

Supplementary Planning Guidance

Schools Contributions from Residential Developments

Prepared by the Essex Planning Officers Association

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Schools Contributions from Residential Developments

Application of Supplementary Planning Guidance

Although this guidance has been prepared under the auspices of the Essex Planning Officers Association (EPOA) it only applies to the Borough and District Councils within the administrative county of Essex and therefore does not apply to the Unitary Council areas of Southend and Thurrock. This guidance covers the contributions that may be sought in relation to statutory age education provision as currently provided by Essex County Council's Schools Service.

1. *Introduction*

- 1.1 This guidance sets out the basis on which local planning authorities within the administrative county of Essex, working in partnership with Essex County Council (ECC) as the Local Education Authority (LEA), will seek to negotiate contributions from developers towards the provision of additional school places. It is important that it is read in conjunction with the documents listed in paragraph 9.2.
- 1.2 The use of planning obligations has become a key mechanism in the planning system for addressing the impact of new development. They provide a means to enable the proposed development to proceed and to meet the needs of the local community associated with the new development by securing contributions towards the provision of infrastructure and services. Education is one of a range of services and facilities which local authorities may seek to provide through developers' contributions. Cash or in-kind contributions can also go towards such items as local roads, public transport schemes, public places, community facilities and affordable housing.
- 1.3 The final decision as to whether or not a particular level of contribution is justified, and the priority that education should receive in any given case, will rest with the local planning authority. ECC will however be party to all legal agreements where a contribution towards school places is required.
- 1.4 Failure to provide contributions to a properly identified and agreed local need arising out of a development application(s) will usually result in the refusal of planning permission.

2. *Policy context*

- 2.1 The power of a local planning authority (LPA) to enter into a planning obligation with the owner of land is contained within section 106 of the Town and Country Planning Act 1990 (as amended by the Planning and

Compensation Act 1991). Government advice is contained within Circular 1/97 – Planning Obligations. This states that where a development creates a need for the provision of particular facilities, it will usually be reasonable for planning obligations to be sought to secure this provision. As with the provision of other facilities, educational requirements may be acceptable if they are directly related to the development proposal, the need for them arises from its implementation and they are reasonably related in scale and kind.

- 2.2 The Essex and Southend on Sea Replacement Structure Plan (adopted in April 2001) reinforces the approach set out in Circular 1/97. Policies BE5 & H4 are worded to reflect the guidance and set out the circumstances where planning obligations may be required and how they should relate to the proposed development. These policies will be saved and will apply after the enactment of the Planning and Compulsory Purchase Act. In addition, many local planning authorities within Essex have their own policies, contained within local plans and other documents. Notwithstanding this, Circular 1/97 allows the local planning authority to seek appropriate contributions in the absence of policy.

3. Demand for and supply of school places

- 3.1 Contributions will usually only be sought where it has been demonstrated that there will be a demand for additional school places as a result of a development. The level of existing or potential surplus permanent school places in the local area will be taken into account.
- 3.2 The Essex School Organisation Plan (SOP) sets out the current availability of places in each area and is published during the autumn term of each year. The plan also includes a forecast predicting the picture in five years' time based on birth rates, feeder school numbers, historical trends, housing development and other local factors likely to affect admissions to particular schools. The forecast methodology is outlined within the SOP, along with an evaluation of the accuracy of previous plans. A consultation draft is published each year, usually during the summer term, for public comment. Developers are particularly encouraged to comment on any assumptions made about the progress of particular housing developments over the plan period and current market trends likely to alter completion rates.
- 3.3 The capacity of each school is assessed in line with the Department for Education & Skills (DfES) Schools Circular 0739/2001. The net capacity figures published in the SOP may however include some temporary accommodation that cannot be relied upon to provide sufficient school places in the future. School accommodation without permanent planning permission, and for which there is no long-term demand from the existing population, should be discounted from any assessment of the need for additional permanent places.

- 3.4 It is generally accepted that schools should not operate at 100% of their capacity, as it is important to retain some level of surplus to facilitate parental preference and for contingency planning. The Audit Commission document *Trading Places* (1996 updated 2002), for example, suggested a target figure of 5% surplus places. While contributions will only be sought to mitigate potential unmet demand generated by housing development, a deficiency may be deemed to exist without the certainty of every local place being filled.

4. *Forecasting pupil numbers*

- 4.1 The potential number of pupils for which additional school places must be provided, if the development proceeds, is calculated using the method set out in the Essex County Council Schools Service document 'Developer Contribution Guidelines'. The method takes account of development size, density and dwelling type. The number of dwellings is multiplied by the appropriate factors, as shown in Appendix A, to forecast the numbers of additional primary and secondary school places required. Dwelling units unlikely to house children, such as single bed properties, are discounted from the calculation. The factors used are designed to allow for children moving to the development who will not need to change school or who are being privately educated.

5. *The cost of additional school places*

- 5.1 Where sufficient suitable space exists to increase the capacity of an existing school, contributions will only be sought for building and establishment costs, and not for the cost of land. In such cases, the cost of providing a school place will usually be based on the appropriate current DfES building cost estimates. The formula used to calculate such contributions, takes the number of units and multiplies by the appropriate pupil product factor (see Appendix A) and then by the relevant DfES cost multiplier. This calculation is repeated for each unit type and, if applicable, for primary and secondary schools. Example calculations are given in Appendix B.
- 5.2 Where additional land is needed, the developer will also be required to either provide free land, meeting the criteria set out in the Developer Contribution Guidelines, or sufficient funding to acquire it. The cost of building may be estimated as above or provided on a bespoke basis as part of a feasibility study. The new school sizes that ECC seeks to open are specified in the SOP. It may be necessary to negotiate an option to purchase additional land, not in itself solely necessitated by pupils forecast from the development, to allow a suitable sized school to be established.

6. When a schools contribution will be required

- 6.1 Where the need for additional school facilities arising from new housing has been demonstrated, all development incorporating residential use will be expected to contribute pro rata to the size of that development. Contributions will not normally be sought for schemes where there is a net increase of less than 12 dwelling units (defined as 'small sites' in the Structure Plan) or for those categories of development set out in paragraph 6.2. However, where smaller developments in a location would cumulatively contribute in excess of this limit, they will be required to contribute on a pro rata basis. This is to create a balance between the impact of increased need for new places, and scale of development.
- 6.2 The financial contribution sought will always be proportional to the number and size of dwellings proposed. Contributions will not be sought for:
- single-bedroom dwellings, as these are unlikely to provide accommodation for children (where a scheme includes a mix of single-bedroom and larger units, a contribution will only be sought for the larger units);
 - specialist elderly housing, student accommodation and similar housing in multiple occupancy which will generally not accommodate children (where such accommodation gives rise to a significantly reduced level of contribution from a development, it may be appropriate for the LPA to impose conditions restricting the occupation of such properties);
 - schemes developed entirely as affordable housing under adopted 'local needs/rural exception' policies where 100% of the dwellings will be owned by a Registered Social Landlord.
- 6.3 Because educational need arises and is planned for at ECC level, there is a need to achieve consistency throughout the administrative county. Therefore, when required, the level of contribution sought will not vary by the location of the development within the county. Structure Plan policies BE5 and H4 relating to planning obligations will always be considered in determining each planning application, and the specific circumstances of each development will be taken into account.

7. Determining contribution levels

- 7.1 It is the statutory duty of ECC, as LEA, to forecast the number of pupils that must be provided for over time and ensure that sufficient places are available as need arises. The LEA's role in the planning process is to inform the LPA of the estimated additional need that new residential development generates and calculate the cost of meeting it. (See section 5 and appendices)

7.2 While the LEA method used to assess need takes account of the individual nature of sites, the final decision on whether a contribution is justified and the priority which the education contribution should receive rests with the LPA determining the application. In line with Circular 1/97, it is for the LPA to balance and finally determine the priorities for competing requirements, such as affordable housing, public open space and other infrastructure relating to the site, against the value of contributions which may be negotiated.

8. Use and monitoring of s106 funds

- 8.1 All contributions must be index linked and, when received, used by ECC for the purpose(s) negotiated and set out in each individual section 106 agreement. Contributions will always be used in the local area, which is defined as a school within three miles of the site, the designated catchment school or at another school shown in the same 'group' in the Essex School Organisation Plan. Although it is not always possible or effective to use monies expanding the school closest to the development, contributions will always be used to meet the identified additional need arising from the development. Developers may seek to include clauses requiring the return of monies or land unused within a specified period, usually ten years. ECC will keep records outlining the receipt of contributions and how they are spent. It is a matter for the s106 agreement to specify, at the developer's request, any specific information requirements deemed appropriate.
- 8.2 In most cases, contributions are required prior to commencement of the development. With large developments it may however prove appropriate to defer parts of the contribution providing adequate surety, usually in the form of a bond, are provided to the LEA.

9. Further information

9.1 Contacts

✉	Planning & Admissions (Strategy) The Schools Service Essex County Council County Hall Chelmsford CM1 1GS
☎	01245 436725
💻	admin.strategy@essexcc.gov.uk

9.2 Documents

-  The 'Essex School Organisation Plan' and 'Developer Contribution Guidelines' are available from the ECC Schools Service (contact above).
-  The 'Essex and Southend on Sea Replacement Structure Plan' is published on the ECC web site (www.essexcc.gov.uk) or contact the Planning Policy Group at County Hall, Chelmsford CM1 1QH.
-  For the Local Plan, please use the District/Borough contact shown above.
-  The 'Town & Country Planning Act' and 'Circular 1/97' are available from: Office of the Deputy Prime Minister, 26 Whitehall, London SW1A 2WH.
-  'Trading Places' is available from The Audit Commission, PO Box 99, Wetherby LS23 7JA
-  'Public Sector Buildings Cost Index ISBN 1353-1824' (PUBSEC Index) published in DTI Quarterly Building Price & Cost Indices available from Tudorseed Ltd, 3 Ripon House, 35 Station Street, Hornchurch RM12 6JL.

This document can be made available in alternative formats on request.

Appendix A: - Pupil product factors

The following factors are multiplied by the number of qualifying dwellings to forecast the number of pupils that will require an additional school place as a result of the proposed development. The high-density factors are applied where the net site density is over fifty units per hectare. i.e. in excess of the density range outlined in PPG3.

<u>Factors</u>	Primary		Secondary	
	House	Flat	House	Flat
Standard Development	0.3	0.3	0.2	0.2
High Density Development	0.3	0.15	0.2	0.1

Please note that these factors may be subject to change over time.

Appendix B: - Cost of providing additional school places

Department for Education & Skills Cost Multipliers (2004/5) costs per place: -

- Primary School: £8,299 equivalent to: -
£2,489.70 per house or standard density flat
£1,244.85 per high density flat
- Secondary School : £11,696 equivalent to: -
£2,339.20 per house or standard density flat
£1,169.60 per high density flat

Example A : -

Standard density development of 12 units requiring a primary contribution: -

12 (units) X 0.3 (standard primary factor) = 3.6 rounded to 4 pupils.

4 (pupils) X £8,299 (primary cost multiplier) =

£33,196 at April 2004 costs

Example B : -

High-density development of 20 flats and 30 houses requiring a secondary contribution: -

20 (units) X 0.1 (high density flat secondary factor) = 2 (pupils)

30 (units) X 0.2 (standard house secondary factor) = 6 (pupils)

8 (total pupils) X £11,696 (secondary cost multiplier) =

£93,568 at April 2004 costs

Note:

Where there is a deficiency in both Primary and Secondary accommodation, contributions will be sought for both age ranges. The building and land costs of larger schemes are usually determined by the completion of feasibility studies. All contributions must be index linked using the PUBSEC index.