

LONDON BOROUGH OF RICHMOND UPON THAMES

CABINET MEMBER DECISION

Agenda Item No.

TO: Cabinet Member for Environment (decision-maker)

Cabinet Member for Children's Services and Education

DATE: 12 January 2007

REPORT OF: Philip Wealthy, Head of Policy and Design

SUBJECT: Planning Obligations Strategy – Education Contributions

KEY DECISION? NO

1. Summary

Amendments are proposed to Section 3 of the Planning Obligations Strategy concerning contributions towards school places, in the light of a recent appeal decision. These are interim changes, pending a more comprehensive review of the Strategy later in 2007.

2. Recommendation

That amendments be made to Section 3 of the Planning Obligations Strategy concerning Contributions Towards School Places.

3. Details

The Planning Obligations Strategy was adopted as supplementary planning guidance by Cabinet on 6 June 2005, following public consultation. In 2006, the section of the strategy relating to contributions towards school places was tested at a planning appeal held in relation to a site at Sandy Lane, Teddington (planning application no. 05/2114/FUL). The Inspector agreed with both parties that the *methodology* to be used for calculating the education contribution is as set out in the Planning Obligations Strategy. However, he was critical of the *figures* used in the formula to calculate child yield and pupil yield as being unduly dependent on out-of-date factors.

Although the Secretary of State for Communities and Local Government overruled some of the Inspector's findings in the Council's favour, it is clear from her comments that the relevant paragraphs in the Planning Obligations Strategy should be revised as a matter of urgency in order to address any weaknesses. While the proposed changes mean that the contributions for education are likely to be reduced proportionately in the future, it is essential

that these changes are made so that the basis on which contributions are sought will be more robust and less open to challenge in future.

Since the appeal decision, the following pieces of work have been carried out to ensure that the figures to be used in future are more robust:

- Pupil yield from social housing: as a follow-up to the existing statement in the Strategy (Section 3 para 31), which allows for a reduced contribution for children in social housing, Housing Services carried out detailed research into children in affordable housing in five recent sizeable housing developments, which indicated the proportion likely to be living and attending schools in the Borough already. This indicates that the assumed pupil yield from social housing should be reduced considerably in relation to future developments. The research has been peer-reviewed and approved by John Hollis, of the Data Management and Analysis team at the GLA.
- Child yield: officers from the Education and Children's Services Department met John Hollis to consider alternative figures for child yield and pupil yield based on research elsewhere, and later agreed the locally-based research as the way forward.
- Age breakdown: this should be readjusted in relation to pupil-yield for private housing for different categories of school to 35% Nursery, 38% Primary and 27% Secondary. These amended percentages are based upon recent local demographic data for the Borough.

As a result of this research, the following changes are proposed by officers from the Planning and Education and Children's Services Departments:

1. Contributions should not be sought from any one-bedroom properties;
2. The necessary adjustments to the age breakdown should be made;
3. In social housing properties, the child yield factors should be varied according to whether the children are likely to be of primary or secondary age;
4. In social housing properties, the contribution requested should be reduced by 67%, the percentage of children whom we believe are likely, on average, to be attending local schools already; and
5. The position on the DfES multipliers should be clarified.
6. Paragraph 32 re pupil take-up for each area should be amended

The detailed amended wording resulting from these changes is set out in the Appendix.

4. Consultation

Public consultation: in view of the urgency of the need to revise the figures in the formula for education contributions and their technical nature, it is considered important to make these changes on an interim basis, pending a more comprehensive review of the Planning Obligations Strategy and accompanying public consultation programmed later in 2007. This report has

been drafted in cooperation with officers in Education and Children's Services and Housing Services. Finance and Corporate Services are also aware of the proposed changes

5. Financial Implications

As a result of the proposed changes, the contributions for education are likely to be reduced proportionately in the future, though the basis on which they are sought will be more robust and less open to challenge.

6. Policy and Equality Implications

The proposed changes will ensure that there is a sound basis on which to seek contributions towards school places. It is important that the changes are made as a matter of urgency, pending a full review of the Strategy. The proposed amendments to the Strategy will be of greater benefit to affordable housing providers.

7. Background Papers

Planning Obligations Strategy adopted June 2005.

8. Contacts

Philip Wealthy, Head of Policy and Design Tel 020-8891-7320. Email p.wealthy@richmond.gov.uk

Diana Rice, Policy and Plans Co-ordinator. Tel 020-8891-7364. Email d.rice@richmond.gov.uk

Matthew Paul, Head of School Admissions, Forward Planning and Pupil & Student Finance Tel 020-8891-7588 Email m.paul@richmond.gov.uk

Appendix to Cabinet Member's report on changes to Section 3 of the Planning Obligations Strategy on Education Contributions

Paragraphs 23-34 of the Planning Obligations Strategy Section 3 Contributions Towards School Places should be replaced with the following, and the subsequent paragraphs re-numbered accordingly:

The Formula

23. The following formula will be used to calculate education contributions:

(A) number of school age/nursery children per house type (child yield)
X number of units of each house type x proportion of children likely to attend schools in the Borough (pupil take-up)
= Number of children generated.

(B) number of children generated for each school category (e.g. Primary)
X cost of new school place for that school category
= Cost of providing extra school places.

The Formula in detail

For private housing:

- a) number of school age/nursery children per house type (child yield)

Number of children per house type

Bedrooms	1	2	3	4+
Market Housing	0.00	0.49	1.11	1.91

multiplied by

- b) the number of units of each house type

multiplied by

- c) proportion of children likely to attend schools in the Borough (pupil take-up). (See paragraph 24)

The age breakdown is as follows.

Nursery	35%
Primary	38%
Secondary	27%

This should produce the number of children generated for each school category (pupil yield).

- d) the number of children generated for each school category

multiplied by

- e) the cost of each new school place for that school category (see paragraph 26)

This should produce a contribution for primary-school provision and secondary-school provision. These should be added together to produce a total for the private sector housing.

For social housing:

- f) Child occupancy – broken down by age-band for relevant property size

	Number of bedrooms			
	1	2	3	4
Age 0-4	0	0.74	0.66	0.77
Age 5-10	0	0.30	1.00	1.23
Age 11-15	0	0.08	0.72	1.23
Total	0	1.12	2.39	3.23

multiplied by:

g) Number of properties (by number of bedrooms)

This produces pupil yields for primary and secondary age groups.

multiplied by:

h) 0.33 (this allows for a dampener of 67% to be applied to the pupil take-up rate which takes account of children either already educated in borough schools and/or already resident in the borough and/or educated elsewhere. This is applied to both primary and secondary groups).

This produces the predicted number of additional demand arising for primary and secondary provision (separately).

multiplied by:

i) the cost of each new school place for that school category (see paragraph 26)

This produces the contributions that would be sought for primary-school provision and secondary-school provision based on the most recent DfES costs, based on pupil take-up (assumed to be 100% for affordable housing). These should be added together to produce a total for the affordable housing.

j) The totals for private sector and affordable housing should be added together to produce an overall total for education contributions.

Explanation

24. *(formerly paragraphs 29-30, 32)*. Pupil take-up is the proportion of children likely to be educated in maintained schools in the Borough. It is recognised that not all children of school age generated by a development will attend a maintained school in the Borough but may seek alternative education in private schools or in other places. The child yield figures relating to the number of school age children generated by new private housing will therefore be multiplied by a take-up factor to take account of this. The annual take-up factors for each education planning area, which are reviewed annually, will be posted on the Council's website on the Planning Obligations Strategy page.

25. *(formerly paragraph 31)*. For social housing 100% of the pupil yield is assumed to require places in local authority schools. However it is recognised that a proportion of these children will already be educated within local schools. Following local research, the formula for calculating education contributions has been adjusted so that the figure for pupil yield from social housing is reduced by 67%. This percentage should be periodically reviewed in line with further research into the yield from future housing developments.

26. *(formerly paragraph 33)*. Capital Costs. The final element in the Council's formula for planning contributions involves calculating the average cost of

providing a school place. The average costs of providing a secondary, primary and nursery place have been calculated using DfES indicators. Construction costs are based on the DfES multiplier, a set of multipliers published annually by the Department for Education and Skills, usually in March, to enable Local Authorities to develop additional school places using credit approvals. On a case-by-case basis, costs can be higher. The DfES estimate that construction costs in Richmond upon Thames are 15% higher than average. Therefore 15% should be added to the current DfES multipliers for primary places and secondary places, which can be found at:

<http://www.teachernet.gov.uk/management/resourcesfinanceandbuilding/schoolbuildings/designguidance/costinformation/>.