

# How academies can fund expansion through Section 106 grants

## A brief guide





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# 1. Introduction

## Why have we created this guide?

The UK's **growing population** is putting pressure on academies and Multi-Academy Trusts (MATs) to expand in line with rising pupil numbers. According to [Schools Week](#), secondary schools alone will have to cope with more than 400,000 extra pupils by 2027.

**New housing developments** are a major source of this pressure, often with hundreds of homes attracting young families. Academies and MATs face building new classrooms, sports facilities and staff areas to **accommodate the extra pupils**.

**Funding** for such expansion can be a headache, but one route is **Section 106 funding**. This is money collected from developers by local authorities to be spent on community and social infrastructure – and schools are a prime example.

However, applying for these funds can be **complex**. Academies and MATs may find that engaging qualified **chartered building surveyors** to help offers the greatest chance of success.

We hope this eBook will answer many of your questions.

**The Surveyors to Education Team**



*“Surveyors to Education have specialist education knowledge which is invaluable to the Trust.”*

Catherine Clayton, CFO  
The Wickersley Partnership Trust

## 2. What is Section 106?

### Funding to accommodate the impact of housing developments

Section 106 funding (S106) is money contributed by **housing developers** to support local community services and social infrastructure. Under Section 106 of the 1990 Town & Country Planning Act, local planning authorities and their partners identify the **impact of developments** and the subsequent **infrastructure requirements**.

At the time of the planning application, funding and sometimes land is secured from the developer, through **negotiation**, to deliver a variety of community services including **education facilities**.

Yet much of the money collected from developers under S106 goes **unspent**, according to research by [Property Week](#). This analysis of local authority financial data showed that between 2013 and 2018, at least £3bn was collected but only £1.3bn spent – leaving about **58% unused** or reserved for future projects.

This gulf reveals the extent of the potential **funding available** to be claimed, and underlines the value to academies and MATs of having professional help in navigating the application process.

*“We are extremely pleased we had S2e on board to deliver these difficult projects on time and within budget. They showed the high standards and attention to detail that they are so widely renowned for.”*

*Christopher Punter, Services Director  
East Midlands Education Trust*

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### 3. How it can help your academy or MAT

#### Create an optimal learning environment for pupils

Often, the first sign for an academy or MAT that it may need capital funding for **extra classroom capacity** is when houses start to go up on a development plot.

If space will be needed for 15% extra secondary pupils – that’s 418,000 more – in the next six years as [School Week](#) suggests, not to mention primary classes, school leaders face difficult decisions at a time when **budgets are tight**.

As well as classrooms, there will be **staffroom space, sports facilities and changing rooms, larger kitchens, storage and parking** all to be planned for and funded. S106 funding can pay for these capital works and allow academies and MATs to create an optimal learning environment for pupils and teaching conditions for staff.

[Government guidance](#) around S106 spells out: “Plans should support the efficient and timely creation, expansion and alteration of **high-quality schools**.”

It is important to note that S106 funding is generally only for **capital projects**. Academies and MATs will need to seek alternative funding towards ongoing running costs.



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## 4. Who is eligible

### Academies and MATs with pupils of all ages

Any **academy** or **MAT** needing additional capital to support their services and help manage the impact of housing developments is eligible.

To secure funding, you must be able to prove that:

- The school is in an area of predicted growth
- Contributions towards education provision have been collected from the developer
- Additional infrastructure is required as a result of proposed housing development(s)
- You can obtain authority to expand, following consultation with all those affected
- You can gain the necessary consents to alter the school buildings
- The new assets will be financially sustainable in the future



*“S2e are always available, communications are unfailingly smooth, and we have complete trust in their expertise as they manage the considerable challenges that can arise with our 31 academies.”*

*Duncan Mills, CEO  
Peterborough Diocese MAT*



## 4. Who is eligible (cont.)

**Government** guidance says:

*“[Local authority] plan makers and decision makers should consider existing or planned/committed school capacity and whether it is sufficient to accommodate proposed development within the relevant school place planning areas. Developer contributions towards additional capacity may be required and if so this requirement should be set out in the plan.*

*“Requirements should include all school phases age 0-19 years, special educational needs (which could involve greater travel distances), and both temporary and permanent needs where relevant ...*

*“Plan makers should also consider whether pupils from the planned development are likely to attend schools outside of the plan area and whether developer contributions may be required to expand schools outside of the area.”*

There is therefore scope for academies and MATs with premises both in the **immediate area** and **further away** from the new development to apply for S106 funding.



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## 5. How is S106 it calculated

### 1,000 new homes generate an extra 30 children per year group

**Funding varies** depending on the local planning authority and the development schemes underway in the area, and **policy differs** across the country.

Most LA's calculate a pupil yield to calculate how many children will be generated from new housing. They set a formula, and this varies from area to area. The minimum number of children from a **1,000 house development** is approximately **30 children** per year group, or one form of entry. This however can be as many as almost 2 forms of entry (or 60 pupils) in some parts of the country.

**S2e can help you find out the council's formula in your area.**

Crucially, the capital funding can only be spent on facilities where a new development has contributed to the need for those facilities.

Amendments to the regulations in 2019 do, however, mean that money from different sources such as S106 and another developer fund called the **Community Infrastructure Levy (CIL)** can be pooled to pay for the same project.



*"We chose the right partners in S2e, who delivered exceptional value for money on a complex project within very short time scales."*

Ben Elliott, Director of Corporate Services,  
Higham Lane School



## 6. What to look out for

### Avoid potential funding going unspent

There are a number of **pitfalls** in the S106 allocation system, which may help to explain why so much potential funding goes **unspent**:

- Complicated application processes
- Complex relations between different levels of local authorities
- Difficulty in accurately predicting increased pupil numbers
- Length of time from detecting a need to commencing a funded expansion programme
- Schools negotiating directly with developers, which often leads to a worse deal

**Surveyors to Education (S2e) are specialists in working with local education authorities (LEAs) to secure funding for academies and MATs that need to expand.**

*“We are on a premises journey together.”*

*Graham Hayes  
Estates & Facilities Business Partner  
The Diocese of Coventry MAT*

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# 7. How to apply

## Grants available from the ESFA

If you are eligible for funding, you will need to liaise with your **LEA**.

The process may not be automatic, however, and you may need to **build a case** for support.

To demonstrate a **pressing need to expand** may require expert input.

Qualified chartered building surveyors, such as Surveyors to Education, can survey your site, project future needs and provide accurate calculations as to use of space, costs and future financial sustainability.



Department  
for Education

*“S2e secured funding from 3 separate routes, enabling us to successfully increase pupil capacity and maintain our outstanding teaching rating”*

*Harinder Sidhu, Associate Vice Principal  
Holyhead School, RSA Academies Trust*

# 8. How S2e can help

## Specialist support and guidance

Surveyors to Education can provide **specialist support** and **guidance** as soon as discussions begin.

The **LEA** must take into account demand, existing spare capacity within its area, any negative effect on other schools and **value for money** for taxpayers.

It will only release the money it holds if you make a **watertight case**.

Each LEA has its own process and **S2e experts** will work within it to present as strong a case as possible on behalf of your academy or MAT.

Our aim is to provide the authority with all the **information** it needs to both award S106 funding and to justify its decision to the public and other schools in the area.



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## 9. In summary

We hope this eBook has been a **useful guide** to the opportunities that **S106 funding** can offer your academy or MAT when a new housing development means you need to expand.

With the right guidance you can **secure funding** to build the classrooms, staff and sports facilities to cater for more pupils, with the reassurance that these will be **high-quality spaces** that motivate children and teachers alike.

Surveyors to Education can support you in creating a **compelling case** for S106 funding, as well as in design, planning, contractor selection and project management once it is approved.

Our expertise in securing **funding, estate management** and **strategic planning** makes S2e the ideal partner for your needs, now and into the future.

If you would like to discuss any of the information in this eBook or have any questions, please contact us on 0116 5070130 or email [enquire@s2e.org.uk](mailto:enquire@s2e.org.uk).

**The Surveyors to Education Team**

*“The school is now a fantastic place to be and has been absolutely transformed by the work S2e have carried out”*

*David Green  
School Business Manager  
Woodbrook Vale Academy Trust*

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