

# **EDUCATIONAL NEEDS GENERATED BY NEW HOUSING DEVELOPMENTS**



## **SUPPLEMENTARY PLANNING GUIDANCE (SPG)**

Approved by Environment Policy  
Development Committee August 2000

## Summary

**This supplementary planning guidance sets out the basis for requesting payments for the capital infrastructure of schools required to meet the demand from occupants of new housing in any area in Barnet where a shortage of school places exists.**

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## 1. INTRODUCTION

- 1.1 New housing development is likely to increase the number of children in the Borough and has the potential to place a greater demand for pupil places on local schools. Schools in the Borough are already under great pressure in terms of pupil capacity, and the Council has limited resources with which to undertake capital schemes for expansion. In addition, the Council's Corporate Plan 1999/2003, in line with Government policy, makes a commitment to maintaining and improving standards in education in the Borough ensuring that class sizes are limited to 30 pupils and providing nursery places for three and four year olds.
- 1.2 Section 106 of the Town and Country Planning Act 1990 (as amended) allows the drafting of agreements (known as planning obligations) between the Council and developers. New development has the potential to impose social, environmental and infrastructural costs on an existing community, and planning obligations are one way of agreeing with developers that they contribute towards local benefits. Section 106 agreements between developers and the Council can help meet the educational costs of residential development, with contributions being used to help fund extra school places in the Borough.
- 1.3 Barnet's Deposit draft Unitary Development Plan 2000 has been approved by the council for consultation purposes and interim use in development control. Policy CS8 and the explanatory text is attached as Appendix 1. This follows Interim Policy Guidance from 1998 that introduced the policy as an amendment to the Adopted UDP 1991 as well as adding to a table on planning obligations (Appendix 2). This was subject to public consultation as was this SPG.

- 1.4 This SPG contains background information, and policy guidelines for the negotiation of Section 106 agreements for educational purposes. This will ensure consistency in such negotiations which will benefit both prospective developers and the Council.

## 2 POLICY CONTEXT

- 2.1 Planning Policy Guidance Note 1 (PPG1) 'General Policy and Principles' – 1997 - sets out the Government's position regarding the use of planning obligations in paragraph 36. It states that "planning obligations are useful instruments which should not be bought and sold", and that local authorities should be careful not to allow their decisions to be affected by the offer of extra inducements. The document also warns that local authorities should use their powers wisely, and only enter into a planning agreement when it is directly related to the proposed development, and is justified in terms of land use planning.
- 2.2 Circular 1/97 on 'Planning Obligations' highlights the use of such agreements with developers, and states that:

*"Planning obligations have a positive role to play in the planning system....they can provide a means of reconciling the aims and interests of developers with the need to safeguard the local environment or to meet the costs imposed as a result of development. So, for example, where development will create a need for extra facilities....it may be reasonable for developers to meet or contribute towards the cost of providing such facilities."* (paragraph 7 of Annex B)

And in paragraph 8,  
*" ... where a proposed development would, if implemented, create a need for particular facilities ... and [this*

*matter] cannot be satisfactorily resolved through the use of planning conditions, it will usually be reasonable for planning obligations to be sought or offered to overcome these difficulties”*

Circular 1/97 also makes it clear that planning obligations can be used to provide educational facilities, providing that such facilities are ‘directly related’ to the proposed development and are negotiated as openly, fairly and reasonably as possible (paragraphs 7 & 10 of Annex B).

- 2.3 Planning Policy Guidance Note 12 ‘Development Plans’ (PPG12) – 1999 - supports the inclusion of policies in development plans relating to the use of planning obligations (para.55). It states that;

*“The provision of infrastructure is important in all major new developments... ‘Infrastructure’ here includes services like education and health and other community facilities. Planning obligations enable developers to advance infrastructure investment programmes to meet the needs of their site. Where a planning authority expect developers to enter into planning obligations on a regular basis, in relation to similar types of development, they should set out their policy in their local plan.” (Paragraphs 6.14 & 6.17 )*

### **3. WHEN A SECTION 106 AGREEMENT IS APPROPRIATE**

- 3.1 This section sets out the circumstances in which the Council considers it is appropriate to request a Section 106 agreement with developers for educational purposes.

#### **3.2 The issue of need**

- 3.2.1 The Council will only seek Section

106 agreements with developers in areas where need exists in local schools. Information on shortages of pupil places in the Borough primary and secondary schools and in nursery classes will be produced and updated at regular intervals. The latest information, as at June 2000, is contained in Appendix 3.

#### **3.3 Size of development**

- 3.3.1 All residential development, including conversions, has the potential to create demand for school places. However because a high proportion of the amount given may be taken up by the costs in drawing up the planning obligation, or the child yield is low, the council will not require a contribution where;

- i. there is a net gain of two or fewer units;
- ii. provision is made for fewer than 12 single person dwellings (studio or one bed flats);
- iii. another policy objective is considered to be of overriding importance, such as bringing space above shops into residential use or providing a house in multiple occupation (HMOs) for single persons; or
- iv. the development is for specialist housing for the elderly.

The specific circumstances of each development will be taken into account in negotiations.

- 3.3.2 The council will also have regard to whether a residential development will result in a net increase in the number of school age children generated from housing development on a site, and will only seek contributions in respect of this extra demand.

#### **3.4 Demand**

- 3.4.1 Where a proposed development will create an increased demand for school places the council will

negotiate with developers to secure contributions via a section 106 agreement. However, it is recognised that certain types of housing such as specialist housing for the elderly will not generate children, and therefore contributions towards educational facilities will not be sought by the council in respect of such developments.

### 3.5 Social Housing

3.5.1 A key element of the council's housing strategy is to ensure an adequate supply and mix of housing to meet the diverse needs of all those living in the borough. The high cost of owner occupied and private rented accommodation in Barnet means that many households on low to middle incomes find it hard to afford homes on the private market. A survey of housing needs in the borough has found that there are significant levels of need now, which are expected to continue for the immediate future. The survey concluded that the council would have to consider a range of policy options if it is to make significant inroads into the level of housing need in the future.

3.5.2 The draft revised Unitary Development Plan makes clear the council's commitment to a planning framework supporting new affordable housing (defined in paragraph 8.3.17 of the Deposit Draft UDP 2000 Housing Chapter).

3.5.3 To that end, it is considered appropriate that in most cases educational contributions that would otherwise be required by the policies set out in the appendices will not be sought in respect of affordable housing. This stance is intended to:

- keep the cost of providing affordable housing – for which there is particular need in Barnet – to a minimum, thereby

maximizing provision; and

- maximise the amount of affordable housing provision from public funds.

3.5.4 The council is of the view that the urgency of addressing the housing needs of the most vulnerable, and the community benefit of additional affordable housing, justifies the adoption of a special approach for development of this kind.

3.5.5 Accordingly, in considering whether education contributions should be sought in respect of affordable housing development the council will consider all the relevant considerations of each case, in particular:

- the level and pattern of demand for affordable housing in the borough and in the area of the proposed development;
- the level of nomination rights it is proposed the council will have in respect of the proposed development;
- the size of the proposed development, the number and type of housing units proposed and the number of children expected to be generated by the development; and
- the demand for school places and pattern of educational provision in the borough and in the area of the proposed development.

3.5.6 In general, contributions will only be sought where the development takes place in an area where there exists a demonstrable need for additional school places, and where the proposed development would give rise to significant additional demand for provision.

3.5.7 Where it is considered that an educational contribution should be

required, the level of contribution calculated according to the formula in paragraph 4.1 may be discounted to take account of:

- the level of nomination rights the council will enjoy with respect to the proposed development; and
- research that has shown that in 1999 63% of households on

average on new social housing schemes lived nearby (i.e. in the same, or an adjoining Ward) so that any children would be unlikely to have had to change schools.

$$\begin{matrix} \text{Number of dwelling} & \times & \text{Number of school age} & \times & \text{Average cost of providing} & \times & \text{Leakage (0.89)} \\ \text{units of each size} & & \text{children generated} & & \text{school place per pupil} & & \\ \text{(A)} & & \text{by development} & & \text{(C)} & & \\ & & \text{(B)} & & & & \end{matrix}$$

$$\begin{aligned} & \text{Cost of providing} \\ & = \text{school places generated} \\ & \text{by a development} \end{aligned}$$

#### 4. THE FORMULA FOR NEGOTIATING SECTION 106 AGREEMENTS

4.1 The general formula above will be used by the council to calculate the contributions for educational purposes which may be required from housing developers. The figures to be used in B and C will depend on whether shortages of nursery, primary and/or secondary places have been identified, and will vary over time. The current figures on which this formula is based are set out in full in Appendix 3.

4.2 The following sections consider the elements of the above formula in greater detail, and provide guidelines for developers concerning the negotiation of Section 106 agreements in the borough

element of the Council's formula for calculating contributions required from developers. The estimated number is based on figures produced by the London Research Centre (LRC) relating to the number of children generated by different types and sizes of housing (see appendix 3). The LRC figures differentiate between 1, 2, 3 and 4+ bedroom properties. This is appropriate given that a dwelling with four bedrooms is likely to generate a higher number of children than a one bedroom property.

5.1.2 The council recognises that there may be circumstances in which these figures may be inappropriate given the nature of the development and the area in which it is taking place. Where applicants can clearly demonstrate that this is the case to its satisfaction, the local planning authority will consider what alternative figure might be appropriate.

#### 5. THE NUMBER OF SCHOOL AGE CHILDREN GENERATED PER HOUSING TYPE

##### 5.1 Projected figures

5.1.1 The estimated number of school age children generated by a particular development forms an important

##### 5.2 Age range of children

5.2.1 Schooling is compulsory from the age of 5 up to 16 years, and the Council as the Local Education Authority (LEA) has a duty to provide primary and secondary school places for such children. This requirement is soon due

to be extended to 3 and 4 year old children too, and this is reflected in the council's commitment to expand existing nursery education provision in the Borough

- 5.2 The child yield figures relate to children from 0 up to 16 years of age. However, a set of standard distributions produced by the LRC can be used to calculate child yield figures for different age ranges. The age range used in relation to child yield in the formula will depend on current shortages of school places in the Borough as the Council will only request contributions from developers when need exists in local schools. For example, if need has been identified in local secondary schools only, then the Council will request contributions based on the number of *secondary* age children per house type.

### 5.3 Leakage

- 5.3.1 It is recognised that not all children of school age generated by a development will attend a state 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 a new development will therefore be multiplied by a leakage factor to take account of this

## 6. THE COST PER PUPIL

- 6.1 The final element in the Council's formula involves calculating the average cost of providing a school place. This will be based on the average cost of providing a place at a newly built school and the cost of providing a new permanent classroom on an existing site for primary and secondary school places. The cost of a nursery place will be based solely on the cost of providing a new

classroom as nursery provision in the Boroughs mainly made at units within primary schools.

- 6.2 Separate figures will be produced for secondary, primary and nursery school places. Which combination of the three figures is used to calculate the overall average cost will again depend on current shortages of school places in the Borough. For example, where there is an identified shortage of primary and secondary places, then the figure will be based on the average cost of providing a place at a primary and a secondary school.
- 6.3 The figures used in the formula do not represent the full cost of providing a child with a school place. They are based on the costs of construction, and include building costs, architectural fees, basic furnishing costs, feasibility studies, and a nominal figure for the cost of land in relation to the creation of a new school. They do not include the cost of providing teaching staff or any other school facilities which are not connected with the basic construction of the building.

## 7. MONITORING AND ENFORCEMENT

- 7.1 In order to comply with the legislation and guidance concerning Section 106 agreements it is important that developers entering into Section 106 agreements for educational purposes know where, when and how the Council intends to spend their contributions.
- 7.2 The Council has a long term programme for the expansion of school places in the Borough based on a realistic assessment of need. Account is taken of current shortages of school places, the standard/type of existing school accommodation, and projected pupil figures. During

negotiations developers will be appraised of the projects which their contributions will be linked to.

## APPENDIX 1

### Revised Deposit Draft UDP 2001

#### **Education Needs Generated by New Housing Development**

9.3.13 New housing developments, including conversions, can increase the number of children in an area, and have the potential to place an even greater demand for pupil places on local schools. If a proposed residential development is situated in an area where there is a shortage of school places or will create a shortage of places, the council will seek to enter into a Section 106 agreement with developers in order to help meet the educational costs of the residential development, and secure contributions to fund the extra school places required. The council recognises that certain types of housing, such as specialist housing for the elderly, will not generate children, and therefore contributions towards educational facilities will not be sought by the council in respect of

such development. Special considerations will also apply to social housing developments accommodating local needs, where the council has nomination rights.

9.3.14 Further guidance on the use of Section 106 agreements for educational purposes is contained in the council's supplementary planning guidance note on 'Educational Needs Generated by New Housing Developments'.

#### **Policy CS8**

**If a proposed residential development is situated in an area where there is a shortage of school places or will create a shortage of school places, the developers will normally be required to enter into a planning obligation with the council to meet the extra educational costs incurred by the community as a result of the development.**

## APPENDIX 2

### INTERIM POLICY GUIDANCE NOTE EDUCATIONAL NEEDS GENERATED BY RESIDENTIAL DEVELOPMENT

#### 1. INTRODUCTION

- 1.1 Since the production of Barnet's Unitary Development Plan (UDP) the Government has produced Circular 1/97 ('Planning Obligations'), Planning Policy Guidance Note 12 ('Development Plans and Regional Planning Guidance'), and a revised Planning Policy Guidance Note 1 ('General Policy and Principles') which all address the use of Section 106 agreements (known as planning obligations) between local authorities and developers. Circular 1/97 also gives specific support to the use of such agreements for educational facilities.
- 1.2 Barnet's adopted UDP includes two policies (EDN1.1 and EDN1.2) relating to the implications of new development on education provision and the improvement of existing educational facilities. In addition the Plan includes two policies (R1.1 and R1.2) covering the use of planning obligations between developers and the Council, and a table (10.1) listing examples of appropriate planning advantages. The Plan does not however, make specific reference to the use of planning agreements for educational purposes.
- 1.3 The current UDP was placed on deposit in 1990 and adopted in 1991. The policies and justifications referred to above therefore reflect the situation in the borough early a decade ago, and circumstances have now changed. Policies EDN1.1 and EDN1.2 will also be considered further, together with all existing UDP policies as part of the comprehensive UDP review.

#### 2. PLANNING OBLIGATION POLICY

- 2.1 To augment the UDP the following supplementary policy and reasoned justification is provided:
  - 5.4.3 (a) **Planning Obligations.** Shortages in school places have been identified in the borough and new housing development has the potential to place an even greater demand for pupil places on local schools. The Council will therefore require Section 106 agreements to help mitigate the educational costs imposed by new residential development.

##### **Policy EDN1.1 (a)**

**WHERE A PROPOSED RESIDENTIAL DEVELOPMENT WILL CREATE AN INCREASED DEMAND FOR SCHOOL PLACES, THE DEVELOPERS WILL BE REQUIRED TO ENTER INTO A PLANNING OBLIGATION WITH THE COUNCIL TO HELP MEET THE EXTRA EDUCATIONAL COSTS INCURRED BY THE COUNCIL AS A RESULT OF THE DEVELOPMENT.**

- 2.2 It is also intended that the following addition is made to Table 10.1 in Chapter 10 of the Adopted UDP 1991.

#### 3. Land Use Balance Features

**(v) Provision of new school places to meet identified needs created by new development.**

**APPENDIX 3****EDUCATIONAL NEEDS AGREEMENTS  
CURRENT FORMULA FIGURES****1. Timespan**

These figures are valid from January to June 2000.

**2. The number of children generated per housing type & costs**

The London Research Centre (LRC) has produced a set of figures relating to the number of children generated by different types of housing in Inner and Outer London, based on information contained in the 1991 London Labour Force Survey. The figures relate to children under 16 years of age. LRC have provided a set of standard distributions to enable figures for different age ranges to be calculated. This set of distributions has been applied to produce separate figures for the number of nursery, primary and secondary age children (that is, children aged 3-4, 5-10, and 11-15 years) generated per household for outer London private dwellings.

**3. Leakage**

Approximately 89% of children living in Barnet attend local authority controlled schools in the borough. A leakage multiplier of 0.89 will therefore be applied to the cost figures in order to estimate the number of school age children generated by a new housing development.

**4. Cost per pupil**

The average cost of providing a secondary, primary and nursery place has been calculated. These figures are set out below. The calculations for secondary and primary school places are based on the average cost of providing a place at a newly built school and a new permanent classroom on an existing site and include a weighted land cost. Calculations for nursery places are based solely on the cost of a new classroom. This is because nursery provision is mainly made at units within primary schools.

1. Cost per <b>nursery</b> pupil place	=	£4,659
2. Cost per <b>primary</b> school pupil place	=	£6,653
3. Cost per <b>secondary</b> school pupil place	=	£6,309

**5. Secondary school places**

Pupil projections show a borough wide deficit of secondary school places in the fiscal year 2000/2001.

**6. Primary school places**

There is currently no deficit of primary school places in the borough in the fiscal year 2000/2001.

**7. Nursery school places**

There is a Borough wide shortage of nursery places in Barnet, and more places will be required in the next few years given the commitment in the Corporate Plan (in line with government proposals) to the expansion of the Borough nursery provision.

**Nursery level**

<b>NUMBER PER HOUSEHOLD : 3-4 YEAR OLDS</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>3 Bed</b>	<b>4+ Bed</b>
<b>Outer London Private Dwellings</b>	0.0165	0.0789	0.178	0.306
<b>Cost reduced by leakage factor (£ per unit)</b>	68.42	327.16	738.08	1268.83

**Primary level**

<b>NUMBER PER HOUSEHOLD : 5-10 YEAR OLDS</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>3 Bed</b>	<b>4+ Bed</b>
<b>Outer London Private Dwellings</b>	0.0433	0.207	0.467	0.803
<b>Cost reduced by leakage factor (£ per unit)</b>	256.39	1225.68	2765.19	4754.70

**Secondary level**

<b>NUMBER PER HOUSEHOLD : 11-15 YEAR OLDS</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>3 Bed</b>	<b>4+ Bed</b>
<b>Outer London Private Dwellings</b>	0.0154	0.0739	0.167	0.287
<b>Cost reduced by leakage factor (£ per unit)</b>	86.47	414.95	937.71	1611.51

## Total number of children generated

<b>TOTAL NUMBER : AGE 3-15</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>3 Bed</b>	<b>4+ Bed</b>
<b>Outer London Private Dwellings</b>	0.0752	0.3598	0.812	1.396

## TOTAL COSTS OF PROVIDING:

<b>Nursery &amp; secondary school places only (£ per unit)</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>3 Bed</b>	<b>4+ Bed</b>
<b>Outer London Private dwellings</b>	154.89	742.11	1675.79	2880.34

<b>Nursery, primary and secondary school places (£ per unit)</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>3 Bed</b>	<b>4+ Bed</b>
<b>Outer London Private dwellings</b>	411.28	1967.79	4440.98	7635.04