

Report to: Cranbrook Placemaking Group



Date of Meeting 8 December 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:

That the Cranbrook Placemaking Group endorses the document appended to this report that sets out a mechanism and principles 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.

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Portfolio(s) (check which apply):

- ☐ Climate Action and Emergency Response
- ☐ Coast, Country and Environment
- ☐ Council and Corporate Co-ordination
- ☐ Communications and Democracy
- ☐ Economy
- ☐ Finance and Assets
- ☒ Strategic Planning
- ☐ Sustainable Homes and Communities
- ☐ Culture, Leisure, Sport and Tourism

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk;

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](#) Allocation and Spending of Category 4 Infrastructure Contributions - [Agenda for Cranbrook Placemaking Group on Monday, 6th October, 2025, 9.30 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
Health and Wellbeing Hub	1 – Critical	£7,000,000
Sustainable transport enhancements	1 – Critical	£6,378,000
Extra Care provision	1 – Critical	£3,500,000
Secondary School education	1 – Critical	£2,583,429
SEND school provision	1 – Critical	£1,017,573
Leisure Centre	2 – Important	£3,993,940
Offsite walking and cycling enhancements	2 – Important	£2,530,000
Fire station (blue light facility)	2 – Important	£1,400,000
Pavilion and 8 team changing rooms for Treasbeare Sports Hub	2 – Important	£1,350,000
Library fit out	2 – Important	£480,000
4 no. Tennis Courts with flood lighting	2 – Important	£373,000
Shared cars and e-bikes	2 – Important	£300,000
Children's centre fit out	2 – Important	£36,218
Youth centre fit out	2 – Important	£36,218

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.
6. An informal meeting of the Cranbrook Placemaking Group took place on 6th November 2025 at which members of the Group expressed their preferences in areas relating to the allocation and spending of category 4 infrastructure contributions as discussed in the paper for deferred agenda item 10 of the Cranbrook Placemaking Group on 6th October 2025.

Timing of requests

7. Options considered at the informal meeting of the Group were for requests to be accepted at any time or only during prescribed periods.
8. To allow for infrastructure projects to be assessed against one another and to ensure that the highest priority projects are funded first the Group's preference is for requests for funding to be made during a defined period and by default for the option for a funding round to be undertaken on an annual basis.
9. However, there is recognition that there may be circumstances that arise that indicate that a funding round should be undertaken at a different time, perhaps leading to two funding rounds in any one year. For example, these circumstances could be where a priority project has advanced and requires urgent confirmation of funding to secure match funding that would make it fully funded.
10. It is recommended that a decision to facilitate a funding round is made by the Cranbrook Placemaking Group and that this considers the availability of funding for allocation.

Prioritisation of projects

11. 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.
12. The informal meeting of the Group considered options of sub-prioritisation within priorities 1 and 2 or to weight projects by priority alongside wider criteria, for example the overall deliverability of the project.
13. The Group indicated a preference for the priority 1 and 2 projects to be sub-prioritised before the beginning of a regular funding round. This prioritisation is to be undertaken by officers and recommended for agreement by the Group. A set of criteria for this sub-prioritisation exercise will need to be collectively determined and agreed and is not set out in any further detail within this report, although it is noted that the Group expressed a preference for existing issues with deliverability of projects to mean that a lower priority project could be funded first if it is more deliverable.

Decision making

14. 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 has an important role to play in making recommendations on how funding should be allocated.
15. At the informal meeting of the Group consideration was given to using the council's already established CIL Member Working Party 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. Alternatively, recommendations for funding could be sent to Strategic Planning Committee without the involvement of the CIL Member Working Party. The Group expressed a preference for them to be the sole body who makes recommendations to Strategic Planning Committee on the basis that the CIL Member Working Party has membership that includes people who do not have the in-depth knowledge of Cranbrook that the Group has and therefore are not the most appropriate body to be making recommendations.
16. Should the wider process be set up to receive bids at the same time as CIL bids are made there could nevertheless 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

17. 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.
18. 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.
19. 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.

Proposed mechanism and principles document

20. Included in the appendix is a draft of the proposed document for the mechanism and principles for the allocation and spending of category 4 infrastructure contributions. This takes forward the preferences of the Group from the discussion that took place at the informal meeting in early November as discussed in this report, together with further details around the process.
21. To assist with clarifying the process to be undertaken, a flow chart is included within the document, together with more detailed wording under headings of timing and administration of requests, prioritisation of projects, funding rounds, decision making and funding agreements.
22. Members of the Placemaking Group are requested to endorse the appended document setting out the proposed 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 the document to Cabinet 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 the finances are significant with important consequences on spending decisions, the report is considering the allocation of developer funds external to the Council's own finances.

Legal implications:

There are no substantive legal issues to be added to this report (ALW/002855/211125)