

## Section 106 Agreements and Contributions

June 2018

### Background

All local authorities (LA) have the power to request contributions from developers if it is indicated that new housing developments will impact negatively upon existing school capacity. It should be noted that the negative impact refers to the catchment population, not reducing parental choice. The LA has over the last 11 years wherever possible negotiated sums for primary provision. The publication of the new Local Plan (late 2017/18) has now enabled officers to request sums if applicable, for secondary provision.

The securing of Section 106 monies is a complex process with each individual request negotiated with varying parameters and different legal parties. All negotiated sums come with conditions attached with regard to the ability to access the sums, the named site (this applies to historic negotiations) or the radius/planning area (this applies to more recent negotiations) in which spend can be attributed, and all agreements have defined close off dates for monies to be returned to the developer if pupil need cannot be proven. Monies are only ever paid if the development proceeds and on larger developments, sums are paid to the authority at pre-determined trigger points. These sums whilst sometimes significant are not sufficient without further capital support to fund a scheme in its entirety.

### Education Contributions

#### Primary

The pupil yield from a development is 0.25 pupils per dwelling (1 to 4). The DfE cost figure for a pupil place was £12,257 with a location factor of 0.92 giving a cost of  $£12,257 \times 0.92 = £11,276.44$  per pupil place.

#### Secondary

The pupil yield from a development is 0.20 pupils per dwelling (1 to 5). The DfE cost figure for a pupil place was £18,469 with a location factor of 0.92 giving a cost of  $£18,469 \times 0.92 = £16,991.48$  per pupil place.

Attached is a spreadsheet showing a summary of the sums the authority has received to date and in most cases how the monies have been spent. All sums spent have been supported by basic need allocations with the exception of the Freshney Green sum which was specifically for changing facilities at Yarborough Primary. Please note that sums yet to be spent have to be justified to the developer and are not of a significant enough sum without further capital support to build additional class bases. It is also noted that when growing a site it is not merely about class bases, the site as a whole requires assessment and shortfalls identifying.

In addition to the spreadsheet there are further sums at varying stages of negotiation. Some will be agreed but no build has commenced, others will still be in the negotiation process. All new agreements are only added to the system once the scheme becomes "live" and build commences. It is also noted schemes are built in phases and the commencement of the next

phases is subject to properties selling and other market forces. Officers ensure that education sites are aware as planning applications come forward that there may be an impact upon their site as a result. However it is always communicated that whilst a planning application may have been approved, the requirement to commence build is currently not enforceable and developers often leave sites undeveloped.

## **Financial Summary**

<b>Financial Year</b>	<b>Received (£'000)</b>	<b>Spent (£'000)</b>
2008-09	75	75
2009-10	Nil	Nil
2010-11	169	169
2011-12	134	122
2012-13	Nil	Nil
2013-14	Nil	Nil
2014-15	178	102
2015-16	186	141
2016-17	53	Nil
2017-18	312	Nil
<b>Total</b>	<b>1,107</b>	<b>609</b>

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