

**Key decision: Yes  
Unrestricted  
Ref: ES07 (20/21)**

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**Report to Cllr N Jupp, Cabinet Member for Education and Skills**

**October 2020**

**Allocation of Section 106 Funding to Provide Additional Furniture, Fittings and Equipment in Schools**

**Report by Director of Property and Assets and Director of Education and Skills**

**Electoral divisions: All**

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**Summary**

The increase of housing increases the number of children of school age requiring a place in West Sussex Schools and, as well as providing suitable accommodation to enable the curriculum to be delivered, sufficient and suitable furniture, equipment and ICT is required to support the additional pupils generated by the developments.

Following a detailed review of Section 106 funds received for Education, an allocation is proposed to fund additional furniture, fittings and equipment at a number of Schools across the County. The funds highlighted in Appendix A can only be spent on additional furniture, equipment and ICT. As the funds have been received, the children that live in these developments are now attending the schools highlighted. Whilst the funds still have a number of years to be spent before they would have to be returned to the developers, it is proposed that the funds are spent now to provide for the pupils that live in these developments and to achieve best value for the funds available.

## **Recommendations**

That the Cabinet Member for Education and Skills approves:

- (1) The allocation of £0.881m from Section 106 funds to fund the purchase of furniture, fittings and equipment at named schools in accordance with the requirements of the individual Section 106 Agreements, and as outlined in Appendix A, and
  - (2) That the funds are managed as a programme by the Education School Organisation and Capital Planning Team
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## **Proposal**

### **1. Background and Context**

- 1.1 The County Council's Future West Sussex Plan sets out the corporate priorities and a commitment to give children the best start in life; this includes ensuring that young people are ready for school and ready for work.
- 1.2 Developer contributions towards education provision are secured by means of conditions attached to planning permissions under Section 106 of The Town and Country Planning Act 1990 or the Community Infrastructure Levy (CIL). Contributions are sought by the Education and Skills School Organisation and Development Team and collected either direct by WSCC or, in some cases, by the District or Borough Council on behalf of the County Council. Once received, funds are retained in an interest-bearing account awaiting allocation to projects. The contributions are required to mitigate the impacts of development and/or make the development acceptable in planning terms.
- 1.3 Once secured, the funding usually has a 10 year 'life' in which funds should be spent, in accordance with the criteria in the Section 106 agreement. If held by the District or Borough, when required, WSCC seek the transfer of funds in order to take a project forward through WSCC's capital programme. District or Borough Councils will also seek clarification on the project to be delivered before transferring the contribution.
- 1.4 Some funds secured must be spent on the creation of additional school places by, for example, expanding existing schools; some on education infrastructure generally and others on the provision of additional furniture, fittings and equipment.

### **2. Proposal Details**

- 2.1. The proposal is to establish an allocation of £0.881m within the Capital Programme, funded from received Section 106 funds. This will enable the purchase of additional furniture, fittings and equipment such as external play equipment; classroom furniture and equipment across a number of named Schools, including Academies and Voluntary Aided Schools, in line with the criteria within individual Section 106 Agreements, and as outlined in Appendix A.

- 2.2. It is proposed that the additional furniture, fittings and equipment are purchased by the Schools in compliance with Standing Orders and, upon receipt of paid copy invoices, the Section 106 funds will be reimbursed to the schools.

## **FACTORS TAKEN INTO ACCOUNT**

### **3. Consultation**

- 3.1. Subject to Cabinet Member approval being given, individual schools will be contacted to notify them of the funds received and the criteria and mechanism for expenditure.

### **4. Project Programme**

- 4.1. It is anticipated that all funds will be committed and spent within the 2020/21 financial year.

### **5. Financial (revenue and capital) and Resource Implications**

- 5.1. The total Education Section 106 contributions currently available in County Council accounts is £49.290m as at 18<sup>th</sup> June 2020.
- 5.2. The capital budget will be amended to reflect the proposed programme in the next Total Performance Monitor. The additional sum is a total of individual Section 106 Agreements and associated funds received which must be spent specifically on the purchase of additional furniture, fittings and equipment at named Schools.

	Current Year 2020/21 £m	Year 2 2021/22 £m	Year 3 2022/23 £m	Total £m
Current Budget	0.000	0.000	0.000	0.000
Increase in budget from s.106 contributions	0.881	0.000	0.000	0.881
Proposed expenditure	(0.881)	0.000	0.000	(0.881)
Remaining Budget	0.000	0.000	0.000	0.000

- 5.3. Each individual allocation is below £500,000 but, as a programme, exceeds the £500,000 threshold therefore authority to approve the allocation is required via a Key Decision by the Cabinet Member for Education and Skills.
- 5.4. The table below shows the total Section 106 balance available for Education projects in the County Council's accounts together with the amount to be drawn down for the purchase of additional furniture, fittings and equipment.

	<b>£m</b>
Section 106 held at WSCC as at June 2020	49.290
S106 FF&E Allocation	-0.881
<b>Section 106 remaining</b>	<b>48.409</b>

- 5.5. The funds available in the County Council's accounts will increase upon receipt of funds currently held at District and Borough Councils.
- 5.6. The above contributions can be split into £806k banked at the County Council and £75k held at the relevant District or Borough Council. No project will be commenced until the relevant Section 106 contributions have been invoiced and have been verified as received by the County Council. There are around 40 projects with an average value of £22,000 per project.

## **6. Legal Implications**

- 6.1. Total allocated funding, as well as individual contracts, will be significantly under the OJEU threshold of £4,733,252 for works contracts and therefore the contractor will be procured in full compliance with the Public Contracts Regulations 2015 (as well as the Council's Standing Orders on Contracts and Procurement).

## **7. Risk Assessment Implications and Mitigations**

- 7.1. It is proposed that the additional furniture, fittings and equipment are purchased by the Schools in compliance with Standing Orders and, upon receipt of paid copy invoices, the Section 106 funds will be reimbursed to the schools. There is no risk to overspending on this budget as the Section 106 funds will be a guaranteed maximum contribution.
- 7.2. All items purchased must meet the criteria for capital spend and must meet the criteria laid out in the individual Section 106 Agreement.
- 7.3. A summary of the key risk in relation to project delivery are highlighted below.

	<b>Risk</b>	<b>Mitigating Action</b>
1	Through spending these allocations within 2020/21 the funds are not available to meet future need	Schools have been consulted on the agreed programmes and understand the future risk
2	Project overspends	Schools will be notified of the specific allocation as laid out in the Section 106 Agreement and schools will only be reimbursed up to this value.
3	Future requirement will not be met as funds spent	Further housing developments are likely to yield further contributions to schools.

## **8. Other Options Considered**

- 8.1. No other options have been considered as the Section 106 funds can only be spent on additional furniture, fittings and equipment at the named Schools.

## **9. Equality and Human Rights Assessment**

9.1 Section 149 of the Equality Act 2010 requires that public bodies, in exercising their functions, have due regard to the need to (1) eliminate discrimination, harassment, victimisation and other unlawful conduct under the Act, (2) advance equality of opportunity and (3) foster good relations between persons who share a protected characteristic and persons who do not share it. This proposal will provide additional furniture, fittings and equipment for pupils at specific schools including for those with protected characteristics.

## **10. Social Value and Sustainability Assessment**

10.1 Sustainability considerations will be imbedded in the purchase of new furniture, fittings and equipment.

## **11. Crime and Disorder Reduction Assessment**

11.1 None

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**Director of Education and Skills**

### **Contact:**

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### **Appendices**

Appendix A – list of schools and associated Section 106 Agreements

### **Background Papers**

None