



**POLICY, PARTNERSHIP AND RESOURCES COMMITTEE**

**DEVELOPER CONTRIBUTIONS TOWARDS THE PROVISION OF A NEW  
DENOMINATIONAL SECONDARY SCHOOL**

**REPORT BY HEAD OF DEVELOPMENT AND REGULATORY SERVICES &  
HEAD OF EDUCATION (DEVELOPMENT) AND CULTURAL SERVICES**

**A. PURPOSE OF REPORT**

The purpose of this report is to seek committee approval of a new policy to secure developer contributions to fund the construction of a new denominational secondary school in West Lothian.

**B. RECOMMENDATION**

It is recommended that committee:

- 1 approves the content of the supplementary planning guidance: *Developer contributions towards the provision of a new denominational secondary school* (as appended to this report) for implementation with immediate effect;
- 2 agrees to consultation being carried out on the supplementary guidance with Homes for Scotland and other interested parties and notes that the results of the consultation will be reported back to committee; and
- 3 agrees to the Head of Development and Regulatory Services and Head of Education (Development) and Cultural Services entering into detailed discussions with the City of Edinburgh Council with a view to formalising arrangements for securing contributions from housing developers within the Newbridge/Kirkliston/Ratho CDA.

**C. SUMMARY OF IMPLICATIONS**

- |                            |  |
|----------------------------|--|
| <b>I Council Values</b>    | Focusing on our customers' needs.<br>Being honest, open and accountable.<br>Making best use of our resources.<br>Working in partnership.   |
| <b>II Policy and Legal</b> | The policy on developer contributions is closely linked to the development strategy contained within the approved Edinburgh and the Lothians Structure Plan 2015 and the Finalised West Lothian Local Plan 2005. The policy will support the development control and development plan processes. Section 75 agreements will be required. |

**III Resources - (Financial, Staffing and Property)**

The policy will apply to council owned land and will thus affect the value of future capital receipts.

**IV Consultations**

Delivering new schools in CDAs officer working group (Strategic Planning, Education, Legal, Finance and Property Services).  
City of Edinburgh Council.

**D. TERMS OF REPORT**

There are two denominational secondary schools in West Lothian: St. Kentigern's Academy in Blackburn and St. Margaret's Academy in Livingston. Both schools currently operate with waiting lists. To provide additional capacity in the short term to help meet existing needs and those arising from sites which already have planning permission, an extension is planned at St. Kentigern's as part of PPP2. However, due to the amount of housebuilding planned for West Lothian, the extra capacity being provided at St Kentigern's will not be sufficient to cope with the planned growth of the district.

To support the development strategy of the Edinburgh and the Lothians Structure Plan 2015 and the Finalised West Lothian Local Plan, a new denominational secondary school will be required. The Finalised West Lothian Local Plan requires the new school to be located at Winchburgh.

The new denominational secondary school will provide additional capacity to support not only the three Core Development Areas (CDAs) in West Lothian, but also non-CDA developments in West Lothian and the Newbridge/Kirkliston/Ratho CDA in Edinburgh.

It is recommended that the first phase of the school should provide capacity for 660 pupils. Based on current information and projections, a second phase of 330-440 additional spaces will be planned for (although this will be kept under review).

No funding is currently in place to construct the school. However, now that the structure plan has been approved and the council is moving forward with its development strategy to satisfy structure plan requirements, forward planning for school provision can proceed.

Based on current information and projections, it is expected that the new school will be funded entirely through developer contributions. Accordingly, Policy IMP 2 of the Finalised West Lothian Local Plan requires housing developers to contribute to the cost of the school.

Section 75 of the Town and Country Planning (Scotland) Act 1997 allows planning authorities to secure developer contributions, through the use of planning agreements, to overcome obstacles to the grant of planning permission. To secure contributions towards the cost of providing a new denominational secondary school in West Lothian, a policy is necessary so that developers are aware of the council's requirements at the earliest opportunity.

The cost of constructing the school has yet to be established. However, the council's Surveying Manager advises that an indicative cost of £26 million (based on first quarter 2005 prices) should be used at this stage for determining the levels of developer contribution.

Based on this indicative cost, developer contributions of £1767 per house and £1015 per flat have been established. The level of contribution will be reviewed regularly to take account of changed circumstances. Developers within the Newbridge/Kirkliston/Ratho CDA will be expected to contribute to the cost of providing the new school. It is envisaged that these contributions will be collected by the City of Edinburgh Council and passed onto West Lothian Council. Arrangements for securing developer contributions within the Newbridge/Kirkliston/Ratho CDA will require to be formalised with the City of Edinburgh Council.

## **E. CONCLUSION**

A new denominational secondary school is required to support the development strategy of the Edinburgh and the Lothians Structure Plan 2015. It will be necessary to secure developer contributions towards the provision of the school to ensure the development strategy is implemented.

It is recommended that the supplementary guidance appended to this report is approved for immediate implementation so that developer contributions can begin to be secured. The implementation of the policy will be monitored and as circumstances change, any proposed revisions to the policy will be reported to committee. Consultation with Homes for Scotland and other interested parties should be carried out and the results of the consultation will be reported back to committee.

Arrangements for securing contributions from developers within the Newbridge/Kirkliston/Ratho CDA should be formalised with the City of Edinburgh Council.

## **F. BACKGROUND REFERENCES**

Edinburgh and the Lothians Structure Plan 2015.

West Lothian Local Plan – Development Strategy for the Core Development Areas. Report to Enterprise and Development Committee, 23 November 2004.

SODD Circular 12/1996 - "Planning Agreements".

West Lothian Local Plan - report to Enterprise and Development Committee, 19 April 2005.

Appendices/Attachments : One

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3 May 2005

rcmppr0305 developer contributions – new secondary school

# **SUPPLEMENTARY PLANNING GUIDANCE - DEVELOPER CONTRIBUTIONS TOWARDS THE PROVISION OF A NEW DENOMINATIONAL SECONDARY SCHOOL**

## **1.0 INTRODUCTION**

- 1.1 A new denominational secondary school is required in West Lothian to support the scale of new housing development planned for the district. This guidance note explains the reasons why a new school is necessary and sets out the council's policy for securing developer contributions towards the cost of constructing the school.
- 1.2 This policy will be taken into account in the determination of all planning applications for housing from the date the policy is approved. The policy will be revised as circumstances change. Factors which could lead to the policy being reviewed include:
- updates in the Housing Land Audit;
  - higher or lower rates of house completion than that assumed in the Edinburgh and the Lothians Structure Plan 2015 (E&LSP);
  - availability of updated information on costs;
  - changes in assumptions about the child/house ratio as a result of the actual housing mix proposed; and
  - demographic changes.

## **2.0 LEGISLATIVE AND POLICY CONTEXT**

- 2.1 Section 75 of the Town and Country Planning (Scotland) Act 1997 allows planning authorities to secure developer contributions, through the use of planning agreements, to overcome obstacles to the granting of planning permission.
- 2.2 Scottish Office Development Department (SODD) Circular 12/1996 sets out current policy on planning agreements. The criteria to be satisfied are as follows:
- the agreement must serve a planning purpose;
  - the agreement must be related to the development being proposed;
  - the agreement must be related in scale and kind to the proposed development; and
  - the agreement must be reasonable.
- 2.3 The E&LSP requires new infrastructure to be provided in phase with new housing. Policy HOU 5 of the structure plan states that planning permission should not be granted for housing development until all relevant infrastructure is provided or its funding committed. The provision of a new denominational secondary school is identified in the E&LSP as being a key infrastructure requirement to support new housing throughout the district and in the Newbridge/Kirkliston/Ratho Core Development Area (CDA), within the administrative area of the City of Edinburgh Council.
- 2.4 The Finalised West Lothian Local Plan (FWLLP05) sets out a development strategy for West Lothian. In accordance with the E&LSP, the council has identified three CDAs to be the main focus of new housing development up to 2015 (the end of the current structure plan period) and beyond. The CDAs are Winchburgh/East Broxburn/Uphall (5000 houses); Livingston and the Almond Valley (5000 houses); and Armadale (2000 houses).

- 2.5 Chapter 7 of the FWLLP05 makes it clear that no new housing can proceed in the three West Lothian CDAs until a new denominational secondary school is provided or its funding has been committed.
- 2.6 Outwith the CDAs, the FWLLP05 makes it clear that new housing development may require to be phased or delayed until a new denominational secondary school is provided or its funding has been committed. Each case will be considered on merit, taking into account location, scale of development and housing mix (see Policy IMP2, FWLLP05).
- 2.7 The success of the local plan development strategy is dependent on additional denominational secondary school capacity being provided. In accordance with Policy IMP 2 of the FWLLP05, developer contributions will be sought to overcome this obstacle to the granting of planning permission.

### **3.0 EXISTING PROVISION**

- 3.1 There are two denominational secondary schools in West Lothian: St. Kentigern's Academy in Blackburn and St. Margaret's Academy in Livingston.
- 3.2 The notional capacity of St. Kentigern's is 1100 and the current school roll is 1063. The notional capacity of St. Margaret's is 1100 and the current school roll is 1043. Waiting lists are currently in operation at both schools.

### **4.0 PROVIDING ADDITIONAL CAPACITY IN THE SHORT TERM**

- 4.1 To provide additional capacity in the short term to cater for the additional children generated from housing sites already with planning permission, an extension is to be carried out at St. Kentigern's as part of the council's PPP2 initiative. This extension is due to be completed by December 2006 and will increase the notional capacity of the school to 1430 (330 additional spaces). The S1 intake will be increased by 60 pupils.
- 4.2 Table 1 below shows the projected combined school rolls for St. Margaret's and St. Kentigern's taking into account the programmed completions from audited housing sites in West Lothian which already have planning permission.

**Table 1**

<b>Year</b>	<b>Projected combined school roll</b>	<b>Combined capacity</b>
04/05	2108	2200
05/06	2168	2200
06/07	2252	2530
07/08	2336	2530
08/09	2407	2530
09/10	2435	2530
10/11	2452	2530
11/12	2407	2530
12/13	2390	2530
13/14	2371	2530
14/15	2315	2530

4.3 Table 1 shows that there will be sufficient overall capacity to support the development of sites which already have planning permission.

Note :

- The combined capacity at the existing schools increases to 2530 in 2006/07 as a result of the planned extension to St. Kentigern's.
- All of the costs associated with the provision of additional capacity at St. Kentigern's are being met by the council.
- The projections in Table 1 are based on information on programmed completions contained within Housing Land Audit 2004.
- The combined school rolls may be slightly higher than those shown in Table 1 due to the fact that planning permission has been granted for a number of new housing sites since 31 March 2004 (the base date for the Housing Land Audit 2004).
- Completions on audited sites in Rural West Edinburgh may have some impact on school rolls in West Lothian. Given the limited housing land supply, however, the impact will not be significant.
- Spare capacity may be taken up by placing requests.

## 5.0 PROVIDING ADDITIONAL CAPACITY IN THE MEDIUM-LONG TERM

5.1 Given the scale of housing development anticipated in the medium to long term (see Appendix 1), a new denominational secondary school will be required. This is evident from Table 2 below which shows the impact of bringing forward additional housing land to meet strategic requirements. The projections in Table 2 assume that there will be, on average, 1150 new house completions per annum over the structure plan period (source : E&LSP) and 100 new house completions per annum in the Newbridge/Kirkliston/Ratho CDA from 2009 onwards (WLC estimate).

**Table 2**

<b>Year</b>	<b>Projected combined school roll</b>	<b>Combined capacity</b>
04/05	2018	2200
05/06	2178	2200
06/07	2266	2530
07/08	2471	2530
08/09	2541	2530
09/10	2606	2530
10/11	2620	2530
11/12	2649	2530
12/13	2675	2530
13/14	2659	2530
14/15	2711	2530

5.1 It is anticipated that from 2008/09 onwards, there will be insufficient capacity at the existing denominational secondary schools to support the new housing which is expected to come forward to meet the requirements of the E&LSP.

5.2 Additional capacity will be required to support new strategic housing allocations and it is proposed to achieve this by providing a new denominational secondary school at Winchburgh. It is envisaged that the new denominational secondary will be co-located with a new non-denominational secondary school although this has yet to be formally agreed.

- 5.3 The new denominational secondary school will provide additional capacity to support not only the three CDAs in West Lothian, but also non-CDA developments in West Lothian and the Newbridge/Kirkliston/Ratho CDA. It is expected that the new denominational secondary school will be built in two phases (although this could change depending on the rate of housing development).
- 5.4 The E&LSP assumption that there will be, on average, 1150 new house completions per annum could prove to be an under estimate. Returns to the Accounts Commission reveal that new house completions in recent years have averaged 1306. The actual number of annual completions were:

2000/01	1366
2001/02	1263
2002/03	1397
2003/04	1199

- 5.5 If housebuilding continued at this higher level, a new school may be needed earlier.

## **6.0 ESTIMATING PUPIL NUMBERS AND DETERMINING THE SIZE OF SCHOOL REQUIRED**

- 6.1 Estimating the number of children produced from new developments is not an exact science. However, based on regular surveys of existing households, Education Services has derived child per house ratios which are used for planning purposes.

- 6.2 The child/house ratio used for denominational secondary schools is 0.053. From the potential land supply of 25945 houses, 15366 have yet to receive planning permission (see Appendix 1). As it is anticipated that existing schools will be able to cope with the sites which already have planning permission, it is proposed that the new school should be planned to support the 15366 houses which have yet to receive permission. This number of houses could produce around 814 denominational secondary school pupils over time depending on house phasing/housing mix. Not all of these houses would, however, be built over the current structure plan period. The school should therefore be built in phases.

- 6.3 Education Services advise that the first phase should provide capacity for 660 pupils to ensure that a wide curriculum can be provided. It is expected that a first phase of this size will provide sufficient capacity to support the new housing coming forward over the remaining 11 years of the structure plan period.

- 6.4 As forecasting over the longer term can be fraught with difficulty, the council will monitor the take up of places at the first phase of the new denominational secondary school and take account of school rolls and capacities elsewhere before deciding on the eventual size of the school.

- 6.5 Based on current information and projections, a second phase of 330 - 440 will be planned for (although this will be kept under review).

## **7.0 FUNDING THE PROVISION OF THE SCHOOL**

- 7.1 No funding is currently in place to construct the new school. However, now that the E&LSP has been approved and the council is moving forward with its development strategy to satisfy the structure plan requirements, forward planning for the new school can commence.

- 7.2 Based on current information and projections, it is expected that the new school will be entirely funded through developer contributions.
- 7.3 For the avoidance of doubt, the policy will apply to council owned sites so the council will contribute to the school costs in the same way as other landowners.
- 7.4 Taking into account the principles in SODD Circular 12/96 that developer contributions secured through planning agreements should be reasonable in all respects and should reflect the scale of development and the likely impacts it will generate, the approach which is adopted in this policy is that developer contributions should be based on the likely impact that each development is likely to have on the demand for places at denominational secondary schools in West Lothian.
- 7.5 The precise cost of constructing the school has yet to be established. This can only be established once an accommodation schedule and brief have been prepared (this work is underway). The council's Surveying Manager advises that an indicative cost of £26 million (based on first quarter 2005 prices) should be used at this stage for determining the level of developer contributions.
- 7.6 Based on this indicative cost, developer contributions of £1767 per house and £1015 per flat have been established (the methodology for establishing the level of contributions is set out in Appendix 2).
- 7.7 Actual payments will be index linked to the increases indicated in the RICS Building Cost Information Service Tender Price Index using the first quarter 2005 as the base date.
- 7.8 The levels of contribution will be reviewed regularly to take account of changed circumstances.
- 7.9 Subject to sufficient funds being secured, it is estimated that the first phase of the school could be completed by August 2009 although this cannot be guaranteed at this time. Consultation on catchment area reviews will begin once the proposals for the CDA housing developments have progressed.
- 7.10 Developers should be aware that places at particular schools cannot be guaranteed.

## **8.0 EXEMPTIONS**

- 8.1 The only circumstances where developers will be exempt from this policy will be:
- a) sites where planning permission has been granted prior to the date of committee approval of this policy (unless it is proposed to increase the number of units in which case a contribution will be required based on the increase in the number of units); and
  - b) sites being developed for less than 5 residential units. Sites being developed for less than 5 residential units which are clearly part of a larger development area will not be exempt.

## **9.0 SECURING THE DEVELOPER CONTRIBUTIONS**

- 9.1 Developer contributions may be secured by means of a Section 75 Agreement concluded between the applicant and the council, prior to the issue of planning permission.

- 9.2 In some cases, where relatively small sums of money are involved, it may be possible to avoid formal Section 75 Agreements and for the council to collect contributions through an exchange of letters prior to planning permission being granted.
- 9.3 For developments within the Newbridge/Kirkliston/Ratho CDA, it is anticipated that the City of Edinburgh Council will act as "banker" by collecting developer contributions and passing them onto West Lothian Council. Discussions with the City of Edinburgh on this matter are underway but arrangements will require to be formalised.
- 9.4 All contributions received through this policy will be "ring fenced" and will be spent only on works which will provide additional denominational secondary school capacity in West Lothian.
- 9.5 If there are surplus monies remaining after the school is complete, the council will place these into a fund to pay for ongoing maintenance requirements at the school.

## **10.0 FURTHER INFORMATION**

- 10.1 For further information or advice please contact:

For planning enquiries on CDA developments -  
Colin Miller  
Principal Planner (Core Development Areas)  
Strategic Planning  
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For planning enquiries on non-CDA developments -  
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## APPENDIX 1 - POTENTIAL LAND SUPPLY

Established housing land supply in West Lothian	10087
Other sites with planning support	369
West Lothian CDA sites	12000
Other new allocations brought forward in FWLLP05 (2)	1489
Windfall (3)	1000
Newbridge/Ratho/Kirkliston CDA (4)	1000
Total (5)	----- 25945 -----

### Note

- (1) Source: FWLLP05.
- (2) Source: FWLLP05
- (3) E&LSP assumption.
- (4) Source: E&LSP.
- (4) Not all of the houses in the potential supply will be constructed over the structure plan period.

## APPENDIX 2- METHODOLOGY FOR CALCULATING THE LEVEL OF DEVELOPER CONTRIBUTION

Indicative cost of secondary school is £26 million. This will support the 15366 houses in the potential land supply which have yet to receive planning permission.

Based on these facts, the cost per residential units would be £1692. However, it is reasonable to require a higher contribution from houses than flats as houses will contain more children (eg. ratio for three bedroom villas is 0.062; ratio for all flats is 0.042).

Monitoring of developments in West Lothian suggests that approximately 90% of new residential units are houses and 10% are flats. For the purposes of this policy, it is assumed that future developments will produce a similar housing mix.

Anticipated housing mix

Houses (90% of total)	13829
Flats (10% of total)	1537
	-----
Total	15366
	-----

Having regard to the anticipated housing mix, it is proposed to set developer contributions at £1767 per house and £1015 per flat to assist with funding the school.

13829 houses @ £1767 per house will contribute	£24,435,843
1537 flats @ £1015 per flat will contribute	£ 1,560,055
	-----
Total	£25,828,400
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Note:

- The indicative cost of £26 million includes the cost of construction, professional fees, furniture, fit out and other start up costs. It is assumed that the school will contain comparable social, community and sports facilities to other secondary schools in West Lothian.
- Actual payments will be index linked to the increases indicated in the RICS Building Cost Information Service Tender Price Index using the first quarter as the base date.
- Applying the child/flat ratio of 0.042 to the 1537 flats in the potential supply suggests that flatted developments could produce 65 denominational secondary school pupils over time depending on the phasing. This represents around 6% of the notional capacity of the school. The analysis above assumes that the developers of flats will fund 6% of the overall school costs.