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| <b>Item No.</b><br>7.              | <b>Classification:</b><br>Open | <b>Date:</b><br>5 March 2019   | <b>Meeting Name:</b><br>Planning Committee |
| <b>Report title:</b>               |                                | Release of £1,752,478.34 of Section 106 monies from 9 developments in the borough towards school provision at six primary schools and one secondary school |  |
| <b>Ward(s) or groups affected:</b> |                                | Camberwell Green, Borough and Bankside, South Bermondsey, Old Kent Road, Rye Lane, North Walworth and Champion Hill  |  |
| <b>From:</b>                       |                                | Director of Regeneration   |  |

## RECOMMENDATION

1. That planning committee approves the release of £1,752,478.34 from the agreements listed in Appendix 1, in order to contribute to the overall capital programme requirement for these seven schools listed below, the total lifetime cost of which is £80,610,920.

| <b>School</b>                   | <b>Total Available (£)</b> |
|---------------------------------|----------------------------|
| Crawford Primary School         | 315,666.20                 |
| Phoenix Primary School          | 305,490.51                 |
| Charles Dickens Primary School  | 249,751.67                 |
| Robert Browning Primary School  | 408,880.22                 |
| Bellenden Primary School        | 30,556.00                  |
| Cherry Garden Special School    | 419,206.03                 |
| The Charter School East Dulwich | 22,927.71                  |
| <b>TOTAL</b>                    | <b>1,752,478.34</b>        |

## BACKGROUND INFORMATION

2. Planning obligations under Section 106 of the Town and Country Planning Act 1990 are used to address the negative impacts caused by a development and contribute to providing infrastructure and facilities necessary to achieve sustainable communities. The council can enter into a legal agreement with a developer whereby the developer agrees to provide planning obligations. These obligations can take the form of financial contributions and can cover a range of facilities, including contributions towards educational facilities.
3. The council has been able to secure funding towards local educational capacity improvements from the developments listed in Appendix 1 to ensure that the council can provide some mitigation from the pressure of new developments on educational school places likely to be used by the residents of these new developments.
4. The council has a statutory duty under the Education Act 1996 (amended by the Education and Inspections Act 2006) to “secure that sufficient schools for providing— (a) primary education, and (b) [secondary] education are available for their area” as well as to “secure diversity and increase opportunities for parental choice when planning the provision of school places” in the borough.

5. In common with other London boroughs, Southwark has seen a sharp increase in demand for primary places and this year a record proportion of on-time applications were received. Birth rates have increased 12% across the borough from 2002-2014.
6. As a result, there is currently a programme of investment of approximately £160 million in Southwark schools to increase numbers and address capacity issues. This programme incurs capital expenditure, and is being funded mainly by EFA capital grant, council capital resources (with Section 106 support) and school contributions.
7. The S106 contributions to this programme recommended in this report would benefit the following schools expansion:

| <b>School</b>                   | <b>Scope of works</b>  | <b>Additional forms of entry (FE)</b> | <b>Total Works expenditure</b> | <b>Completion date</b> |
|---------------------------------|--|---------------------------------------|--------------------------------|------------------------|
| Crawford Primary School         | New extension to existing school   | 1                                     | £5,243,847                     | Mar-17                 |
| Phoenix Primary School          | New extension to existing school   | 1.5                                   | £3,667,072                     | Dec-16                 |
| Charles Dickens Primary School  | Alterations to existing building and new extensions, including expanded nursery and two-year old provision | 0.5                                   | £8,066,850                     | Aug-17                 |
| Robert Browning Primary School  | New extension to existing school   | 0.5                                   | £8,090,435                     | Feb-18                 |
| Bellenden Primary School        | New build school   | 1                                     | £12,254,591                    | Feb-18                 |
| Cherry Garden Special School    | New build school   | 0*                                    | £14,569,125                    | Dec-18                 |
| The Charter School East Dulwich | New build secondary school (Phase 1 only)  | 8                                     | £28,719,000                    | Phase 1 Dec-18         |

\* Cherry Garden is a SEND school and is doubling its capacity for pupils, but is not readily comparable to forms of entry (FE) in main stream schools.

8. All of these projects have been operationally completed, but none are yet financially complete; this will occur at the end of the financial year in March 2019. The release of S106 monies is being sought in order to enable the most efficient and effective use of the council's capital resources. At planning committee meetings on the 16 January and the 16 July 2018, approval was given to use S106 sums, received for the purposes of education, towards the schools expansion programme. The release sought here is a further contribution to that programme.
9. The expansion of schools listed in paragraph 7 above provides 12.5 additional forms of entry for Southwark's school provision, as well as the extra capacity provided at Cherry Garden.

## **KEY ISSUES FOR CONSIDERATION**

10. Through the pupil place planning for schools places, the council has assessed the need for places throughout the borough and invested in additional school places to meet the growth in population and parental choice, as mentioned above.
11. The whole of the council maintained and voluntary aided school estate has been subject to a condition and capacity survey. The survey was completed in the summer of 2012 and informed the strategy for the provision of further places along with pupil place planning data.
12. It has always been planned that where appropriate and available, S106 funding would be used to contribute towards the costs of providing this extra educational capacity.
13. This report requests that the following forward funded expansion from the overall programme is funded from the identified S106 contribution from nearby developments.

## **Policy implications**

14. The identified contributions were secured through S106 legal agreements with the justification for educational need from new developments identified in the previously adopted Planning Obligations SPD, 2007.
15. Further cabinet reports on the primary investment strategy were agreed 16 July 2013 detailing the outcome of the 2012 condition and capacity surveys; 18 March 2014 and 22 July 2014. This, in conjunction with the pupil place planning needs, informed the strategy of provision of school places.

## **Community impact statement**

16. The school expansions will have a positive impact on the community. The provision of modern and practical facilities with more capacity will greatly enhance the quality of the education facilities for both the additional and existing pupils and teachers.
17. The provision will provide space for all sections of the community irrespective of class, gender, ethnic origin, disability, religious belief, age or sexuality can come together. This in turn will improve the quality of life of people in Southwark and encourage community cohesion.

## **Resource implications**

18. The council has previously committed to forward fund these expansion projects from existing approved project budgets. The S106 funds identified in the report are currently unallocated and available for this programme.
19. The release of the monies described in this report will provide financing for the following WBS codes associated with the schools expansion projects described above.

| <b>School</b>                   | <b>Project WBS code</b> |
|---------------------------------|-------------------------|
| Crawford Primary School         | E-1112-0310             |
| Phoenix Primary School          | E-1145-0310             |
| Charles Dickens Primary School  | E-1108-0310             |
| Robert Browning Primary School  | E-1138-0310             |
| Bellenden Primary School        | E-1104-0310             |
| Cherry Garden Special School    | E-1803-0310             |
| The Charter School East Dulwich | E-1406-0340             |

### **Consultation**

20. The education provision has been widely consulted upon including with each planning permission. The chair and vice chair of the community councils, local ward members and the schools themselves have all been consulted over the life time of the school places strategy.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Law and Democracy**

21. The agreements referred to in Appendix 1 all have balances available and as explained in paragraph 8 of the report, the various projects identified at paragraph 19 have all been physically completed. In each case, the section 106 Agreement allows for spending on education projects either within the Borough or in some cases in the vicinity of the development site. For this reason, the individual site developments have been linked to particular section 106 Agreements.
22. Previous reports relating to the funding of these education projects have been brought before planning committee on two previous occasions in January and July 2018. The purpose of this report is to allow for a re-allocation of funding before the financial year end since the council agreed to forward fund these projects prior to allocation from the specific 106 Agreements. This exercise has now been undertaken after the appropriate consultation as explained at paragraph 20.
23. As with the previous reports concerning this education funding, approval from the planning committee is required in accordance with the council constitution.

#### **Strategic Director of Finance and Governance**

24. This report seeks approval from the planning committee to release the sum of £1,752,478.34 from the various agreements listed in Appendix 1 towards the schools expansion programme in Southwark.
25. The strategic director of finance and governance notes the resource implications at paragraphs 18 and 19, confirms that the council has received the related section 106 funds and they are available for the purposes outlined in this report.
26. Staffing and any other costs associated with the implementation of this recommendation are to be contained within existing departmental budgets.

## BACKGROUND DOCUMENTS

| Background Papers   | Held At                                | Contact                        |
|---|--|--------------------------------|
| Copies of S106 agreements   | Planning Division, 160 Tooley Street   | Jack Ricketts<br>020 7525 5464 |
| School Places Strategy  | Regeneration Team, 160 Tooley Street   | Andy Brown<br>020 7525 5538    |
| <b>Web link:</b><br><a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?AllId=32647">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?AllId=32647</a>                                   |  |                                |
| Primary Investment Strategy   | Constitutional Team, 160 Tooley Street | Gerald Gohler<br>020 7525 7420 |
| <b>Web link:</b><br><a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?Cid=302&amp;Mid=4549&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?Cid=302&amp;Mid=4549&amp;Ver=4</a> |  |                                |
| School Places Strategy Update (March 2014)  | Constitutional Team, 160 Tooley Street | Gerald Gohler<br>020 7525 7420 |
| <b>Web link:</b><br><a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?Cid=302&amp;Mid=4556&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?Cid=302&amp;Mid=4556&amp;Ver=4</a> |  |                                |
| School Places Update (July 2014)  | Constitutional Team, 160 Tooley Street | Gerald Gohler<br>020 7525 7420 |
| <b>Web link:</b><br><a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?Cid=302&amp;Mid=4861&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?Cid=302&amp;Mid=4861&amp;Ver=4</a> |  |                                |

## APPENDICES

| No.        | Title  |
|------------|--|
| Appendix 1 | S106 agreements delineated by funds available and intended purpose |

## AUDIT TRAIL

|   |                                     |                          |
|---|-------------------------------------|--------------------------|
| <b>Lead Officer</b>   | Andy Brown, Capital Project Manager |                          |
| <b>Report Author</b>  | James Gilliland, CIPFA trainee      |                          |
| <b>Version</b>  | Final                               |                          |
| <b>Dated</b>  | 14 February 2019                    |                          |
| <b>Key Decision?</b>  | No                                  |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |                                     |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>              | <b>Comments included</b> |
| Director of Law and Democracy   | Yes                                 | Yes                      |
| Strategic Director of Finance and Governance                            | Yes                                 | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    |                                     | 14 February 2019         |

## APPENDIX 1

| <b>Proposed School</b>          | <b>Account No.</b> | <b>Planning Reference</b> | <b>Development</b>                   | <b>Available funds inc. indexation</b> |
|---------------------------------|--------------------|---------------------------|--------------------------------------|--|
| Crawford Primary School         | 754                | 14/AP/2948                | Land to rear 240/252 Camberwell Road | 315,666.20                             |
| Phoenix Primary School          | 674                | 13/AP/0876                | Wood Dene – Queens Road              | 305,490.51                             |
| Charles Dickens Primary School  | 579A               | 13/AP/1403                | Kings Reach Tower                    | 3,473.20                               |
|                                 | 700                | 09/AP/0343                | Eileen House Newington Causeway      | 246,278.47                             |
| Robert Browning Primary School  | 742                | 14/AP/0830                | 237 Walworth Road                    | 102,578.00                             |
|                                 | 663                | 12/AP/1092                | Heygate Estate                       | 306,302.22                             |
| Bellenden Primary School        | 745                | 13/AP/2311                | 237 Rye Lane                         | 30,556.00                              |
| Cherry Garden Special School    | 665                | 12/AP/1784                | 1-16 Blackfriars Road                | 366,395.56                             |
|                                 | 803                | 14/AP/1085                | 170 Sumner Road                      | 52,810.47                              |
| The Charter School East Dulwich | 611                | 11/AP/0024                | 18-22 Grove Vale                     | 22,927.71                              |
| <b>TOTAL</b>                    |                    |                           |                                      | <b>1,752,478.34</b>                    |