for projects such as the leisure centre, that will serve a wider geography than Cranbrook, to secure funding from both pots of money.

Forward funding

15. In 2021 the council's Cabinet agreed to the principle of an infrastructure fund for Cranbrook to forward fund the delivery of infrastructure projects that would otherwise be delayed due to the staged payment of infrastructure contributions or to fund those on-site infrastructure projects (e.g. primary schools) that are required early in the phasing of a site and have high up-front capital costs.
16. Since then, the interest rates that the council can secure through prudential borrowing have gone up and this mechanism of forward funding is not as attractive to developers as it once was. However, the council is committed to exploring ways to advance the delivery of infrastructure necessary for the community of Cranbrook and so it is recommended that reference to forward funding is included in the final document.
17. There is also the potential for an infrastructure provider themselves to forward fund the delivery of a project and this eventuality needs to be allowed for in the finalised process.

Conclusion

18. Members of the Placemaking Group are requested to identify their preferences for the mechanism and principles for the allocation and spending of category 4 infrastructure contributions as discussed in the preceding paragraphs. A report will then be prepared for East Devon District Council's Strategic Planning Committee to recommend a document to Cabinet setting out the mechanism and principles and reporting the views of this Group to both the Strategic Planning Committee and, in line with the Terms of Reference of the Group, also to Cabinet.

Financial implications:

Although this report considers important financial issues relating to the funding key infrastructure it is assumed that all funds are derived from developers' contributions, and this report is considering the allocation of those funds.

Legal implications:

There are no substantive legal issues to be added to this report at this time, all actions in the future will need to be assessed as they come forward.