



Developer Contributions for Education

Consultation on a new Policy

February 2020

(March 2020 update: Consultation deadline extended from 1 April to 1 May)

We are proposing a new County Council policy on developer contributions for education.

What are developer contributions?

Local authorities can seek to negotiate a contribution from developers towards the cost of meeting infrastructure necessary to support their development. For education this means asking for a contribution towards the cost of extending or reconfiguring an existing school or setting or building a new one.

Developer contributions are secured by means of conditions attached to a planning permission, either a planning obligation under **Section 106** of The Town and Country Planning Act 1990, or the **Community Infrastructure Levy (CIL)**.

A **Section 106** agreement is a legal obligation by a person with an interest in the land and the local planning authority to mitigate the impacts of a development proposal. This can secure a contribution directly payable to the County Council for education (or direct provision of a school 'in kind') but the obligation must be:

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

Community Infrastructure Levy (CIL) is a levy that local authorities can choose to charge on new developments in their area and use to fund infrastructure.

Why are we consulting now?

Changes to the regulations governing Section 106 agreements and CIL were made in September 2019. Updated Government guidance documents set out how local authorities can best seek funding both for the construction of more school places and suitable land from developers:

- Ministry of Housing, Communities and Local Government, Planning policy guidance, 'Planning obligations' (September 2019)
- Department for Education (DfE) non-statutory guidance 'Securing developer contributions for education' (November 2019)

In the light of these changes, we are proposing a new County Council policy for developer contributions for education.

What will our new policy include?

This policy sets out how the County Council will consider whether existing school capacity is sufficient to accommodate proposed development within the relevant area, and if it is not:

- the developer contributions needed for education, based on known pupil yields from all homes where children live; this includes primary, secondary, special educational needs and disabilities, and early years provision;
- when we will request contributions of land to provide sites for new or expanded schools.

The method of assessing whether a contribution is required will remain unchanged. The new guidance states that pupil yield factors should be based on up-to-date evidence from recent local housing developments. Recent analysis of housing developments across the County provides evidence that our current yield rates are an accurate average, accepting that there are variations between sites.

What are we proposing to change?

Section 106 contributions

We propose to request Section 106 contributions for education across the County. This will now also include areas that have adopted CIL. Changes to the CIL regulations in September 2019 removed Regulation 123 lists of infrastructure that were intended to be funded through CIL and allows Section 106 contributions to fund infrastructure also being partly funded by CIL. Our experience to date is that Section 106 agreements offer far more certainty that the school place need arising from a housing scheme will be supported by developer contributions.

Contributions for primary and secondary provision

We propose to follow the Department for Education's (DfE) preferred cost per place and use the national average costs for mainstream school places published annually in the DfE school places scorecards, adjusting national averages to reflect regional costs using Building Cost Information Service location factors.

We currently apply historic DfE cost multipliers which have remained unchanged since 2009. Applying the average cost for a permanent expansion, derived from DfE school places scorecards, to North Yorkshire would result in an increase in the cost of a primary place from £13,596 to £15,766 and a secondary place from £20,293 to £21,601.

Where a new school is required to mitigate the impact of the development, we will seek financial contributions using the average cost for a new school, derived from DfE school places scorecards, which are currently £18,630 for a primary place and £22,764 for a secondary place.

While these are significant increases (16% increase in cost of primary expansions and 6% increase in cost of secondary expansions) they compare with an increase over the same period in building cost inflation of between 25 and 40 per cent.

These rates will be updated on 1 April each year and reflect the latest published DfE school places scorecard at this date.

Thresholds for assessment currently vary across the County reflecting different policies in different districts:

	Primary	Secondary
Craven	15+(rural); 25+ (urban)	100+
Hambleton	CIL	CIL
Harrogate	25+	25+
Richmondshire	No threshold	No threshold
Ryedale	CIL	CIL
Scarborough	15+ (rural); 25+ (urban)	150+
Selby	CIL	CIL

Planning Obligations guidance sets a threshold of 10 houses for affordable housing contributions. We propose to lower the threshold (the minimum number of houses with two or more bedrooms) for which primary education contributions would be sought to 10 and for secondary education contributions to 25.

Contributions for special educational needs and disabilities (SEND) provision

Planning policy guidance and DfE guidance state that requirements for education contributions should consider SEND provision, and recommends a local authority-wide pupil yield factor based on evidence of recent developments.

We propose to apply a yield of 0.01 per dwelling for SEND provision and a minimum threshold of 100 houses. We propose to use the DfE recommendation that developer contributions for special or alternative school places are set at four times the cost of mainstream places.

Contributions for early years provision

Planning policy guidance and DfE guidance state that requirements for education contributions should consider early years provision.

We propose to apply a yield of 0.05 per dwelling for early years provision and a minimum threshold of 100 houses. We propose to use the DfE recommendation that

developer contributions for early years provision are set at the same as primary school provision.

Section 106 agreements

We propose to recommend the use of model clauses for education contributions and for education sites in Section 106 agreements.

Summary of proposals

	Pupil yield per house	Minimum number of houses on which assessment made	Contribution per place (2019/20 rates)	
			Expansion	New school
Primary	0.25	10	£15,766	£18,630
Secondary	0.13	25	£21,601	£22,764
Special Educational Needs and Disabilities	0.01	100	£63,064	£63,064
Early years	0.05	100	£15,766	£15,766

How can I comment?

Complete the response form online or return by post by 1 May 2020.

Next steps

All responses received by this date will be included in a report to the County Council's Executive on 21 May. They will decide whether to approve the draft policy for implementation. It is proposed to implement the new policy from 1 June 2020. It will be for each individual district council, as the local planning authority, to consider on a case by case basis whether a planning obligation for education is necessary to make a development acceptable in planning terms, taking into consideration their Local Plan policies, the County Council policy, and relevant legislation and guidance.

**North Yorkshire County Council
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Observations and/or suggestions:

Name

Organisation

Signed

Date:

Name (Block Capitals)

Address:

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Postcode:

To help us assess whether we have provided clear information, please let us know whether you found this consultation easy to understand? YES/NO

Do you have any suggestions for improvement?

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Under the provisions of the Freedom of Information Act 2000, responses to the consultation will be published on the County Council’s website where it may be accessed by members of the public. Your personal details will not be published. Please send this response sheet to the following “FREEPOST” address. You do not need to use a postage stamp.

FREEPOST RTKE-RKAY-CUJS

Developer Contributions

Strategic Planning

North Yorkshire County Council

County Hall

NORTHALLERTON

DL7 8AE

Or go to:

<https://consult.northyorks.gov.uk/snapwebhost/s.asp?k=158073864669>

and submit your response there

To be received by no later than 1 May 2020

We are collecting this information for the purpose of gathering views on the proposal. Your personal data will not be published or passed to any other organisation unless a legal obligation compels us to do so. We may contact you to discuss your views further. For more information about how your personal data is handled at North Yorkshire County Council please visit: www.northyorks.gov.uk/privacy