

Brighton & Hove City Council

Culture, Heritage, Sport, Tourism & Economic Development Committee

Agenda Item 72

Subject: S106 Educational Infrastructure Update

Date of meeting: 18th April 2024

Report of: Corporate Director – City Services

Contact Officer: Name: Simon Barrett
Email: Simon.Barrett@brighton-hove.gov.uk

Ward(s) affected: All

For general release

1. Purpose of the report and policy context

- 1.1 On 18th January 2024 a letter (Appendix 1) was submitted by Cllr Hill asking for a report to be brought to this committee in relation to s106 monies held for investment in schools and associated matters. Committee subsequently voted to agree the request for the report.
- 1.2 This report provides the information and updates that the committee agreed it wished to receive at that meeting.

2. Recommendations

- 2.1 That Committee notes the position in relation to s106 monies held for investment in schools, the current plans for using it to support infrastructure improvements and the progress the Planning Service has made in making information about s106 funds more accessible.

3. Context and background information

- 3.1 Up until 5th October 2020 and the introduction of the Community Infrastructure Levy (CIL), the council used S106 agreements to secure funding from developers to mitigate the impact on public services (including schools) of their new developments.
- 3.2 Although funds to improve citywide infrastructure are now secured through CIL, sums continue to be paid from developments being implemented under planning permissions granted prior to CIL commencing (a further £280,725.31 s106 receipts for schools was received in 23/24). There are also sums being held from prior years pending investment in suitable projects.
- 3.3 The position as at the end of February 2024 in respect of s106 monies held for education is set out in Appendix 2. The report lists the 42 agreements that are “live” where the council has monies remaining to be allocated,

details any constraints on where the monies can be spent (see below) and the deadline when funds need to be committed by. The projects have been grouped into the ward where the development funding the provision has taken place, using the ward boundaries that were in place when the s106 agreement was signed.

- 3.4 A balance of £4.136M was available as at 28/2/2024. The decision by the Children, Families and Schools Committee on 29th February 2024 to approve the Education Capital Resources and Capital Investment Programme 2024/25 and opportunities to use s106 to fund projects at primary schools in the 2023/24 programme has allocated £1.421M of receipts. This reduces the unallocated balance for investment into schools' infrastructure improvements to £2.715M.
- 3.5 The breakdown of projects recently identified by Families, Children and Learning to be supported through s106 funding is shown below.

Table 1: New Education projects identified for S106 funding.

| Scheme | S106 Funding |
|--|---------------------|
| PACA – Alternative provision | £200,000 |
| Hove Park – Alternative provision | £102,000 |
| Blatchington Mill – Alternative provision | £84,297 |
| Cardinal Newman – Alternative provision | £94,736 |
| Patcham High – Alternative provision | £155,000 |
| Varndean High – Alternative provision | £105,000 |
| Dorothy Stringer – Alternative provision | £80,000 |
| Longhill High – Alternative provision | £125,000 (est) |
| BACA – Alternative provision | £125,000 (est) |
| Various Primary Schools 23/4 Capital Programme | £350,000 (est) |
| TOTAL | £1,421,033 |

Officers in Families, Children and Learning are currently identifying which s106 receipts will be used to fund these projects. Allocations will prioritise the use of the receipts closest to their expiry date first. This information will then be used to update the IT system used to manage s106 contributions, Exacom. Until this has been done, the information at Appendix 2 cannot be updated to reflect this recent allocation.

- 3.6 With the exception of 3 agreements where sums were specifically secured for named schools, the majority of the legal agreements have one of the following constraints on the location or type of school where sums can be used:

Table 2: Types of Funding Constraints attached to schools S106 receipts.

| | |
|--|--|
| Citywide – All schools | Monies can be spent on any nursery, primary, secondary or sixth form state schools anywhere in the city |
| Citywide with suggested nursery, primary, secondary & sixth form schools | Monies can be spent at any nursery, primary, secondary or sixth form state school within the city. The schools identified may have seen an impact due to the development happening in their vicinity |
| Citywide with suggested primary & secondary schools | Monies can be spent at any primary or secondary state school within the city. The schools identified may have seen an impact due to the development happening in their vicinity |
| Citywide secondary with suggested schools | Monies can be spent at any secondary state school within the city, but the schools identified may have seen an impact due to the development happening in their vicinity. |

- 3.7 The report also shows the deadlines when s106 monies have to be committed by, where stipulated.

Exacom update

- 3.8 The Planning Service has completed on time the exercise to populate the s106 module of Exacom, the specialist IT software used to manage and monitor developer contributions. The system has been used to produce the report included as Appendix 2.
- 3.9 The system now has data on circa 200 live s106 agreements (at some stage between being signed and the final contribution being spent.) These agreements have generated £45.12m of receipts, of which £17.44m has already been spent (up to 31/3/22), £10.12m has been allocated to planned projects and £17.57m remains to be allocated across various service areas in accordance with each s106 agreement. These figures will be updated as part of the closedown of the councils 2023/24 financial accounts and the subsequent Annual Infrastructure Funding Statement which will be reported to councillors later in the year.
- 3.10 The Planning Service is finalising with colleagues in IT&D how read only access to the system can be provided for officers, councillors and the public.

This is likely to be rolled out in phases during April & May, including webinar training on how to access and use the system for councillors.

- 3.11 Once access to the system has been provided, the city council will be one of only a handful of authorities in the country that has transparent access for residents to full information on income and expenditure in relation to both CIL and S106.

4. Analysis and consideration of alternative options

- 4.1 There are no alternative options as funds collected under s106 agreements have to be spent in accordance with the legal agreements signed with developers.

5. Community engagement and consultation.

- 5.1 The community were consulted as part of the process to determine each major planning application which had a s106 agreement attached to it.
- 5.2 Officers in Families, Children and Learning are having on-going discussions with the Secondary School Partnership about the provision of capital support as they explore the future of secondary schooling in the city alongside the additional alternative provision and SEMH (social, emotional & mental health) provision required in the city. Officers also work collaboratively with groups of primary schools. Discussions are continuing to take place in each partnership group about piloting additional SEN provision. There has recently been representation from the Chair of the Primary Representative Group about the allocation of S106 funding allocations. The directorate will continue to work with schools to maximise s106 investment as the council addresses the infrastructure impacts of falling primary school numbers, rising levels of special educational needs and a need for a broader range of alternative provision in the city.

6. Conclusion

- 6.1 The information provided in this report answers the questions raised by Councillor Hill at the earlier meeting of this committee. It also updates members on the successful deployment of the Exacom system to manage and monitor s106 contributions.

7. Financial implications

- 7.1 As this is an update report on S106 receipts there are no direct financial implications. Balances on all S106 receipts will be updated following the closure of the Council's 2023/24 Financial Accounts, which is currently underway.
- 7.2 S106 contributions are required to be spent in accordance with planning regulations and policy objectives.

- 7.3 Once application of S106 receipts is agreed, capital schemes will be set up within the Council's Capital Programme and monitored through the Targeted Budget Management (TBM) process.

Name of finance officer consulted: Jill Scarfield Date consulted (04/04/2024)

8. Legal implications

- 8.1.1 This report is for noting, no substantive decision is asked to be taken as a result of this report. The education contributions must be spent in line with the purposes for which they were secured, and the report sets out the restrictions on spend attached to these contributions.

Name of lawyer consulted: Katie Kam Date consulted (03/04/2024):

9. Equalities implications

- 9.1 None.

10. Sustainability implications

- 10.1 None.

11. Other Implications [delete any or all that are not applicable]

- 11.1 None.

Supporting Documentation

Appendices

1. Letter from Councillor Hill
2. Education Infrastructure S106 Report – February 2024

