

Children and Families

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OUR REF:MB/mw/CF75

Dear Headteacher Colleagues

RE: SECTION 106 TOWN & COUNTY PLANNING ACT 1990 (DEVELOPER CONTRIBUTIONS)

In response to a number of school enquiries regarding the process to mitigate the impact of Housing Developments on School places, I write to provide specific information regarding the methodology for claiming Section 106 funds from developers and the process of determination for additional school places.

- Section 106 contributions are sought by Local Authorities as a means of mitigating against the impact of development on local infrastructure. This is a very wide ranging power that covers matters such as affordable housing, recreation, highways, health as well as education, where appropriate.
- The required obligations are contained within a legal agreement which is completed prior to the commencement of a particular development and must comply with the Community Infrastructure Levy (CIL) Regulations 2010.
- The CIL Regulations require that for a contribution to be justified, it must be necessary to make the development acceptable in planning terms, directly related to the development and fairly and reasonably related in scale and kind to this development. CIL also limits the number of contributions which a Local Authority can pool towards a specific piece of infrastructure to five.
- The School Organisation and Capital Strategy seek contributions towards education infrastructure in the event that a development has a detrimental impact on school places.

- Each Local Authority has a Local Plan setting out planning policies and allocations for sites for development. This is a Statutory Development Plan and is the basis for deciding planning applications. Cheshire East Council submitted its Local Plan Strategy to the Secretary of State for Communities and Local Government on 20th May 2014 and it is currently undergoing an independent examination to determine whether it is sound and legally compliant.
- The educational requirements as a result of the local Plan will be determined through the Infrastructure Delivery Plan.
- Whilst the Local Authority concludes its Local Plan requirements, developers continue to apply for permissions for unplanned development across the borough. The School Organisation and Capital Strategy team consider all applications made that consist of ten or more 2+ bed dwellings in relation to the educational impact. Since 2011 this has lent the team to review in excess of 250 planning applications.
- A multiplier is applied to the planning application in order for the service to anticipate the number of school aged children that can reasonably be expected. This equates to 19 primary pupils and 15 secondary pupils per 100 dwellings (of 2+ bedrooms). These yields are reviewed on a periodic basis to ensure that they reflect the demographics of the borough – a review of this process is currently taking place. The table below demonstrates how Cheshire East methodology compares to other Local Authorities using information collated from the National Census.

Pupil yields		
Council	Primary	Secondary
Cheshire East Council	0.19	0.15
Derbyshire	0.20	0.15
Nottinghamshire	0.21	0.16
Leicestershire	0.24	0.20

- To understand the impact of the additional pupil numbers will have on the existing infrastructure the following methodology is applied; the number of existing pupil places (capacity) in schools within the locality are compared with the forecast demand, including the estimated housing pupil yield. If, as a result of a new housing development, demand is forecasted to exceed the number of pupil places during the planning period, a contribution would be sought from the developer based on a per pupil build cost derived by the Department for Education.

- On an average basis it is expected that 40 dwellings will be completed per developer per year working on a site.
- It should be noted that due to profit margins, it is common for a Section 106 contribution to be paid to the Local Authority through a phased programme related to the completion of the development. This in effect reflects that the phased increase in pupil numbers through the creation of the development.
- Where a need for new capacity has been identified, the school organisation process would involve an assessment of the schools in the area to determine which, if any schools could be expanded. Consultation with schools on the timing and location of capital projects would be undertaken before any final decisions are taken. When seeking to enlarge existing capacity, consideration would be given to the expansion of popular and successful schools and takes into account the potential for development on a school's site and proximity to the new development.
- To ensure a fair and transparent process, the Local Authority has established a School Organisation Strategy Group (SOSG) to facilitate partnership working by inviting key stakeholder involvement at an early stage in the planning process. The membership, which includes representatives of the Local Authority, Schools, Dioceses, parents and the local community, reviews pupil forecasts bi-annually and makes recommendations for change, taking into account a range of data and information including school admissions statistics, Ofsted outcomes, school site information and pupil distribution.
- The first scheduled meeting of SOSG is in March each year and this is to receive interim forecasts, which are based on the previous October's school census count. A further meeting is held in September each year for a review of final forecasts and to undertake further work as part of the options appraisal process.
- The School Organisational and Capital Strategy Framework , which includes the Council's priorities for ensuring a sufficiency of school places, the annual review of school places based on school census data, and schools' site appraisals will be presented to schools in the new year prior to publication on the Council's website. Schools will have the opportunity to feedback on this strategy framework prior to final approval.

In the longer term, the Council is also committed to implementing a Community Infrastructure Levy. Unlike Section106 obligations which are tailored to individual sites, the Community Infrastructure Levy operates more widely and raises a standard contribution per square metre of development. This is then subdivided amongst the various community needs (such as education, health, recreation etc.) in each area. There will be a full engagement process before this new system is put in place.

I hope that this information proves helpful to you. If you have any specific questions or queries relating to the content of this letter please direct your responses as follows;

Methodology for claiming funds; Janine Smart, Capital and Land Development Manager : Janine.smart@cheshireeast.gov.uk

Determination of additional School Places; Barbara Dale, School Organisation Manager : Barbara.dale@cheshireeast.gov.uk

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Bayley'.

Mark Bayley
Corporate Manager, Standards and Learning