Developer obligations regarding the 10FE secondary school requirement in Arun District Council

Agreed by ADC and WSCC March 2019

1 Summary

1.1 It has been calculated that to mitigate the impact of this development (subject to planning applications Y/91/17/OUT and Y/92/17/OUT) and provide adequate secondary education provision, each of the strategic housing allocation sites will be expected to pay a contribution of £33,537.97 per secondary aged pupil generated by the development (based on a pupil product calculation using the housing mix submitted at reserved matters).

1.2 An explanation and methodology for this approach is provided below.

2 Introduction

2.1 Paragraph 5.12 of The Arun District Council document “Infrastructure Capacity Study and Delivery Plan” (Feb 2017) (ICSDP) states:

West Sussex County Council has identified the need for a new 10FE Secondary School to mitigate the impact of the strategic development sites proposed. The estimated cost of this facility is between £42.1 and £47.7 million. Further consideration will need to be given to the phasing of this project. The precise nature of the contributions will be included within the relevant section 106 agreements negotiated through the planning process.

2.2 The ICSDP provided the evidence of need for the requirement of a new 10FE secondary school in the district and supported Policy INF SP2 of the Arun Local Plan (ALP) which was adopted in July 2018.

2.3 Infrastructure evidence is constantly evolving and, as acknowledged by the ALP Planning Inspector in paragraph 197 of his report, “infrastructure evidence is subject to constant changes as the Local Plan is being implemented”. Therefore, as part of the current preparation of the Arun CIL charging schedule, it was considered appropriate to engage with infrastructure providers to identify whether updates were required to the ICSDP.

2.4 As part of this review, West Sussex County Council (WSCC) have reported that the existing capacity, at secondary schools in the district, is no longer available (see section 3a below). Therefore, a review of secondary education needs to support development has been carried out.

2.5 This report provides an update to the secondary school needs calculations arising from planned growth as required by the ALP and sets out how the identified needs will be delivered.
This paper will be used to support the Arun ICSDP update and will also be used to inform requests for S106 developer contributions for all applications for residential development.

3 Evidence of need

3a. Existing Secondary School Capacity

3a.1 Para 5.11 of the Infrastructure Delivery Plan (IDP) 2017 states that:

_The existing schools do have capacity to cater for approximately 4FE based on current pupil projections, however it should be noted that this is subject to change and the numbers are reviewed twice a year._

3a.2 WSCC have reported that the existing 4FE of capacity identified under paragraph 5.11 of the IDP 2017 is no longer available, due to the number of windfall sites that have been occupied, in addition to births and inward migration since the publication of the ICSDP in 2017.

3a.3 The latest data collected from the annual school census returns from all Primary establishments within West Sussex has demonstrated that capacity of all secondary schools within the Arun District will reach 95% in 2023/24 from existing pupils currently attending primary school’s within the district.

3a.4 This is demonstrated by the total Numbers on Roll (NOR) figures produced by the annual school census returns for the current Reception Year (YR) which is 8,111 pupils. These pupils will reach Secondary education (Y7) in 2023/24 when their accommodation into the existing secondary schools will then produce capacity levels of 95%.

3a.5 West Sussex County Council considers maximum capacity levels to have been reached when schools are operating at 95% capacity across the District. This approach is supported by the Department for Education who have recognised schools can be considered at capacity when the total number on roll is as low as 90%. It has also been identified within ‘Capital funding for new school places’ that;

...on average 5 per cent was the bare minimum needed by authorities to meet their statutory duty with operational flexibility, whilst enabling parents to have some choice of schools.

3a.6 The annual school census returns are completed by all education providers and submitted to the Department for Education. They provide the figure for the number of children who are on roll at the start of each term; this figure of pupil numbers provides the most accurate indication of the number of children who need to be accommodated within the education system for each year group. The 95% capacity threshold being reached in 2023/24 does not take into consideration the additional pupils that will require schooling because of new development.

3a.7 The ALP housing target includes provision for 10,750 homes from the Strategic Allocations but there are also a further 3,048 homes from windfall sites, Neighbourhood Plan allocations, deliverable HELAA sites and non-strategic sites. As identified through it ICSDP and the ALP,

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1 Including non-strategic housing sites, until such a time that the council adopts a CIL charging schedule and commences implementation of CIL
2 Appendix – Secondary Capacity Figures
these numbers will increase the pressure on the existing secondary schools beyond the capacity levels of 95% which WSCC accept as reasonable.

3b. Secondary Education Need Generated from Strategic Housing Allocations

3b.1 A number of strategic sites have already been determined, but of these sites only Fontwell (up to 400 dwellings) does not allow for financial contribution towards the new secondary school. This is because this site came forward in advance of the adoption of the Local Plan and the policy requirement for a new 10FE school had not at that time been established. The secondary contribution for Fontwell was identified to expand St Philip Howard Catholic School. Therefore, this leaves at least 10,350 houses from the strategic allocations that will generate a need for secondary education provision beyond the capacity at existing secondary schools in the district.

3b.2 The ICSDP, 2017 used a child product calculation (18 secondary school aged pupils generated per 100 dwellings) to determine the additional needs generated by planned development. This is set out in the evidence base used to support the ICSDP, submitted to the Planning Inspector for the Arun Local Plan Examination (ref SEDP3c [https://www.arun.gov.uk/local-plan-secondary-evidence]).

3b.3 The 18 secondary school aged pupils generated per 100 dwellings figure was used to estimate secondary needs prior to the adoption of the ALP which includes Policy H DM1 Housing Mix. It is considered, following the adoption of the ALP that using the likely housing mix to estimate the number of pupils generated by planned development is a more accurate way of determining needs arising from planned development. This is because it will better reflect the demographics of the new population arising from the ALP, guided by the adopted policies.

3b.4 Therefore, assuming a SHMA compliant housing mix in accordance with policies H DM1 and AH SP2 of the Arun Local Plan (2011-2031) this will result in the following approximate housing mix from the 10,350 dwellings identified as strategic allocations within the Arun Local Plan;

<table>
<thead>
<tr>
<th>Size of dwelling</th>
<th>Affordable Rent (2,329 dwellings)</th>
<th>Intermediate Housing (776 dwellings)</th>
<th>Market (7,245 dwellings)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bed</td>
<td>932 (40%)</td>
<td>155 (20%)</td>
<td>724 (10%)</td>
</tr>
<tr>
<td>2 Bed</td>
<td>698 (30%)</td>
<td>388 (50%)</td>
<td>3260 (45%)</td>
</tr>
<tr>
<td>3 Bed</td>
<td>466 (20%)</td>
<td>194 (25%)</td>
<td>2536 (35%)</td>
</tr>
<tr>
<td>4+ Bed</td>
<td>233 (10%)</td>
<td>39 (5%)</td>
<td>725 (10%)</td>
</tr>
</tbody>
</table>

3b.5 Taking the above indicative housing mix and on the assumption that all 1-bedroom units will be provided as flats, the strategic allocation will generate 1,347 secondary aged pupils or 8.98 forms of entry. The windfall sites, Neighbourhood Plan allocations, deliverable HELAA sites and non-strategic sites will increase this requirement by 2.6 forms of entry.

3b.6 It should be noted that using the SHMA compliant housing mix to determine the needs generated for secondary education will need to be considered as a starting point for

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4 As identified in the Updated Housing Needs Evidence – Final Report, September 2016
determining future needs. This methodology will be subject to monitoring and review as a better understanding of how the housing mix on new sites aligns with the SHMA.

4 Method of calculation

4.1 As set out above (paragraph 3b.5), the ALP housing target generates the need for a 10FE secondary establishment to address the strategic housing allocations (which give rise to 8.98 FE plus 2.6 FE). The remaining needs generated by the non-strategic housing numbers will create a need for a further 1.58 FE over and above the 10FE secondary school. Annual monitoring and review of actual housing mix figures coming forward from developments at reserved matters stage and the impact of this upon secondary school capacity will be required, to identify whether the approach adopted is addressing the needs generated by the applications for strategic housing allocations which are currently being received. Adaptions to this approach may need to be taken into account, as required, as part of the preparation of the Non-Strategic Housing Sites Development Plan Document (DPD) and as part of the ALP review stage.

4.2 In order to establish the proportional contribution towards the new 10FE school from each of the development sites it is necessary to consider both the cost of the school itself plus the cost of the land to accommodate the school.

5 The school cost

5.1 The ICSDP identifies the cost of the 10FE secondary school as between £42.1m and £47.7m. However, for calculation purposes a specific figure is required rather than a range of costs so the top figure of £47.7m is used as the cost of the school. The alternative to this approach is to take an average of figures used in 2017 and to apply indexation to this figure to provide 2019 equivalent estimates but instead WSCC have taken the higher end of the initial cost estimate for the calculations below, in order to obtain a reasonable cost of the school. Both methods will produce a comparable final cost for the new school.

5.2 Therefore, £47.7m has been adopted as the build cost for the 10FE secondary school.

6 Land costs

6.1 The ICSDP did not specify the location of the site of the school. Para 5.13 states that “a preferred location for the school is being explored at either BEW or Ford” but at the time of publication this had not been determined.

6.2 Since the publication of the ICSDP, evidence has been prepared to support the identification of a new secondary school. The preferred site (Site F) has now been identified and was reported to Planning Policy Sub-Committee (PPSC) on 27th February 2018. The PPSC recommendation will be taken to Full Council on 13th March. Subject to Full Council approval, the preferred site will be allocated and a formal legal process will commence to allocate the land for the school. The cost of providing the land for the school must be included in the overall calculations set out in this report.

6.3 D1 land value is determined by WSCC to be at a maximum level of £100,000 per acre. This is a result of the value determined at other sites within both the County and the District and has been approved by the District Valuer as reasonable in this type of scenario.
6.4 A 10FE secondary school requires 10.55 hectares (or 26.069618 acres) of land, resulting in a total cost of £2,606,962 for the land to deliver the secondary school.

7 Total cost of the school

7.1 In accordance with 4.1 and 4.2 above the delivery of the secondary school will have a total cost of £50,306,902.

\[ £47,700,000 + £2,606,962 = £50,306,962 \]

8 Residential development contributions

8.1 The 10FE school will have a capacity of 1,500 pupils (5-year groups with 10 classes of 30 in each year group) and as such the delivery of the 10FE school will have a cost of £33,537.97 per pupil. This has been calculated as follows;

\[ £50,306,962 \text{ (total cost of the secondary school + land value)} / 1,500 \text{ (total pupils accommodated within a 10FE school)} = £33,537.97 \text{ per pupil} \]

8.2 It will then be necessary to calculate the child product generated by each development and this will be done in accordance with the following methodology;

\[ £33,538 \times \text{Additional Child Product (ACP)} = \text{Secondary Education Contribution.} \]

ACP = The estimated additional number of school age children likely to be generated by the Phase of the Development calculated by reference to the total number of dwellings in the Phase, as approved by the relevant reserved matters planning approval for that phase. The following criteria are used to generate the child product;

<table>
<thead>
<tr>
<th>Dwelling Size</th>
<th>House</th>
<th>Flat</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bed</td>
<td>= 1.5</td>
<td>1.3</td>
</tr>
<tr>
<td>2 Bed</td>
<td>= 1.9</td>
<td>1.9</td>
</tr>
<tr>
<td>3 Bed</td>
<td>= 2.5</td>
<td>2.4</td>
</tr>
<tr>
<td>4 Bed</td>
<td>= 3.0</td>
<td>2.8</td>
</tr>
</tbody>
</table>

8.4 Occupancy rates are determined using 2011 occupancy rates and will be revised once 2021 Census data is released.

8.5 Using the above current occupancy rates to determine an overall population increase the following factors are applied. According to the 2001 census data, there are 14 persons per 1000 population in each school year group for houses and 5 persons per 1,000 population in each school year group for flats. There are 5-year groups for secondary education (years 7 to 11). So from the occupancy rate of the housing mix the numbers of additional secondary age coming from each of the strategic sites can be determined.

8.6 However, for each of the strategic sites the exact housing mix will not be fixed until reserved matters applications are submitted whereas the Section 106 agreements will need to be completed in advance of this for outline planning permission to be approved. Therefore, in line with the usual method for dealing with this scenario the Section 106 agreements will insert the formula above, with the actual calculation of the Additional Child Product to be
undertaken when the triggers for payment are reached. At this point the housing mix will be known and occupancy rates can be calculated.

8.7 Using the above methodology, it is considered that each of the strategic allocations will address the secondary education needs of the development, with the contributions considered to be necessary, directly related and fairly and reasonably related in scale and kind to the development in accordance with Section 122 of The Community Infrastructure Levy Regulations 2010.

9 Non-Strategic Sites Contributions towards secondary education provision in Arun

9.1 Arun District Council is currently preparing a Community Infrastructure Levy (CIL) Charging Schedule. A Draft Charging Schedule consultation is due to take place in March 2019 and submission is scheduled for the summer.

9.2 The proposed CIL Charging Schedule includes 5 charging zones (identified based on the CIL viability evidence). Zone 1 sets a zero rate on all strategic housing allocations which reflects the high level of S106 costs associated with delivering infrastructure associated with the strategic sites. The remaining 4 CIL zones set a higher CIL rate on most other residential development (although some zones are zero rated), based on viability evidence.

9.3 Once CIL has been adopted by Arun District Council, it will replace S106 as a funding mechanism for all off-site infrastructure requirements from non-strategic sites, including contributions towards secondary education provision to meet needs for non-strategic development as set out in section 4.0 above. This approach is set out in the council’s draft infrastructure list which has been prepared to support the Draft Charging Schedule consultation.

9.4 The calculations set out above therefore make provision for determining S106 contributions towards secondary education from all strategic sites from this point onwards, subject to changes in secondary education capacity reported by West Sussex County Council. However, in terms of non-strategic sites, the approach identified above will only apply until Arun District Council adopts a CIL charging schedule. Upon adoption of CIL, non-strategic sites (comprising of those site types listed below) will pay CIL and the calculations set out above will no longer be applied to these sites:

| Table 3 – Housing supply from non-strategic sites (taken from Table 12.1 of the Arun Local Plan, 2018) |
|--------------------------------------------------|--------------------------------------------------|
| Supply of additional homes | Total additional dwellings |
| Neighbourhood Plan allocations | 421 |
| ‘Deliverable’ Housing and Employment Land Availability Assessment (HELAA) sites | 530 |
| Windfall allowance sites | 847 |
| Non-Strategic allocations<sup>5</sup> | 1250 |

<sup>5</sup> Sites which are smaller than 300 dwellings which will be allocated through an emerging Non-Strategic Sites Development Plan Document (DPD) or through Neighbourhood Development Plan reviews
To aide delivery of secondary education requirements from CIL receipts, a business plan approach will be developed which will allow the Education Authority to apply for funding towards specific infrastructure items, including education. This will allow the secondary education needs of the non-strategic housing developments within Arun District to be met over the plan period. The overall requirements for secondary education provision will be reliant upon the housing mix put forward on each strategic site, therefore, the secondary education needs during the plan period will need to be subject to monitoring and review.