

# Education Planning Obligations Policy Worcestershire

DRAFT

**Document Details:**

Status: Final Version

Date: April 2019

Document

Contact: Provision Planning & Accommodation

Education & Skills

[ppa@worcestershire.gov.uk](mailto:ppa@worcestershire.gov.uk)

[www.worcestershire.gov.uk](http://www.worcestershire.gov.uk)

# Contents

|   |    |
|---|----|
| Introduction .....  | 3  |
| Worcestershire County Council's Approach to Developer Contributions ..... | 4  |
| National Planning Policy Context.....                                     | 6  |
| School Organisation in Worcestershire .....                               | 8  |
| Assessing Impact on Early Years Places in Worcestershire.....             | 10 |
| Calculating the Requirement for Early Years Childcare places .....        | 10 |
| Identifying Relevant Pre-School Projects.....                             | 11 |
| Assessing Impact on State Funded School Places .....                      | 12 |
| Calculating the School Place Requirements of New Developments.....        | 12 |
| Identifying Related Schools .....   | 13 |
| Calculating the Level of Contribution at an Existing Provider .....       | 15 |
| Requirements for mainstream provision .....                               | 15 |
| Requirements for early years provision .....                              | 15 |
| Requirements for special education needs and disability provision.....    | 15 |
| Pupil Product Ratio.....  | 16 |
| Building Cost Multiplier (BCM).....                                       | 16 |
| Formula.....  | 17 |
| Exemptions .....  | 18 |
| Calculating the Level of Contribution When a New School is required ..... | 19 |
| Payment of contributions.....   | 20 |
| Disbursement of Monies .....  | 21 |
| Nomination of projects.....   | 21 |
| Forward funding of projects .....   | 21 |
| Recording and Monitoring of funds.....                                    | 21 |
| Contact Details .....   | 22 |

# Introduction

- 1.1 Worcestershire County Council has a statutory duty to ensure there are sufficient school places for all children (aged 4-18) resident in Worcestershire who wish to attend a publically-funded school. This includes academies and free schools. Provision of sufficient school places is crucial in ensuring that all children have the opportunity to gain the vital knowledge, skills and qualifications necessary for life and work.
- 1.2 Worcestershire County Council also has responsibility for ensuring that all three and four year olds and all eligible two year olds can access high quality free early education places<sup>1</sup>, either within school provision or in a variety of private provision.
- 1.3 The National Planning Policy Framework (NPPF) paragraph 94<sup>2</sup> states that 'It is important that a sufficient choice of school places is available to meet the needs of existing and new communities. Local planning authorities should take a proactive, positive and collaborative approach to meeting this requirement, and towards development that will widen choice in education. They should:
  - a) give great weight to the need to create, expand or alter schools through the preparation of plans and decisions on applications; and
  - b) work with schools promoters, delivery partners, developers and statutory bodies to identify and resolve key planning issues before applications are submitted.

It is considered that this is applicable both to school development proposals themselves and to addressing the education impacts of development generally.

- 1.4 Without investment, schools and early education providers may not be able to accommodate additional pupils generated by new housing developments, creating an adverse impact on both new and established communities and raise concerns over the viability and sustainability of the new development. It is therefore important that developers and Worcestershire County Council take appropriate steps in partnership to mitigate the impact of developments on education infrastructure.
- 1.5 This policy document sets out the approach Worcestershire County Council will take in assessing the impact of new housing developments on schools and early education provision and calculating the appropriate mitigation via conditions and planning obligations.
- 1.6 This policy document is applicable to any planning application submitted from the date of the adoption of the revised policy (1<sup>st</sup> August 2019).
- 1.7 To ensure that planning obligations and the Community Infrastructure Levy (CIL) operate in a way that is complimentary and does not hinder development, the CIL regulations 122 and 123 place limits on the use of planning obligations. This approach will involve close working with local planning authorities. This document should be read alongside the relevant district council local plan policies and subsequent supplementary planning documents as appropriate.
- 1.8 Worcestershire County Council welcomes and encourages discussions with district councils and developers at an early stage of development to identify the potential impact of housing growth. In particular, in the creation of neighbourhood plans and Infrastructure Development Plans, as well as in response to individual applications, in order to ensure a sufficient number of school and early years places are provided to mitigate the impact of proposed development.

---

<sup>1</sup> <https://www.gov.uk/help-with-childcare-costs/free-childcare-and-education-for-2-to-4-year-olds>

<sup>2</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/728643/Revised\\_NPPF\\_2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728643/Revised_NPPF_2018.pdf)

# Worcestershire County Council's Approach to Developer Contributions

- 2.1 Worcestershire County Council primarily utilises Section 106 planning obligations and Community Infrastructure Levy contributions to mitigate the impact of developments on educational infrastructure.
- 2.2 Worcestershire has six district councils each with a policy enabling the collection of developer contributions. To date the South Worcestershire Councils are the only councils in Worcestershire to have adopted a Community Infrastructure Levy (CIL) charging schedule.

## South Worcestershire Councils:

- Malvern Hills District Council
  - Wychavon District Council
  - Worcester City Council
- 2.3 When the funding becomes available from the Community Infrastructure Levy, Worcestershire County Council will bid for projects to support education infrastructure as required.
  - 2.4 Worcestershire County Council will also seek to work with parish councils to identify where funding may be pooled to best serve education infrastructure needs in an area.
  - 2.5 Section 106 obligations will still be collected for the South Worcestershire Councils for specific sites and large scale sites as stated within the regulation 123 list published on the district council websites<sup>3</sup>. All other education provision required as a result of new housing within the South Worcestershire Councils areas would be expected to be funded by the CIL.
  - 2.6 The three northern district councils of Worcestershire at the point of publication have not adopted CIL. These are:

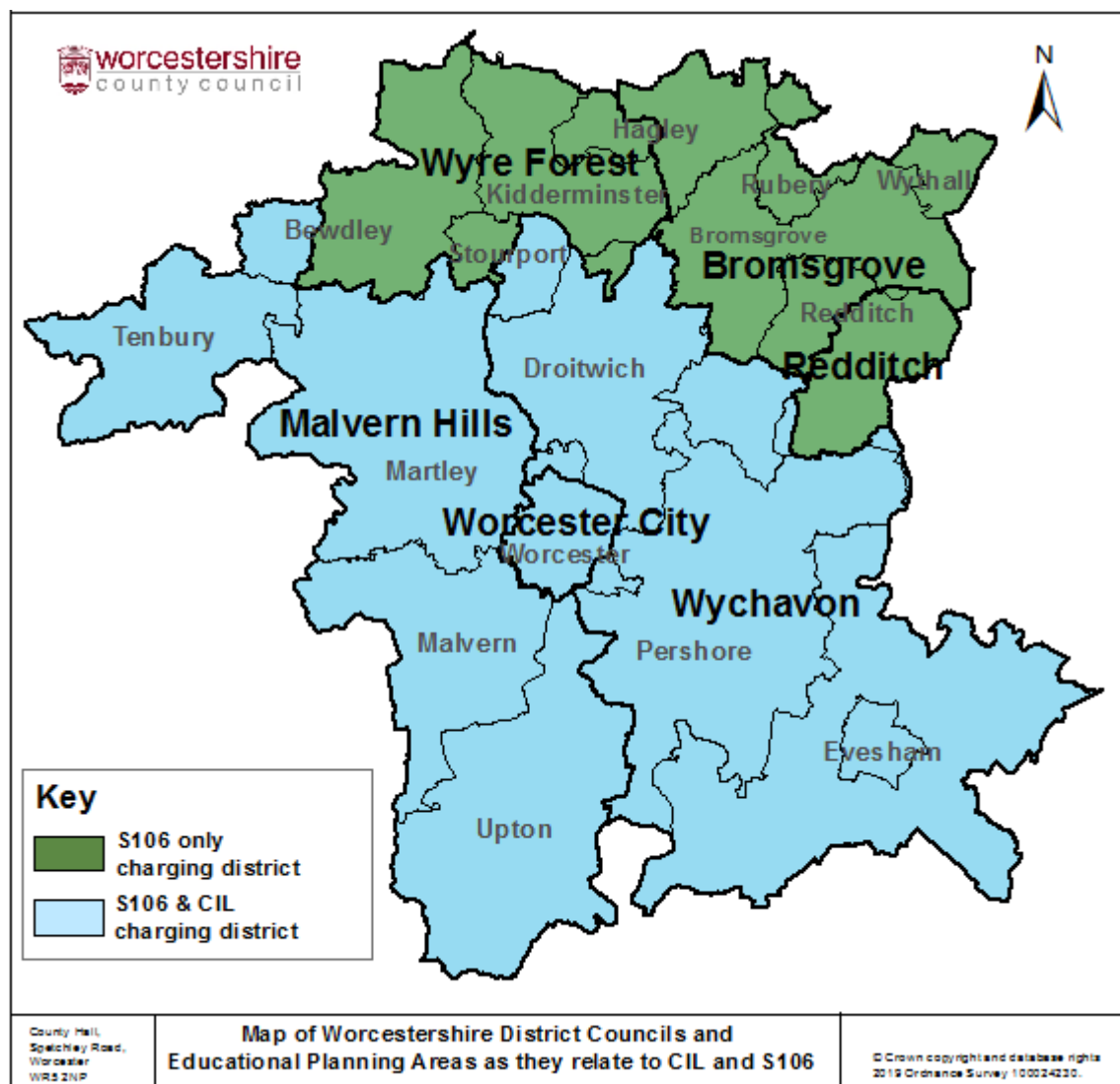
## North Worcestershire Councils:

- Bromsgrove District Council
  - Redditch Borough Council
  - Wyre Forest District Council
- 2.7 The contribution arrangements for the six district councils as they relate to the 16 educational planning areas are illustrated in figure two below.

---

<sup>3</sup> Community Infrastructure Levy documents can be located at:  
Malvern Hills <https://www.malvernhillsgov.uk/community-infrastructure-levy1>  
Worcester City <https://www.worcester.gov.uk/community-infrastructure-levy>  
Wychavon <https://www.wychavon.gov.uk/community-infrastructure-levy>

Figure 1: Developer Contribution Arrangements



## National Planning Policy Context

- 2.8 The National Planning Policy Framework 2018 and the Community Infrastructure Levy Regulations 2010 (as amended in 2014), sets out criteria in respect of planning obligations.
- 2.9 Planning obligations, also known as Section 106 agreements (based on that section of The 1990 Town & Country Planning Act) are private agreements made between local authorities and developers and can be attached to a planning permission.
- 2.10 Paragraph 55 of the National Planning Policy Framework 2018 (NPPF) states that local planning authorities should consider whether a development that would otherwise be considered unacceptable could be made acceptable through the use of conditions or planning obligations.
- 2.11 Regulation 123(2), of the CIL Regulations 2010, as amended by the 2014 Regulations, prevents section 106 planning obligations being used in relation to those things that are intended to be funded through CIL by the charging authority.
- 2.12 The Community Infrastructure Levy is a planning charge introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010.
- 2.13 Regulation 123 also prevents the local authority from seeking a financial contribution or provision of an infrastructure project where five or more separate planning obligations have already been sought for the funding or provision of that project from other sources (i.e. financial contributions secured in other Section 106 agreements). All payments, counting back to 6 April 2010, are taken into account. Such payments are commonly referred to as "pooled contributions". The Ministry of Housing, Communities and Local Government (MHCLG) are currently consulting on a change to NPPF to alleviate pooling restrictions on planning applications. Worcestershire County Council will follow revised regulations once approved.
- 2.14 Section 106 Agreements and Unilateral Undertakings set out the obligations of the developer and relevant parties to mitigate the impact of a development during the various stages of construction and occupation.
- 2.15 Paragraph 57 and regulation 122 of the CIL Regulations 2010 set three tests for any planning obligation. The obligation must be:
1. Necessary to make the development acceptable in planning terms
  2. Directly related to the development
  3. Fairly and reasonably related in scale and kind to the development
- 2.16 Worcestershire County Council has set out an approach to planning obligations for education that meet these tests, as detailed below:
- 2.17 **Necessary to make the development acceptable in planning terms**
- Housing developments will create additional households in the community in which they are situated. These new households are likely to include children at some stage in the lifespan of the property.
  - An increase in the child population will create additional demands on related schools and early year's providers on education infrastructure in the local area.
  - Where it can be demonstrated that the related schools and early years providers do not have sufficient capacity to absorb the additional demand, then the development cannot be considered acceptable unless appropriate mitigation is put in place.
- 2.18 **Directly related to the development**
- Only schools and early years providers deemed to be related to the development will be considered (see section 4 and 5). Primarily this will include location, distance and relevant admissions criteria.

**2.19 Fairly and reasonably related in scale and kind to the development**

- The level of contribution sought will have a direct relationship to the net number of dwellings on a development and the anticipate pupil yield, taking account of any demolitions due to take place as part of the development.

DRAFT

# School Organisation in Worcestershire

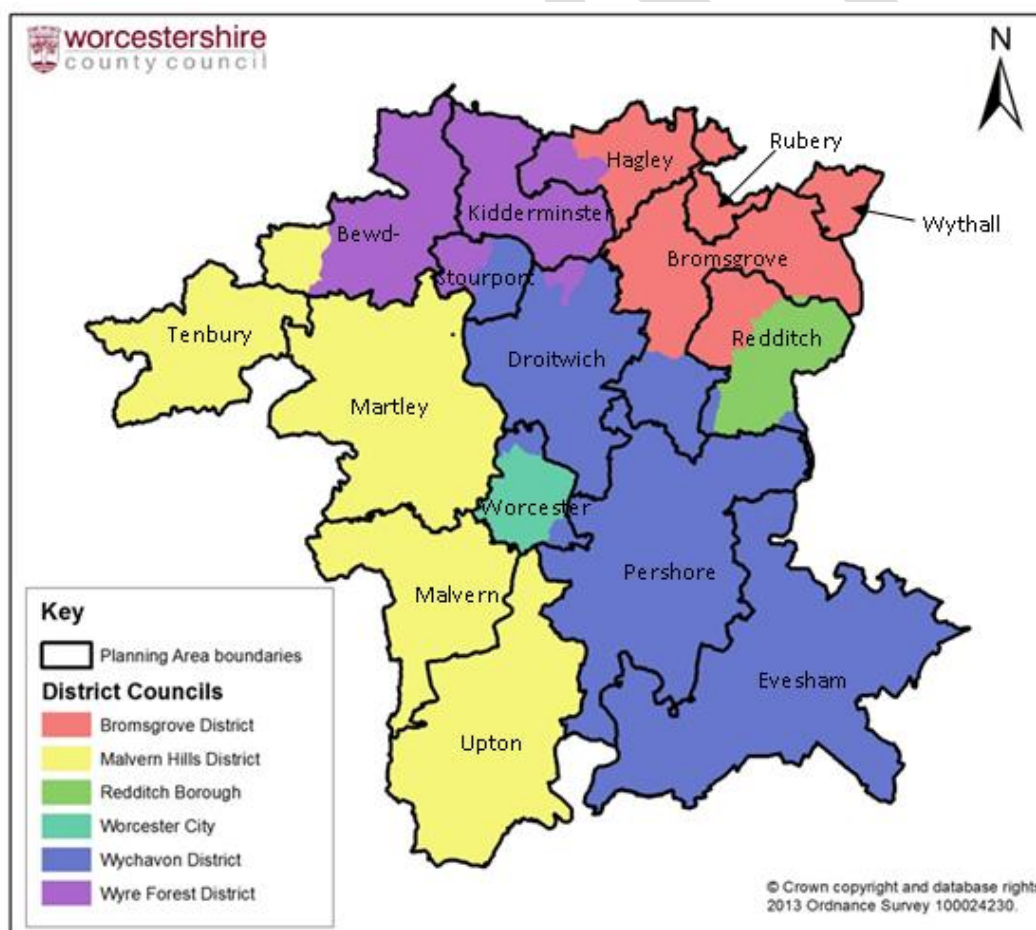
3.1 Worcestershire County Council is responsible for ensuring there are sufficient school places in state funded schools. There are several different types of school that fall within the state funded sector, all of which are eligible to receive funding from planning obligations if they are deemed to be related to a particular development. This includes the following types of school:

- Community
- Voluntary Controlled
- Voluntary Aided
- Foundation
- Academy
- Free School

3.2 Worcestershire County Council's role as a statutory provider of school places has changed with the implementation of academies and free schools, which are operated independently of the local authority. As such Worcestershire County Council now acts as a commissioner of school places, and therefore cannot compel schools to expand.

3.3 Worcestershire County Council operates 16 Education Planning Areas, based around the main population centres. Figure 1 below shows how these Education Planning Areas relate to district council boundaries.

**Figure 2: Education Planning Areas**





3.4 There are both two-tier and three-tier education systems in operation across Worcestershire. In areas which operate a two-tier model, children enter primary school at reception (R) before transferring to a secondary school at the start of year seven. In areas which operate a three-tier model, children enter first school at reception (R), transfer to a middle school at the start of year five (A & B) or six (C), then transfer again to high school at the start of year eight (B) or nine (A & C). The table below summarises the predominant model in operation in each Education Planning Area:

**Table 1: School Operating Models**

| <b>Two-tier model</b><br>Primary Years R-6<br>Secondary Years 7 - 13  | <b>Three-tier model A</b><br>First Years R-4<br>Middle Years 5-8<br>High Years 9-13 | <b>Three-tier model B</b><br>First Years R-4<br>Middle Years 5-7<br>High Years 8-13 | <b>Three-tier model C</b><br>First Years R-5<br>Middle Years 6-8<br>High Years 9-13 |
|---|---|---|---|
| <ul style="list-style-type: none"> <li>• Bewdley</li> <li>• Hagley</li> <li>• Kidderminster</li> <li>• Malvern</li> <li>• Martley</li> <li>• Rubery</li> <li>• Stourport</li> <li>• Tenbury</li> <li>• Upton</li> <li>• Worcester</li> <li>• Wythall</li> </ul> | <ul style="list-style-type: none"> <li>• Bromsgrove</li> <li>• Redditch*</li> </ul> | <ul style="list-style-type: none"> <li>• Droitwich</li> <li>• Pershore</li> </ul>   | <ul style="list-style-type: none"> <li>• Evesham</li> </ul>                         |

3.5 A small number of schools in the three-tier areas operate on a primary / secondary two tier basis. This includes Catholic school provision and where some other schools have changed their age range away from the three-tier model to a two-tier model.

3.6 Subject to permission from the Secretary of State for Education, academies have the right to change their age ranges which can impact on the number of places available within Educational Planning Areas of Worcestershire.

3.7 Early years education is provided through a mix of both private and maintained provision in the county. There are several different types of early years provider within Worcestershire, all of which are eligible to receive funding from planning obligations if they are deemed to be related to a particular development. This includes the following types of provider:

- Day Nursery;
- Childminders and childcare on non-domestic premises;
- School based provision at both academy and maintained schools; and
- Any other type of provision that offer funded early education places.

# Assessing Impact on Early Years Places in Worcestershire

- 4.1 Worcestershire County Council is responsible for ensuring that all eligible two year olds and all three and four year olds can access free early years education. When a development site comes forward, Worcestershire County Council will assess whether current related early years provision is sufficient to support families living on the new development to access their entitlement. Where additional demand from the development is required above that which can currently be supported by the market, a contribution will be sought.

## Calculating the Requirement for Early Years Childcare places

- 4.2 Worcestershire County Council will conduct a detailed assessment on all planning applications of 10 dwellings or greater.
- 4.3 The detailed assessment will firstly consider the number of 15 hour places that will likely be required for children living on the development. All three and four year olds are entitled to 15 hours free early year's education for 38 weeks of the year (a place). However, only a certain percentage of eligible two year olds are entitled to a free early education place. From September 2017, a percentage of eligible three and four year olds also became entitled to an additional 15 hours (for a total of 30 hours) of early education for 38 weeks of the year.
- 4.4 For four year old funding requirements, one third of the anticipated yield of 4 year olds will be discounted as they will be expected to enter straight into reception (summer born children) and will therefore be accounted for within the mainstream pupil cost multiplier.
- 4.5 Average pupil yields as set out in section seven show that each additional dwelling generates an average of 0.07 extra pre-school children per year group. This yield is compared to the average eligibility rates for two year old funding and 30 hours funding for three and four year olds. Table two below shows these rates for Worcestershire correct at May 2018.
- 4.6 This is then compared to the number of dwellings on the development to create an estimate of the impact of a new development on the demand for early years childcare places:
- 4.7 When relevant, other factors such as the location of the development and other extant planning permissions in the area will be factored in to determine the likely impact of the new development.

((Number of dwellings X Pupil yield per dwelling) X Average eligibility for 2 year old places) = The number of additional early years education places required for 2 year olds

+

((Number of dwellings X Pupil yield per dwelling) X Average eligibility for 3 year old places) = The number of additional early years education places required for 3 year olds

+

((((Number of dwellings X Pupil yield per dwelling) X Average eligibility for 4 year old places) X 0.66) = The number of additional early years education places required for 4 year olds

=

Total number of additional 15 hours early years education places required from the development

÷ 2

= Total number of additional full time equivalent early years education places required

**Table 2: Pre-School 15 hour Place Requirements**

| No. of dwellings | Pupils per year group (x 0.07) | 2 Year old places (32% eligibility) | 3 year old places (168% eligibility) | 4 year old places (168% eligibility) *2/3rds | Estimated early education places required (15 hours) |
|------------------|--------------------------------|-------------------------------------|--------------------------------------|--|--|
| 100              | 7.00                           | 2.24                                | 11.76                                | 7.83   | 21.83  |
| 120              | 8.40                           | 2.69                                | 14.11                                | 9.40   | 26.20  |
| 250              | 17.50                          | 5.60                                | 29.40                                | 19.58  | 54.58  |
| 500              | 35.00                          | 11.20                               | 58.80                                | 39.16  | 109.16   |
| 600              | 42.00                          | 13.44                               | 70.56                                | 46.99  | 130.99   |
| 700              | 49.00                          | 15.68                               | 82.32                                | 54.83  | 152.83   |
| 1000             | 70.00                          | 22.40                               | 117.60                               | 78.32  | 218.32   |

Using this calculation we can determine that the early education full time equivalent place requirements for two, three, and four year olds on a development will be on average 0.11 per dwelling.

$$((1 \times 0.07 \times 0.32 = 0.02) + (1 \times 0.7 \times 1.68 = 0.12) + (1 \times 0.7 \times 1.68 \times 0.66 = 0.08))/2 = 0.11$$

4.8 When relevant, other factors such as the location of the development and other extant planning permissions in the area will be factored in to determine the likely impact of the new development.

### Identifying Relevant Pre-School Projects

4.9 Where the impact of a development is judged to be of a level which cannot be supported within existing provision, a contribution will be required.

4.10 Where a standard financial contribution towards existing provision is required, this will be calculated using the method as outlined in section 6.

4.11 Projects may involve, but are not limited to:

- Creation of a new nursery, on a school site or standalone private provider;
- Expansion of existing provision on maintained sites or on private provision;
- Refurbishment of existing buildings to allow additional suitable facilities.

4.12 Where the impact of a development is judged to be of a level which would require delivery of a new nursery then the contribution will be negotiated with the developer, in this instance, the contribution sought will reflect the project specific build costs and proportion of the places in the new provision which is likely to be required from children resident on the proposed development. Worcestershire County Council will consider payment in kind by way of land transfer or the direct provision of buildings by the developer. The specification of any buildings to be directly provided by the developer must be agreed with Worcestershire County Council. Where a new school is required from a development, early year's provision will always be built alongside it to a size suitable to the requirements of the site.

# Assessing Impact on State Funded School Places

5.1 Worcestershire County Council is responsible for ensuring there are sufficient school places in state funded schools. When a development site comes forward, Worcestershire County Council will assess whether current education provision is sufficient to support families living on the new development to access a school place. Where additional demand from the development is required above that which can currently be supported within related schools, a contribution will be sought.

## Calculating the School Place Requirements of New Developments

5.2 Worcestershire County Council will initially assess the anticipated number of school places required from a new development.

5.3 Assessments are dealt with on an individual basis with relevant evidence provided to the local planning authority and developer

5.4 The detailed assessment will firstly consider the number of dwellings proposed as part of the application. Average pupil yields as set out in section seven below show the average expected pupil product ratio expected from additional dwellings.

5.5 In line with Government Policy, education planning obligations will only be sought on developments of greater than 9 dwellings

5.6 The assessment will also consider additional factors such as:

- the location of the development, including the proximity to existing educational infrastructure, existing tier structure and proximity to other local authorities;
- known trends in parental preference and expected characteristics of the development;
- the full extent of the development site area, neighbouring sites and any other planning applications approved or expected in the area, particularly where developments come forward as a result of subdivision of larger development areas.

5.7 Other factors may also be taken into account when they are considered to have an impact on the expected pupil yield from the development

## Operational Surplus

5.8 Worcestershire is divided into 16 Education Pyramids, based around the main centres of population. Parents have the right under the School Admissions Code<sup>4</sup> to apply to any school of their preference for a place for their child. While there is no automatic entitlement to a place at their first choice school, the ability to nominate a preference does raise expectations that a significant proportion of applications will be successful. In addition a surplus allows for in year migration into and out of schools and reduces the number of school place appeals. It is therefore recognised that in order to maintain an efficient system while still offering a degree of parental choice Worcestershire County Council should seek to maintain an operational surplus of school places above the anticipated level of need. Worcestershire County Council aims to maintain a 5% surplus capacity in any education pyramid, in line with recommendations from the National Audit Office<sup>5</sup>.

---

<sup>4</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/389388/School\\_Admissions\\_Code\\_2014\\_-\\_19\\_Dec.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/389388/School_Admissions_Code_2014_-_19_Dec.pdf)

<sup>5</sup><http://www.educationengland.org.uk/documents/pdfs/2013-nao-school-places.pdf>

### Cross-boundary movements and pupil migration

5.9 The requirement to run an operational surplus, coupled with the ability of parents to express a preference, make it inevitable that most schools which use a catchment area in their admission criteria will have some pupils attending from out of the area. Therefore, consideration will be given to expected movement of pupils between catchment areas, in particular where this results in cross-boundary movements.

### Recirculation

5.10 It is recognised that some of the children resident in a new development will have moved from within an Education Planning Area and may not generate a need for a new school place.

5.11 Analysis indicates that the full impact of new housing developments on secondary education requirements are not fully realised until later on in the development. This has been accounted for within the pupil product ratio, however in certain circumstances; particularly where developments are located within close proximity to existing schools, this will be further considered when determining the level of developer contributions and the point at which obligations for secondary schools will be required.

### Bulge Year Groups

5.12 Where a school may have admitted an exceptionally large cohort in response to a short-term spike in demand, this will be taken into consideration when assessing the number of surplus places. It will not be taken as evidence that the school can admit additional children in every year group nor will it be counted as the largest year group.

### Identifying Related Schools

5.13 When a development site comes forward Worcestershire County Council will identify schools that are considered to be directly related to the development. Related schools are usually:

- Schools that operate a catchment area as part of their admission criteria which covers the area in which the development is situated or;
- Schools that are located within a two mile safe walking route that offer education for children who are eight years or younger<sup>6</sup> or;
- Schools that are located within a three mile safe walking route that offer education for children who are nine years or older<sup>6</sup> only or;
- Schools that can demonstrate a likely demand from families moving on to the development or;
- Where a development is of sufficient scale a new school may be considered (see section seven).

5.14 Worcestershire County Council will initially assess the surplus capacity of schools related to the development by reference to the number of pupils on roll in the largest year group against the published admission number in place for the most recent September intake. The number of pupils on roll for the largest year group will be taken from the census of pupils carried out each October. If this initial assessment suggests that there are insufficient places to accommodate the additional children likely to be generated by the development then a more detailed assessment will take place.

5.15 Each school has a published admission number which sets out the number of pupils which can be admitted into the intake year group. The published admission number is included in the admission policy for the school, which is published each year for the following September intake.

5.16 If the schools initially identified as related to the development have no scope to expand, consideration will be given to investing in an alternative related school which does have scope to

---

<sup>6</sup> Based on DFE Guidance on home to school travel and transport (July 2014)

expand. Significant expansions will be subject to appropriate public consultation and approval by the relevant decision making body. If a related school is an academy or free school then expansion will be subject to agreement from the school's governing body and the Education and Skills Funding Agency.

- 5.17 Worcestershire County Council will only seek to expand a school which is currently rated as 'Good' or 'Outstanding' by Ofsted in line with government policy however, certain circumstances may require us to nominate schools not currently rated as such, in particular where a given school is expected to become 'good' or 'outstanding' by the time an expansion will be required, or when no alternatives can be identified.

DRAFT

# Calculating the Level of Contribution at an Existing Provider

6.2 Where a financial contribution towards an existing provider is judged to be the appropriate mitigation for a development, the amounts sought will be calculated based on the cost of a new place at the existing provider. The formula for calculating this comprises the following elements:

## Requirements for mainstream provision

- 6.3 The number of year groups in each phase of the relevant schools will be considered. Worcestershire has both two- and three-tier education systems in operation in various parts of the county. Table one in this document sets out the predominant system in each area. The year groups in reception up to the end of year six are deemed to be in the primary phase. Whilst year groups in years seven to eleven are deemed to be in the secondary phase.
- 6.4 Middle schools will have a number of primary phase year groups and a number of secondary phase year groups, depending on the age range they cover. A middle school admitting year's five to eight would be deemed to have two year groups at the primary phase and two at the secondary phase.
- 6.5 Secondary schools typically have five secondary phase year groups. Schools in three-tier areas will have fewer. Where the school has a sixth form this is treated as the equivalent of one additional year group to reflect the lower transfer rate into the sixth form.
- 6.6 Across Worcestershire the average stay on rate for children moving from year 11 (GCSE) to year 12 (Sixth Form) in a publically funded school and assessed from 2014 – 2017 inclusive was 51%. This has resulted in a 50% reduction and is reflected in only a single year being charged for sixth form places.

## Requirements for early years provision

- 6.7 There is no nationwide funding formula for Early Years provision, however there is guidance based on the amount of floor space that an Early Years child will need, based on the age of the child. Providers must meet the following indoor space requirements:
- Children under two years: 3.5 m<sup>2</sup> per child;
  - Two year olds: 2.5 m<sup>2</sup> per child;
  - Children aged three to five years: 2.3 m<sup>2</sup> per child.

The flexible nature of early years provision between term-time and all-year round provision, AM and PM sessions and the higher turnover of providers means that this can often be a variable that changes on a monthly basis. For this reason the same cost multiplier as primary aged pupils is used. 2 early years places (15 hours) will be calculated as the equivalent of 1 full time school place (30 hours).

## Requirements for special education needs and disability provision

- 6.8 Where the impact of a development on educational infrastructure is such that it can be shown that there will be a requirement for additional provision for children with special needs and disabilities, either within existing mainstream or specialist schools, or through the creation of a new school, a contribution for special needs and disability provision will be sought. As this is only likely on very large developments or where a significant amount of new housing is expected within an area, any requirements for a contribution through S106 or CIL will be assessed and calculated on a case-by-case basis.

## Pupil Product Ratio

- 6.9 The Pupil Produce Ratio is based on evidence from recent housing developments, matching school census data and known children numbers to housing developments to determine average pupil numbers and characteristics over time.
- 6.10 A pre-school PPR, primary PPR and secondary PPR are acknowledged to be different due to the characteristics of new developments and the expected higher level of recirculation at secondary level.
- 6.11 Relevant pupil yields will be applied when determining estimated impact on any given school, considering the age range of the school itself.
- 6.12 The estimated pupil yield for each phase will be rounded up to the nearest integer to determine the total number of places required per phase of education.
- 6.13 This figure will be used in conjunction with other considerations, such as location, expected levels of recirculation, parental preference and any cross-boundary movements to estimate the impact of a development on related schools and early year's providers.
- 6.14 In certain circumstances, we would expect to see a greater PPR than those outlined below, such as on large scale developments of 2000+ dwellings. In these circumstances, a more holistic estimate will be made.

**Table 3 Pupil Product Ratio per year group per dwelling in Worcestershire**

|                | Total Worcestershire |
|----------------|----------------------|
| Pre-school PPR | 0.07                 |
| Primary PPR    | 0.05                 |
| Secondary PPR  | 0.04                 |

## Building Cost Multiplier (BCM)

- 6.15 The BCM represents the cost of providing one additional full time pupil place in a one form of entry school expansion per phase of education. It is based on the DFE BCM and has been updated annually in line with inflation as at 1<sup>st</sup> April. These figures will be updated on an annual basis and in line with changes in DFE guidance to ensure the contributions remain in line with the cost of creating additional school places. The current figures are derived using the quarter one 2018 update of the BCIS costs.

The current costs as at April 2018 are:

- £17,639 per primary and early years place,
- £26,244 per secondary place and
- £28,541 per sixth form place.

Costs are reviewed on an annual basis and published as at 1<sup>st</sup> April each year.



## Formula

6.16 The formula for calculating the contribution is as follows and will need to be calculated for each tier of education in the area:

$$\begin{aligned}
 &(((\text{Number of chargeable dwellings} \times \text{Pupil yield per dwelling}) \times \text{Number of year groups}) = \text{the} \\
 &\quad \text{number of additional places required to be funded} \\
 &\quad \quad \quad \times \\
 &\quad \quad \quad \text{The correct building cost multiplier for the school phase)} \\
 &\quad \quad \quad + \\
 &(((\text{Number of chargeable dwellings} \times \text{Early years 15 hour place yield per dwelling})/2 = \text{the number} \\
 &\quad \text{of additional full time early years education places required} \\
 &\quad \quad \quad \times \\
 &\quad \quad \quad \text{The correct building cost multiplier for the school phase)} \\
 &\quad \quad \quad = \\
 &\quad \quad \quad \text{Contribution required}
 \end{aligned}$$

## Working Example

6.17 An application for 100 dwellings, of which 78 dwellings are chargeable, is submitted within a two-tier educational planning area. The related schools do not have sufficient capacity to support additional pupils from the new development. The secondary school has a sixth form.

### Early Years Contribution

$$(78 \times 0.11) = 8.58$$

9 full time equivalent early years places required

$$8.58 \text{ rounded up to } 9 \times \text{£}17,639 = \text{£}158,751$$

### Primary Contribution

$$78 \times 0.05 = 3.9$$

3.9 X 7 year groups in the primary phase = 27.3

$$27.3 \text{ rounded up to } 28 \times \text{£}17,639 = \text{£}493,892$$

### Secondary Contribution

$$78 \times 0.04 = 3.12$$

3.12 X 5 year groups in the secondary phase = 15.6

$$15.6 \text{ rounded up to } 16 \times \text{£}26,244 = \text{£}419,904$$

### Sixth Form Contribution

$$78 \times 0.04 = 3.12$$

3.12 X 1 year group = 3.12

$$3.12 \text{ rounded up to } 4 \times \text{£}28,541 = \text{£}114,164$$

**Total Contribution = £1,186,711**

## Exemptions

- 6.18 When assessing the impact of a development, Worcestershire County Council will take into consideration the likely affect that new dwellings may have on school places. In doing so, consideration has been given to properties where there is a high certainty that the impact on educational infrastructure requirements will be minimal and therefore are exempt from education contributions.
- 6.19 Affordable housing, either for sale or rent, provides a subsidised route to home ownership for those whose needs are not met by the market. The National Planning Policy Framework (NPPF) February 2019 Annexe 2 provides an updated definition of affordable dwellings which are categorised as follows:
- affordable housing for rent;
  - starter homes;
  - discounted market sales housing; and
  - other affordable routes to home ownership.
- 6.20 In consideration of the higher level of household recirculation, Worcestershire County Council will exempt those properties deemed to be social rent or affordable rent, where the landlord is a registered housing provider and the provision is to meet local need from those families already resident in the area and, the property will remain at an affordable price for future eligible households. Build to rent schemes are not exempt as they do not meet the above criteria.
- 6.21 Worcestershire County Council also seeks to exempt:
- developments that are 100% for commercial use (Class B1);
  - all houses and flats with a maximum of one bedroom;
  - homes for older people as defined in the National Planning Policy Framework (NPPF) February 2019 Annexe 2; and
  - specifically designed student accommodation, flats or apartments.
- 6.22 Worcestershire County Council will only seek a post-16 contribution on school based provision, and not sole post-16 institutions as these institutions are funded through a different route

## Calculating the Level of Contribution When a New School is required

- 7.1 Typically a new primary or first school may be required where a development will contribute 500 or more new dwellings, or in areas where no potential school expansions can be identified. When a large scale development in excess of 100 dwellings is proposed we recommend developers and district councils engage with Worcestershire County Council at an early stage to allow for appropriate planning and feasibility work to be undertaken.
- 7.2 A new secondary school is only likely to be required on very large stand-alone sites or in areas where no expansions can be identified or there is a combined impact of several developments.
- 7.3 If a new school is required solely as a result of new housing, Worcestershire County Council will require the developer to fund all of the build and land costs. The build costs will be determined by a detailed feasibility of the proposed school site where possible or a generic site where not possible.
- 7.4 Worcestershire County Council will consider payment in kind by the direct provision of buildings by the developer. The specification of any buildings to be directly provided by the developer must be agreed with Worcestershire County Council.
- 7.5 As per the pre-school place requirements in section 5 above all new schools are likely to be required to provide early years provision on site and this requirement will be included in any feasibility work undertaken.
- 7.6 Under current government policy, all new schools should be opened as free schools, which are operated under an academy trust. When a new school is required as a result of new housing, Worcestershire County Council will run a competition to determine the operator of the new school(s). Community access to school buildings for purposes other than education will be agreed upon by the school operator once they are determined. The local authority aims to work with schools and local communities to ensure the best use of school premises.
- 7.7 Where a number of small developments are expected to come forward in an area with an aggregated requirement for a new school, Worcestershire County Council would expect the local planning authority to assist in the negotiations to secure a school site

## Payment of contributions

- 8.1 Where Section 106 education planning obligations are required a legal agreement will be completed. If the application is in outline, without detailed breakdown of the types of affordable dwellings an estimated cost based on the total number of dwellings will be provided until a breakdown of house types is available.
- 8.2 Financial contributions will be subject to indexation and interest on late payments. The calculation of indexation and interest will be set out in the legal agreement.
- 8.3 Payment of agreed financial contributions will usually be sought on or before occupation of one third of the total number of dwellings on the development. On larger scale developments of 100+ dwellings trigger for payment will be subject to negotiation. Worcestershire County Council will consider payment by instalments so long as the final balance is received prior to occupation of 90% of the total number of dwellings. The trigger points for payment will usually be expressed as a percentage of the proposed number of dwellings.
- 8.4 Worcestershire County Council will retain the funds received in an interest bearing account set up specifically for education planning obligations.
- 8.5 Worcestershire County Council will carefully monitor and commit to spending the contributions within the time period agreed with the developer. This will usually be ten years from receipt of the final payment. Worcestershire County Council will not accept a legal agreement with less than five years in which to spend the contribution. This is because school/early year's provider expansions and/or new school projects themselves will require additional design and planning permission stages along with an appropriate building phase.

DRAFT

# Disbursement of Monies

## Nomination of projects

9.1 The completed legal agreement will specify the infrastructure projects to be funded from education planning obligations. Contributions will always be used to fund capital projects to deliver permanent facilities and will not be used for providing temporary accommodation unless this is a necessary short-term measure as part of the delivery of a permanent building.

9.2 Highest priority will be given to projects which deliver additional capacity to allow providers to admit extra children. This may include but is not limited to:

- Any form of additional teaching area or support facilities such as classrooms, halls, spaces for group work or specialist facilities for children with disabilities;
- Additional toilet facilities;
- Office areas and support services;
- Outdoor physical education

## Forward funding of projects

9.3 It may be necessary for Worcestershire County Council or its partners, to deliver education infrastructure projects ahead of the related development. This ensures that schools are able to manage the impact in time for occupations on the development or to take advantage of other funding opportunities which may be time limited. Such circumstances are only likely to occur where the infrastructure is intended to manage the cumulative impact of a number of sites, a single large site or is to be partially funded from other funding sources such as Government grants.

9.4 The forward funding of projects does not remove the obligation from developers to fund the infrastructure that is shown to be necessary to mitigate the impact of their development. Worcestershire County Council reserves the right to adjust the timing of delivery of an agreed education infrastructure project as necessary during the lifetime of the related development.

## Recording and Monitoring of funds

9.5 It is likely that in the future local planning authorities may be asked by central government for enhanced monitoring information about the collection and expenditure of S106 and CIL contributions. Worcestershire County Council will work with District Councils to ensure they are able to fulfil this duty.

## Contact Details

For further information on the content of this document or to discuss a potential development please contact:

North Worcestershire (Bromsgrove, Redditch, Wyre Forest)

Alison Barnes, Provision Planning Analyst, Children, Families and Community

Tel: 01905 846135 E-mail: [abarnes@worcestershire.gov.uk](mailto:abarnes@worcestershire.gov.uk)

South Worcestershire (Malvern Hills, Worcester, Wychavon)

Lucy Langdon, Provision Planning Analyst, Children, Families and Community

Tel: 01905 844119 E-mail: [llangdon@worcestershire.gov.uk](mailto:llangdon@worcestershire.gov.uk)

DRAFT