



Education Contributions

Supplementary Planning Document



ADOPTED

April 2007

WORCESTER CITY COUNCIL
EDUCATION CONTRIBUTIONS
SUPPLEMENTARY PLANNING DOCUMENT

1. Introduction

- 1.1 The opportunity of a decent education is central to the Government's aims of achieving sustainable communities. Provision of adequate education facilities is crucial in ensuring that all children have the opportunity to gain the vital knowledge, skills and qualifications needed for a bright start in life.
- 1.2 Without investment, schools' ability to accommodate extra pupils generated by new housing development can be compromised. It is therefore important to maintain sufficient levels of school capacity and infrastructure for a growing population. The development industry has a key role to play in delivering this provision, on a scale and kind that is appropriate to the new development.
- 1.3 Planning obligations include "Section 106 Agreements" and "Unilateral Undertakings" authorised by Section 106 of the Town and Country Planning Act 1990 as amended by the Planning and Compensation Act 1991, Section 12. Section 106 agreements are negotiated between the local planning authority and the developer, usually in the context of planning applications, intended to make acceptable development which would otherwise be unacceptable in planning terms. In the context of this Supplementary Planning Document (SPD), the use of a planning obligation is to mitigate, or compensate for, a development's impact on school capacity to accommodate local pupils.
- 1.4 The SPD replaces Worcestershire County Council's Supplementary Planning Guidance on 'Section 106 Planning Obligations – Education Facilities' (2003). As a consequence of the new planning system introduced by the Planning and Compulsory Purchase Act 2004, the County Council cannot adopt this SPD and it falls to the City Council to do so.
- 1.5 The purpose of this SPD is to provide further guidance and expand upon the current adopted policies on planning obligations set out in Policy CLT.10 of the City of Worcester Local Plan. As a Local Development Document (LDD), the SPD constitutes part of the Local Development Framework for Worcester City.
- 1.6 This draft SPD has been informed by a Sustainability Appraisal (SA), which assesses the policy against environmental, social and economic objectives. The appraisal concluded that the SPD does not conflict with these objectives, and has a positive overall contribution to sustainability. The SA is being

consulted on in parallel with this SPD. Any comments received will be considered and may result in changes to the final adopted SA report.

2. Planning Policy Context

- 2.1 The Planning and Compensation Act 1991 provides the statutory framework for planning obligations. The 1991 Act amended section 106 of the Town and Country Planning Act 1990. National policy on planning obligations is provided in ODPM Circular 05/2005, which seeks to establish planning obligations as an important element of sustainable development. Planning obligations, often referred to as Section 106 agreements, are used to *prescribe, compensate, or mitigate* the impact of a development. Paragraph B.3 of Circular 05/2005 states that such obligations are *“intended to make acceptable development which would otherwise be unacceptable in planning terms.”* The Circular provides five key tests, all of which must be satisfied, in deciding whether or not a planning obligation may be entered into:

A PLANNING OBLIGATION MUST BE:	
i)	RELEVANT TO PLANNING;
ii)	NECESSARY TO MAKE THE PROPOSED DEVELOPMENT ACCEPTABLE IN PLANNING TERMS;
iii)	DIRECTLY RELATED TO THE PROPOSED DEVELOPMENT;
iv)	FAIRLY AND REASONABLY RELATED IN SCALE AND KIND TO THE PROPOSED DEVELOPMENT; AND
v)	REASONABLE IN ALL OTHER RESPECTS.

Paragraph B6, Circular 05/2005 'Planning Obligations', ODPM (2005)

- 2.2 Circular 05/2005 provides examples of the range of uses of planning obligations. Mitigation is likely to be the most appropriate form in the case of provision for education facilities, and paragraph B15 provides one possible circumstance in which an obligation would be sought: *“if a proposed development would give rise to the need for additional or expanded community infrastructure, for example, a new school classroom, which is necessary in planning terms and not provided for in an application, it might be acceptable for contributions to be sought towards this additional provision through a planning obligation.”*
- 2.3 The development plan policy concerning planning obligations referred to in paragraph 1.5 above is reproduced below.

POLICY CLT10 REQUIREMENTS FOR ADDITIONAL EDUCATIONAL FACILITIES RELATED TO DEVELOPMENT

CONTRIBUTIONS TO EDUCATION FACILITIES WILL BE SOUGHT AS PART OF ALL RESIDENTIAL DEVELOPMENT (INCLUDING CHANGES OF USE) WHERE IT CAN BE DEMONSTRATED THAT AS A RESULT OF THE DEVELOPMENT SUCH FACILITIES ARE REQUIRED.

REASONED JUSTIFICATION:

- 10.37 THE PROVISION OF NEW DWELLINGS WITHIN THE CITY WILL HAVE AN IMPACT ON A RANGE OF SERVICES, INCLUDING EDUCATIONAL FACILITIES. WHERE THE CITY COUNCIL IS SATISFIED THAT NEW DEVELOPMENT WILL CONTRIBUTE TO DEMAND REQUIRING THE PROVISION OF NEW EDUCATIONAL FACILITIES (EG ADDITIONAL CLASSROOMS, A NEW SCHOOL, NEW OR IMPROVED EDUCATIONAL SPORTS FACILITIES), IT WILL SEEK A RELEVANT FINANCIAL CONTRIBUTION, AND/OR DIRECT PROVISION OF LAND OR BUILDINGS. IT IS CONSIDERED THAT SUCH DEMAND COULD ARISE FROM THE ACCUMULATION OF NEW DWELLINGS ON VERY SMALL SITES, THAT WILL ADD TO THE WIDER DEMAND FOR EDUCATIONAL FACILITIES, AND THEREFORE CONTRIBUTIONS MAY BE SOUGHT ON SITES OF ONE OR MORE DWELLINGS. IN CONSIDERING WHAT IS REQUIRED, THE CITY COUNCIL WILL WORK WITH THE COUNTY COUNCIL AS EDUCATION AUTHORITY. CONTRIBUTIONS WILL BE SECURED THROUGH A SECTION 106 PLANNING OBLIGATION UNDER THE TOWN AND COUNTRY PLANNING ACT 1990.

City of Worcester Adopted Local Plan (2004)

3. Aims of the Document

- TO PROVIDE GREATER CLARITY FOR DEVELOPERS AND APPLICANTS AND ASSIST IN STREAMLINING THE PROCESSING OF APPLICATIONS.
- TO PROVIDE A CLEAR FRAMEWORK FOR ASSESSING THE REQUIREMENT FOR ADDITIONAL EDUCATION FACILITIES AND CALCULATING PLANNING OBLIGATIONS FOR DEVELOPMENTS IN THE CITY.
- TO PLAY AN IMPORTANT ROLE IN ENSURING THAT COMMUNITY AND INFRASTRUCTURE NEEDS ARE FULFILLED AS PART OF NEW DEVELOPMENT PROPOSALS AND THAT THE PROCESS IS FAIR AND TRANSPARENT TO THE LOCAL COMMUNITY.
- TO CLEARLY STATE THE COUNCIL'S PROCEDURES IN DEALING WITH PLANNING APPLICATIONS WHICH ARE LIKELY TO GENERATE PLANNING OBLIGATIONS FOR EDUCATION FACILITIES AND IN DRAFTING AGREEMENTS THAT SECURE PLANNING OBLIGATIONS.

3.1 The aims of the SPD are set out in the table preceding. The following 3 specific objectives have been derived from the above aims:

- (i) to clearly establish the level of contribution towards the provision of education facilities for children that Worcestershire County Council (as Local Authority providing children's' services) will require from new housing development;
- (ii) to establish the threshold at which that contribution will become payable both in terms of surplus school places and the scale of housing development to which the SPD will apply; and
- (iii) to set out the procedure for agreement and payment of contributions.

4. Policy Framework for seeking education contributions and amount of contribution

4.1 It is fundamental to the principles of the planning system to ensure that the circumstances in which education contributions will be sought, together with the type and amount of such contributions, are open and transparent.

4.2 As encouraged in Circular 05/2005, contributions for education facilities will be determined through applying a formula and standard charges. This is in order to “*speed up negotiations*” and “*ensure predictability*”, whilst helping to “*promote transparency*” and “*assist in accountability in the spending of monies*”. (Circular 05/2005, para B33).

4.3 The formula takes into account the following elements:

- **Building cost multiplier** – which is the cost per pupil for building new accommodation, based on a weighted average of two separate multipliers, one for totally new schools and one for existing schools. The building cost multiplier is calculated by the DfES and updated periodically. Separate multipliers are published for the primary and secondary phases of education. An area weighting is applied.
- **Pupil yield** - which represents the number of children in each year group, that may be expected to arise from new housing. A figure of 2.9 children per year group per 100 dwellings will be used. This is derived from the 2001 Census of Population average number of children per privately owned dwelling.
- **Number of year groups in each phase of schooling** – in Worcester City education is organised on a two-tier system. There are 7 year groups in primary schools, and 5 secondary school year groups in secondary schools.

- **Size of dwelling** – in terms of number of bedrooms. A 2-3 bedroomed dwelling is considered the standard (and so has no additional effect on the basic calculations), whereas a dwelling with 4 or more bedrooms requires a 50% increase on the calculated standard contribution. This is due to the increased likelihood of there being children resident in the dwelling, derived from output from the 2001 Census of Population. One-bedroomed dwellings are not subject to any contribution (see paragraph 5.2)
- **Type of dwelling – Flats¹** will be allowed a 60% discount on the standard charge. This represents the reduced likelihood of there being children resident in the dwelling, based on results of the 2001 Census of Population.

4.4 The schedule of rates will be updated every year in April in line with changes to the building cost multiplier, the numbers on roll as at the annual January school census, and the current capacity of the school. For current rates refer to the Table of Charges Summary available from Worcestershire County¹Council (see Worcestershire Hub website or contact details at section 11.1).

4.5 A worked example of the calculation of the contribution is given below:

Primary School:

7 year groups in primary age group (age 5-11) x pupil yield x multiplier for primary phase

$7 \times 0.029 \times \text{£}9,957 = \text{£}2,021$

Secondary School:

5 year groups in secondary age group x pupil yield x multiplier for secondary phase

$5 \times 0.029 \times \text{£}15,214 = \text{£}2,206$

Total contribution for all phases = £2,021 + £2,206 for 2 or 3 bedroom dwellings = £4,227

For 4 bedroom dwellings = £4,227 + 50% = £6,341

For a flat = £4,227 - 60% = £1,691

Notes –

0.029 = Pupil Yield per dwelling (2001 Census of Population output)
 £9,957 = Building Cost multiplier for primary phase (2006-7 rate)
 £15,214 = Building cost multiplier for secondary phase (2006-7 rate)

¹ Definition of a flat. Building Regulations 2000 (SI 2000 no. 2351) give the following definition: "A flat is a separate and self-contained premises constructed or adapted for use for residential purposes and forming part of a building from some other part of which it is divided horizontally"

5. Threshold for Charges

- 5.1 The threshold for contributions will depend on the size of the development and the number of surplus places at schools serving the development. The size of the development is determined by the net gain in dwellings. For example, a building project involving the demolition of two existing dwellings and the construction of 5 new dwellings will be considered to be a development of 3 dwellings for the purposes of assessing the S106 education contribution.
- 5.2 In general, no charge will be sought for developments of 4 or fewer dwellings. However, the City Council will also take into account the full extent of the site area and neighbouring sites, to ensure that housing sites are not developed in a piecemeal fashion in order to keep below the threshold for payment of planning obligations for education provision. Conditions may be attached to permissions for housing sites that fall below the threshold if they form part of a larger scheme on the site.
- 5.3 For developments of 5-30 dwellings, contributions will only be sought for schools which have no surplus places in at least one year group.
- 5.4 For developments of 31-60 dwellings, contributions will only be sought for schools which have 1 or no surplus places in at least 1 year group.
- 5.5 For developments of 61-99 dwellings, contributions will be sought for schools which have 2 or fewer surplus places in at least 1 year group.
- 5.6 For developments of over 100 dwellings, Worcestershire County Council will seek to negotiate with the developer. An extension of this tariff may be used for the basis or, alternatively, Worcestershire County Council may seek land and / or buildings for a new school. Each development of over 100 dwellings will be assessed individually by the Children's Services Directorate at the County Council.
- 5.7 A surplus place is defined as the difference between the number on roll for the year group at the point of the January school census and the Indicative Admission Number, calculated using the DfES standard methodology.

6. Eligible Schools

- 6.1 Contributions will be sought from housing developments where it can be shown that the scheme will result in a direct need for additional school facilities at one or more schools serving the development. Schools eligible for contributions are the schools meeting the surplus place criteria in Section 5 above whose catchment area includes the development.

7. Exemptions

- 7.1 Planning contributions for education facilities will not be sought from social rented housing² and intermediate housing³ developments (or from those social rented/intermediate elements of larger schemes).
- 7.2 One-bedroom dwellings will not be subject to negotiations for education provision, as it is considered unlikely that sufficient pupils will be generated from these households.
- 7.3 Specialist housing for the elderly or people with disabilities will not be subject to negotiations for education provision, as it is considered unlikely that sufficient pupils will be generated from these households.

8. Procedure for agreement and payment of contributions

- 8.1 The County Council will prepare a standard Section 106 agreement in respect of education provision to accompany each planning application which will be available for use by the City Council if required. The level of contribution per dwelling will be agreed at this stage. In respect of outline planning applications, an amount per dwelling will be agreed with the developer which will then allow a final contribution to be calculated at the detailed planning application stage.
- 8.2 For small developments of 5 – 9 dwellings, the City Council will seek payment of the contribution for education at the commencement of the development. For developments of 10 or more dwellings, the City Council will seek payment on occupation of one third of the dwellings and may consider payment by instalments (adjusted for inflation) with major schemes.
- 8.3 **Monies from S106 Education Contributions should be sent directly to Worcestershire County Council.**
- 8.4 Worcestershire County Council will retain the funds in an interest bearing bank account set up specifically for S106 Education contributions.
- 8.5 Worcestershire County Council will carefully monitor and commit to spending the contributions within the time period specified in the planning agreement. This will usually be 10 years and rarely less than five.

² "Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant." Annex B Definitions to PPS3: Housing, DCLG (2006)

³ "Housing at prices or rents above those of social-rent but below market prices or rents. This can include shared equity products (for example HomeBuy), other low cost homes for sale and intermediate rent." Annex B Definitions to PPS3: Housing, DCLG(2006)

9. Disbursement of Monies

- 9.1 S106 Education contributions, together with any accrued interest, shall be spent on capital projects at one or more of the eligible schools.
- 9.2 Contributions will always be for permanent facilities and will not be used for providing temporary accommodation.
- 9.3 Contributions may also be spent on voluntary aided schools (usually faith schools) which operate admission criteria not based primarily on a geographical catchment area provided they;
- a. meet the surplus place criteria in section 5;
 - b. (for primary / first schools) are within 2 miles of the development, this being the acceptable walking distance for children under 8 in school transport policy, or operate a well defined catchment area which includes the development, similar in extent to a comparable community or voluntary controlled school;
 - c. (for middle / secondary / high schools) are within 3 miles of the development, this being the acceptable walking distance for children aged 8 or over in school transport policy, or operate a well defined catchment area, which includes the development, similar in extent to a comparable community or voluntary controlled school.
- 9.4 Contributions may also be spent on school-based Early Years facilities, extended school facilities, youth facilities, or specialist facilities for children with disabilities, or other school-based provision for the benefit of the under-18 year olds.
- 9.5 The decision on how the funds shall be disbursed will be taken by Worcestershire County Council and published in the annual Capital Spending Programme.
- 9.6 If all or some of the money is not spent within the period specified in the planning agreement, then monies will be returned with interest calculated at 1% below the bank base rate, compounded annually.
- 9.7 5% or £1,000, whichever is the lesser amount, will be added to the contribution to cover administrative expenses incurred by Worcester City Council and Worcestershire County Council. This is in addition to any legal charges.

10. Additional Information

10.1 Additional relevant information in relation to the application of this SPD is set out in a series of documents which are all available on the Worcester City Council website at www.cityofworcester.gov.uk or on the Worcestershire County Council website at www.worcestershire.gov.uk ;

- Table of Charges
- Current School Organisation Plan
- School Number on Roll Summary
- Building Cost Multiplier
- School Catchment Areas
- Worcestershire Schools Database

11. Contact Details

11.1 For further information about any of these issues, please contact the following officers at Worcestershire County Council:

Isobel Gibson, Forward & Strategic Planning Officer, Children's Services Dept, 01905 766278, igibson@worcestershire.gov.uk

Ian Fisher, Principle Review Officer, Corporate Services Directorate, 01905 766412, ifisher@worcestershire.gov.uk

Or, the following Worcester City Council Officer
David Hobbs, Senior Planner, 01905 722528,
dhobbs@cityofworcester.gov.uk

This information is available in large print, Braille, PC disc, CD-ROM or DVD, and audio tape on request.
Call 01905 722 230 or minicom (text telephone) 01905 722 156 for your copy.

Need help with English? Contact Ethnic Access on 01905 25121.

Bengali

ইংরেজি ভাষার বিষয়ে সাহায্য চান – এথনিক অ্যাকসেস [Ethnic Access] এর সঙ্গে যোগাযোগ করুন, টেলিফোনঃ 01905 25121

Chinese (Cantonese)

“如需我們幫助你理解英文—聯繫 Ethnic Access（少數民族服務獲取組），電話：01905 25121 ”

Portuguese

‘Necessita de ajuda com o seu Inglês? – contacte Ethnic Access Tel.: 01905 25121’

Punjabi

ਮੰਗੀ ਵਾਸਤੇ ਸਹਾਇਤਾ ਦੀ ਲੋੜ ਹੈ - ਟੈਲੀਫੋਨ ਨੰਬਰ 01905 25121 'ਤੇ ਮੈਥਨਿਕ ਮੈਕਸੈਸ [Ethnic Access] ਨਾਲ ਸੰਪਰਕ ਕਰੋ।

Urdu

آپ انگریزی میں مدد چاہتے ہیں— نسلیاتی رسائی [Ethnic Access] سے رابطہ کریں ٹیلیفون: 01905 25121

Worcester Local Development Framework (LDF)

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