

Contributions towards education provision

A guide for developers

September 2017

**Please note this guide has been updated to reflect an
inflationary increase to the charge rate for 2022/23**

1. Introduction

1.1 In Sefton we are committed in the emerging Local Plan to meeting the diverse needs for homes, jobs, services and facilities as close to where they arise as possible. The housing requirement over the Local Plan period (2015-2030) is calculated at a minimum of 11,520 dwellings. This level of house building will result in increased pressure on local schools, some of which are already full or approaching capacity.

1.2 The Council is in the process of publishing a Community Infrastructure Levy [CIL]. CIL will be a charge on new development that will contribute to the provision on new or improved local infrastructure to support the growth in the borough. However, as the CIL is unlikely to be adopted in Sefton until late 2017/early 2018, there is likely to be a period when proposals for large housing developments are determined without securing a financial contribution for infrastructure. This has been a real concern for the Council, members and the public who recognise the need for new development to be supported by investment in local services and facilities.

1.3 As a temporary measure the Council intends to secure contributions through the section 106 process towards local education provision. Education provision, particularly Primary Schools, was identified, in the Infrastructure Delivery Plan, as one of the key types of infrastructure that is needed to be provided or expanded to support the Local Plan. Furthermore, the provision of [or lack of] primary schools in a local area can be detrimental to the attractiveness of a housing scheme. This practice note sets out the approach to calculating a proportionate financial contribution towards new education provision from housing developments. Once the Council adopts a Community Infrastructure Levy it will revoke this note.

2. Policy background

2.1 Paragraph 38 of the National Planning Policy Framework (NPPF) (see link in Annex C) states 'Where practical, particularly within large-scale developments, key facilities such as primary schools ... should be located within walking distance of most properties.'

2.2 Paragraph 72 of the NPPF requires authorities to take a pro-active, positive and collaborative approach to ensure there is a sufficient choice of school places to meet the needs of existing and new communities. This means placing great weight to creating, expanding or altering schools and working with schools promoters to identify and resolve key planning issues before applications are submitted.

2.3 Paragraph 204 of the NPPF states planning obligations should only be sought where they meet all of the following tests:

- Necessary to make development acceptable in planning terms;
- Directly related to the development; and
- Fairly and reasonably related in scale and kind to the development.

2.4 Sefton Local Plan policy **IN1 'Infrastructure and developer contributions'** sets out the approach to funding additional and improved infrastructure required as a result of new development. The following parts of this policy are relevant to the provision of additional school places:

- Part 1. The Infrastructure Delivery Plan, Appendix 1 [of the Local Plan] and other policies in the Local Plan list the infrastructure required for the implementation of the Local Plan strategy.
- Part 4. Where appropriate, contributions will be sought to enhance and provide infrastructure to support new development. This may be secured as a planning obligation through a legal agreement, through the Community Infrastructure Levy or through other agreements.
- Part 6. Planning conditions or phased legal agreements may be used to ensure infrastructure is provided within appropriate timescales.
- Part 8. The impact of providing or contributing to infrastructure on the viability of development proposals will be considered. Where scheme viability will be affected, developers will be expected to provide Viability Assessments which will be taken into account as a material consideration in the determination of planning applications. Essential infrastructure is required regardless of viability.

2.5 The Infrastructure Delivery Plan was published by the Council in December 2014. This supported the Local Plan through examination. In relation to education provision the IDP identified that the primary school provision was needed in all areas of Sefton. Whilst it is anticipated that secondary school provision will need to be extended, this need has not yet been identified.

3. What type of schools require funding?

3.1 Financial contributions will be directed towards **primary school provision**. It is not considered that any of our housing allocations are of a size that requires a new school. Increased primary provision will therefore be predominately met through the **extension of existing primary schools**. This is a much better outcome for developers as they do not have to provide land for a new school and existing primary schools will have existing communal areas that may only have to be extended.

4. How is the cost of a financial contribution calculated?

Sefton Local Authority calculates anticipated primary school places arising from new development in the following basis:

17.5 primary school places per 100 homes
This gives a primary pupil yield factor per dwelling of 0.175

These figures have been established through evidence gathering over a number of years across the borough as a whole on the average numbers of additional pupils resulting from new housing development. Local differences in housing size or type are averaged out and accounted for in this figure. There is therefore no need to apply different rates to different size or types of dwelling

The cost of extending a primary school by a single form school is calculated as being £2,478,467 [based at 2017/18 prices]. The breakdown of these costs is provided at Annex A.

A single form primary school extension provides sufficient capacity for an additional 210 pupils [i.e. 7 year groups of 30 pupils each]. Therefore the costs per pupil of a school extension is calculated at **£11,802** [i.e. £2,478,467 divided by 210] based at 2017/18.

Using the primary pupil yield per dwelling of 0.175 this equates to a cost per dwelling for primary education provision of £2065.13 at 2017/18.

Allowing for an inflationary increase the 2022/23 charge is:

£2,344.00 per dwelling

This will be updated in April 2021.

5. What development does education provision apply to?

5.1 All proposal for residential development that create a net increase of more than 10 dwellings in all parts of the borough will contribute towards education provision, with the following exceptions:

- Specialist housing for older people or housing that is restricted for occupation to over 55 year olds;
- One bedroom accommodation;

5.2 These exemptions apply as this type of accommodation would not be expected to provide accommodation for school aged children.

5.3 There is an argument to apply a greater cost for larger housing [i.e. four bedrooms or more], and a smaller cost for those with few bedrooms [i.e. 2 bedrooms]. However, the pupil yield that we have used [see section 4 above] accounts for the range of housing developments that has been built in Sefton. Furthermore, on smaller schemes [less than 25 homes] it is difficult to estimate the number of children that will live in each home. For development with a minimum of 25 homes the Local Plan housing mix policy HC2 'Housing type, mix and choice' will ensure a mixture of house size which will result in the pupil yield being evened out. Applying a standard charge for all homes of two bedrooms or more provides a pragmatic approach to secure reasonable contributions to primary school provision.

5.4 Where the developer considers that the application of the education contribution may make a development unviable, the developer can request an independently assessed viability test to ensure that any contributions are reasonable. This is a similar approach that which we take in respect of affordable housing. It will be the responsibility of the applicant to demonstrate that the addition of a financial contribution towards education provision would make the proposal unviable. The Council's retained viability consultants will assess any evidence on viability, for which the applicant will be charged. In assessing viability, the provision of affordable or special needs housing will take precedence over education provision in the calculation.

6. Is the requirement for contributions applied across the whole of Sefton?

6.1 The Infrastructure Delivery Plan that supported the Local Plan identified that there was a need for additional primary school places in many areas of Sefton. The Infrastructure Delivery Plan was published in 2014 and the situation does change over time. The Council's education department provide forecasts, based on registered births, of the anticipated change in primary pupils for a five year period. This helps to demonstrate in which locations there will be shortfall, or over supply, of primary school provision.

6.2 If it can be demonstrated that there is sufficient capacity in local primary schools to accommodate the level of growth proposed in the local area the Council will not seek financial

contributions for new education provision. The Council will not look at the application in isolation but will look at the combined impact of the proposed growth in the local area.

6.3 Appendix C sets out the most recent school capacity return figures for each settlement in Sefton. This information is compared against the projected levels of housing growth and the implications this growth will have for primary pupil numbers.

6.4 This information will only provide an overall broad assessment. Other considerations will have to be taken account of, such as distance to school. For example Melling and Aintree are included in Sefton East, but this does not mean that pupils from these villages would be expected to travel to Maghull/Lydiat to attend primary school. Also pupils in one part of Southport, such as Churchtown, would not be expected to travel to the other end of the town, such as Ainsdale, to attend primary school. The Council may therefore require contributions in an area even if the overall settlement is shown to have sufficient places.

7. Where will the money be spent?

7.1 The funds will be collected and used to fund increased primary education provision in the local area in which it was derived. Whilst we know that school children don't necessarily attend the primary school closest to where they live, they typically attend primary schools within the same settlement or neighbourhood. Therefore contributions will be used to fund primary schools in the following areas [wards]:

- Southport [Cambridge, Meols, Norwood, Kew, Birkdale, Dukes and Ainsdale]
- Formby [Harington, Ravenmeols, Manor¹ (Hightown Parish Council area only)]
- Crosby [Manor (except Hightown Parish Council area), Blundellsands, Victoria and Church]
- Sefton East [Park, Sudell and Molyneux]
- Bootle and Netherton [St Oswald, Netherton & Orrell, Ford, Litherland, Linacre and Derby]

7.2 Therefore, contributions derived in Formby will only be spent on schools in Formby; contributions derived in Southport will only be spent on schools in Southport, etc. This is to ensure that Regulation 122 of the Community Infrastructure Regulations is met, i.e. directly related to the development. Furthermore, the Council will ensure that no more than five financial contributions will be spent on a single project.

8. When will the contribution be collected?

8.1 The contribution will be liable for payment on commencement of the development. The Council acknowledges for larger development this may impact on the viability of the scheme. Therefore the following instalments policy is proposed for education contributions:

Financial liability is

<£50,000	All on commencement
£50,000 to £150,000	50% on commencement 50% 1 year after commencement
>£150,000	33.3% on commencement 33.3% 1 year after commencement 33.4% 2 years after commencement

¹ Manor ward includes Hightown Parish Council area. Whilst Manor is predominantly in the Crosby and Thornton area the school children from Hightown traditionally attend Formby schools.

8.2 The Council will consider other instalment policies if it can be demonstrated that the financial contribution will impact on viability.

9. Consultation

9.1 This note was made available for consultation during March to May 2017. A summary of comments made during the consultation period, and the Council's response, is available to view online at www.sefton.gov.uk/spd. Whilst this note is not a Supplementary Planning Document, it has gone through the same process in its drafting, consultation and approval. The Council therefore considers it should be given similar weight as a Supplementary Planning Document in the decision-making process.

Appendix A

Cost Information used in the Information Note (2017/18 base date)

Table A1 How the cost of a primary school extension is calculated.

REF	Cost Item	Cost £	Comments
BUILD COSTS AND ASSOCIATED FEES			
1	Floor area = 860m ² x BCIS cost base £2000/m ² [see table A2 below]	1,720,000	BCIS cost base to 1Q 2017 for Sefton region
2	External works at 15%	258,000	Estimate of cost for external works, drainage and services
3	Sub Total	1,978,000	
4	Contingency at 5%	98,900	Estimate of contingency cost for design development and risk allowance
3	Sub Total	2,076,900	
4	Fees at 11%	228,459	Standard SMBC percentage fee
5	Surveys, legals, charges	25,000	Estimate of statutory, legal, ground investigation, environmental, utility, topographic and other surveys
6	Building Cost	2,330,359	
INTERNALS			
7	Internal Furniture and IT Equipment	30,000	Estimate of costs [see table A3 below]
8	Cost Estimate	2,360,359	
ADMINISTRATION			
9	Administration charge at 5%	118,108	This cost relates to the costs incurred by the Planning Department to negotiate, administer and collect the section 106 contribution.
10	Total Cost - 1FE 210 pupils	2,478,467	
11	Cost per pupil place	11,802	

Table A2 How the primary school extension size is calculated

Use/ Activity	Area m2	Number	Total m2	Notes
Classroom	62	7	434	Storage included in corridor
Hall extension	80	1	80	Assume extension of existing facility
Hall Store	18	1	18	
Resources	17	1	17	
Group Room	11	1	11	
Pupil Toilets	36	1	36	
Reception Toilets	20	1	20	
Office extension	12	1	12	Assume extension of existing facility
Staff room/ Toilets	30	1	30	Assume extension of existing facilities
Kitchen extension	22	1	22	Assume extension of existing facility
Kitchen stores	10	1	10	
Plant room extension	15	1	15	Assume extension of existing space
Circulation	155	1	155	Includes stores and cloaks
Total Gross Internal Floor Area			860	

Table A3 How the internal costs are calculated

Qty	Description	Each	Total
30	Chairs	£12.45	£373.50
15	Classroom Table	£46.75	£701.25

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1	Teacher Chair	£45.00	£45.00
1	Teacher Workstation	£97.00	£97.00
1	Under desk 3 drawer pedestal	£153.00	£153.00
1	5 drawer paper storage unit	£385.00	£385.00
1	6 by 4 Compartment Units with clear trays	£209.00	£209.00
1	4 unit clear Bin Storage unit	£275.00	£275.00
1	Interactive whiteboard	£800.00	£800.00
	TOTAL PER CLASSROOM		£3038.75
	COST FOR 7 CLASSROOMS		£21,271.25
31	Laptop computers [shared between classes]	£280.00	£8,680.00
			£29,951.25

Note – whilst these costs are based on actual purchases in Sefton, or information available from equipment providers, these costs should only be considered approximate. The actual costs may be higher or lower than that included but the overall internal furniture and IT costs are considered to be reasonable.

Appendix B

Worked Examples

Example 1

Proposal for 20 new homes, comprising 10 two-bedroom and 10 three-bedroom homes

The scheme is liable for the financial contribution [i.e. over 10 homes] and all homes are to assume the charge.

$20 \times \text{£}2065.13 = \text{TOTAL FINANCIAL REQUIREMENT } \text{£}41,302.60$ all to be paid on commencement

Example 2

Proposal for 12 new flats, comprising six one-bedroom and six two-bedroom homes

The scheme is liable for the financial contribution [i.e. over 10 homes] and six homes are to assume the charge [i.e. they have more than one-bedroom].

$6 \times \text{£}2065.13 = \text{TOTAL FINANCIAL REQUIREMENT } \text{£}12,390.78$ all to be paid on commencement

Example 3

Proposal for demolition of four three-bedroom homes and replacement with 12 new two-bedroom homes

The scheme is not liable for the financial contribution as there is a net increase of 8 homes only.

Example 4

Proposal for 200 homes, comprising 20 one-bedroom homes, 100 two-bedroom homes and 80 three-bedroom homes

The scheme is liable for the financial contribution [i.e. over 10 homes] and 180 homes are to assume the charge [i.e. they have more than one-bedroom].

$180 \times \text{£}2065.13 = \text{TOTAL FINANCIAL REQUIREMENT } \text{£}371,723.40$. One third of this is to be paid on commencement; one third 1 year after commencement; and one third 2 years after commencement.

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Appendix C

School Returns Data 2016 and projected pupils from new developments (note – this will be updated annually)

	Current Capacity	Actual Pupils 2015/16	Projected Pupils 2016/17	Projected Pupils 2017/18	Projected Pupils 2018/19	Projected Pupils 2019/20	Projected Pupils 2020/21	Proposed Homes (2017 SHLAA)	Pupils in new homes (17.5 per 100 homes)	Total anticipated pupils (over or under supply)
Bootle and Netherton	6204	5391	5498	5598	5702	5770	5823	2215	388	6211 (+7)
Crosby	3910	3744	3758	3796	3831	3879	3905	1079	189	4094 (+184)
Formby	1785	1777	1722	1674	1604	1575	1542	1203*	211	1753 (-32)
Sefton East Parishes	3528	3249	3244	3283	3317	3329	3353	2407	421	3774 (+246)
Southport	6540	6309	6348	6371	6378	6386	6385	3108	544	6929 (+389)

- Note – this includes 130 homes in Hightown. Hightown children attend schools in Formby.

The current evidence shows that Formby is projected to have an oversupply of primary school places by 2020/21, even when taking into account proposed developments.

Whilst Bootle and Netherton are projected to have a small undersupply of primary school places by 2020/21 (by 7 places), when taking account of proposed developments, it is considered this is not sufficient to require developers to contribute to additional places.

Currently the Council would require contributions in the Crosby, Sefton East and Southport Areas.

Appendix D
Further information

Pre-application advice:

<http://www.sefton.gov.uk/planning-building-control/apply-for-planning-permission/how-to-make-a-planning-application.aspx>

Applying for planning permission:

<http://www.sefton.gov.uk/planning-building-control/apply-for-planning-permission/how-to-make-a-planning-application.aspx>

Sefton Local Plan (2016):

<https://www.sefton.gov.uk/planning-building-control/planning-policy-including-local-plan/local-plan.aspx>

Community Infrastructure Levy

www.sefton.gov.uk/cil

Schools and admissions policies

<https://www.sefton.gov.uk/schools-learning/school-admissions.aspx>

Targeted Basic Need Programme – information on conditions of funding and making an application”
– Department for Education (March 2013),

<http://media.education.gov.uk/assets/files/pdf/t/tbn%20information%20note.pdf>

National Planning Policy Framework (2012) and Guidance (online):

<https://www.gov.uk/government/publications/national-planning-policy-framework--2>

Building Cost Information Service (BCIS)

<http://www.rics.org/uk/knowledge/bcis/#>