

APPENDIX 2 - SUPPLEMENTARY PLANNING GUIDANCE - DEVELOPER CONTRIBUTIONS FOR PRIMARY SCHOOL INFRASTRUCTURE IN ARMADALE

1.0 INTRODUCTION

- 1.1 West Lothian Council adopted the West Lothian Local Plan (WLLP) in January 2009. The WLLP proposes major housing growth and, as a consequence, a number of new schools and school extensions are required to support the local plan strategy.
- 1.2 The purpose of this supplementary planning guidance (SPG) is to set out details of primary school projects for the non-denominational and the denominational sectors in Armadale which are required to support the implementation of the WLLP. The SPG also sets developer contribution rates which will apply to all proposed housing developments within the catchment areas of existing primary schools located in Armadale.
- 1.3 There are currently three primary schools in Armadale: Eastertoun Primary School (capacity 360 pupils), Armadale Primary School (capacity 415 pupils) and St. Anthony's RC Primary School (capacity 171 pupils). It should be noted that the catchment area for St. Anthony's RC Primary School includes Blackridge and Westfield as well as Armadale.
- 1.4 The WLLP anticipates that the equivalent of three new streams of primary school infrastructure will be required to support the core development area (CDA) allocations in Armadale (ie. capacity for a further 693 pupils). However, it is now anticipated that some school extensions will also be required. Originally, it was assumed that all of the new primary school infrastructure which was required would be provided in the form of new build schools. However, it is now recognised that interim solutions (ie. extensions to existing schools) are necessary to reduce the scale of up front developer funding and to ensure that housing development can get underway quickly, in advance of catchment area reviews for new schools being undertaken. This approach is not contrary to the local plan as the plan recognises the need for flexibility and states that infrastructure provided may vary from that stated in the plan. The scale of infrastructure being planned must also have regard to non-CDA housing allocations within the catchment areas of Armadale primary schools and make some allowance for the scale of windfall development that might be supported. Sites in Blackridge and Westfield, for example, will impact on the demand for school places at denominational primary schools in Armadale and this has to be taken into account when planning the scale of education provision necessary.
- 1.5 To support the implementation of the WLLP, it is now considered that the following primary school projects in Armadale are required:
 - Extend Armadale Primary School to have a capacity of 462 pupils and 80/80 nursery.
 - Extend St. Anthony's RC Primary School to have a capacity of 198 pupils and 30/30 nursery.
 - Alter and extend Eastertoun Primary School to have a capacity of 415 pupils - note that this will require the existing nursery to be relocated to a new site.

- Construct a new single stream denominational primary school - note that this could be co-located with a single stream non-denominational primary school.
 - Construct new non-denominational primary school(s) with total capacity of up to 462 pupils - note this could be a two stream school on a single site or a single stream school in two different locations.
 - 80/80 nurseries require to be provided at two of the new build primary school sites.
 - Two sites are required for new build primary schools. Both should be capable of accommodating two stream schools with an 80/80 nursery and associated community facilities.
- 1.6 At this stage, the council wishes to ensure that there is some flexibility in how the primary school infrastructure projects are taken forward. This is necessary because of the current uncertainty about future house completion rates and the timing of developer contribution payments to fund school infrastructure projects. There is also uncertainty about proposed catchment area changes. It should be noted that the scale of requirements for new build primary schools will be reviewed at various stages as housing developments progress.
- 1.7 Based on current forecasts, it is estimated that the proposed works at Armadale Primary School, St. Anthony's Primary School and Eastertoun Primary School (including the relocation of the nursery) could support around 340 residential units. Subject to funding being available, the aim is to complete the works at St. Anthony's Primary School by August 2011 and to complete the works at Armadale Primary School by August 2012. Subject to funding being available, the first phase of a new build primary school could be provided by August 2014.
- 1.8 This SPG will be taken into account in the determination of all planning applications for housing within the existing catchment areas of Armadale Primary School, Eastertoun Primary School and St. Anthony's RC Primary School from the date the policy is approved. For the avoidance of doubt, the SPG will apply to all current housing proposals which have yet to receive planning permission. The policy will be revised as circumstances require. 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 Development Planning Housing Model;
 - availability of updated information on costs;
 - changes in assumptions about the child/house ratio as a result of the actual housing mix proposed;
 - demographic changes;
 - updated school roll forecasts;
 - changes in catchment areas;
 - changes in the pattern of attendance at schools;
 - approval of the Strategic Development Plan;
 - approval of the Local Development Plan; and

- any other significant matter that impacts on primary school provision in Armadale.
- 1.9 At the time of writing (February 2011), the rate of house building in West Lothian has fallen greatly as a consequence of the global credit crunch. The housing downturn has been taken into account in the latest school roll forecasts. The council will continue to monitor the rate of house building and will further adjust school roll forecasts, as and when required, to reflect changes in the housing market.
 - 1.10 With the credit crunch resulting in a severe slowdown of the private sector housing market and creating difficulty for developers in raising finance to forward fund major infrastructure, the council will keep its education strategy under review and, where possible, be flexible.
 - 1.11 Given the current financial constraints affecting the public and private sectors, it is essential that the council only brings on stream additional capacity when it is needed. This will help developers to manage their cashflow and help the council to manage its revenue budget.
 - 1.12 Appendix 1 sets out three possible scenarios for the provision of primary school infrastructure in Armadale over the next 10 years. This will be kept under review as the timing of projects will largely depend on developers' timescales for commencing developments, their ability to make payments for education infrastructure and on the rate of house building.
 - 1.13 Catchment area reviews for denominational primary school provision and for non-denominational primary school provision will be necessary to ensure that the WLLP can be implemented in full. It is anticipated that the catchment area review process could commence in 2011. Statutory consultation will also be necessary to change the location of the existing nursery at Eastertoun.
 - 1.14 Further information on the council's approach to developer contributions can be found in its *Planning for Education SPG*.

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 Government Circular 1/2010 sets out current policy on planning agreements. This indicates that planning agreements should only be sought where they meet all the following tests:
 - Necessary to make the proposed development acceptable in planning terms.
 - Serve a planning purpose and, where it is possible to identify infrastructure provision requirements in advance, should be relevant to development plans.
 - Relate to the proposed development either as a direct consequence of the development or arising from the cumulative impact of development in the area.

- Fairly and reasonably relate in scale and kind to the proposed development.
 - Reasonable in all other respects.
- 2.3 The Edinburgh and the Lothians Structure Plan 2015 (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.
- 2.4 The adopted West Lothian Local Plan (WLLP) sets out a development strategy for West Lothian. The success of the local plan development strategy is dependent on additional school capacity being provided. In accordance with Policy IMP 3 of the WLLP, legal agreements will be required to secure the provision of new schools or extensions and associated community facilities from developers where this is directly attributable to serving their proposed housing development. Policy IMP17 of the WLLP also requires legal agreements to be in place to secure key infrastructure.

3.0 FORECASTS

- 3.1 The approved school roll forecasts (November 2010) for Armadale Primary School, Eastertoun Primary School and St. Anthony's Primary School are shown below:

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Armadale PS	379	381	411	442	485	513	530	557	597	630	656	681
Eastertoun PS	328	332	333	334	325	331	340	348	356	369	384	409
St. Anthony's PC	174	176	184	186	205	227	243	262	281	302	322	342

- 3.2 The council produces a housing model called the *Development Planning Housing Model* (DPHM) which shows where and when new house building is expected to take place over the next 20 years. The above school roll forecasts are based on programmed completions as set out in the West Lothian DPHM (April 2010). This acknowledges the fact that much of the proposed housing within existing local plan allocations will take place beyond the current structure plan period (ie. post 2015).
- 3.3 Table 1 below shows the projected combined school roll for all primary schools in Armadale and the combined capacity at all three schools.

Table 1

Year	Projected combined school roll	Combined capacity
10/11	881	925
11/12	889	925
12/13	928	925
13/14	962	925
14/15	1015	925
15/16	1071	925
16/17	1113	925
17/18	1167	925

18/19	1234	925
19/20	1301	925
20/21	1362	925
21/22	1432	925

Assumptions:

Child per house ratio for non-denominational primary : 0.289
 Child per house ratio for denominational primary : 0.095
 Stage migration factor at Armadale PS : 0.9664
 Stage migration factor at Eastertoun PS : 1.0055
 Stage migration factor at St. Anthony's PS : 0.95
 Number of units in forecast for Armadale PS : 1105
 Number of units in forecast for Eastertoun PS : 426
 Number of units in forecast for St. Anthony's 2281
 Number of units programmed at Armadale PS beyond forecast period : 1200
 Number of units programmed at Eastertoun PS beyond forecast period : 210
 Number of units programmed at St. Anthony's beyond forecast period : 1572
 Forecasts are based on the current pattern of attendance. This is likely to change when new schools are provided.

- 3.4 Capacity is forecast to run out by 2012/13 so the council will aim to secure developer contributions and/or identify funding which ensures that additional capacity is in place for the start of the 2011/12 session. It should be noted that spare capacity can be taken up by placing requests so it is possible that capacity could run out sooner than predicted.
- 3.5 The council uses well established and robust methods for estimating the number of children resulting from new developments, including periodical 100% household survey as well as cross matching of its pupil placement information.
- 3.6 As forecasting over the longer term can be fraught with difficulty, the council will monitor closely the take up of places and will review forecasts at least annually.
- 3.7 Education forecasting entails making assumptions about the rate of build, stage migration factors, child per house ratios and transfer rates. The timing of education infrastructure projects could, therefore, vary from those indicated in Appendix 1 if trends differ significantly from those assumed.

4.0 FUNDING THE PROVISION OF THE ADDITIONAL CAPACITY

- 4.1 It is expected that the majority of the new education infrastructure in Armadale will be funded through developer contributions. In recognition of there being a shortfall of 12 pupil places to support anticipated demand arising from sites that already have planning permission, the Council Executive will be asked to allocate £126,000 towards the cost of extending St. Anthony's Primary School. The shortfall of 12 places represents 70% of the additional 17 spaces proposed at St. Anthony's so the proposed council contribution is 70% of the budget costs of the proposed works.
- 4.2 Taking into account the principles in SG Circular 1/2010 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 adopted in this policy is that developer contributions should be based on the likely impact that each development will have on the demand for places at primary schools in Armadale.

- 4.3 To establish developer contribution rates for primary education infrastructure in Armadale, it is necessary to consider the St. Anthony's RC Primary School project and the new build denominational primary school project together to establish a contribution rate for denominational primary school provision and to consider the Armadale Primary School, the Eastertoun Primary School and the new build non-denominational primary school projects together to establish a contribution rate for non-denominational primary school provision.
- 4.4 The precise cost of the new education infrastructure has yet to be established. This can only be established once project briefs have been finalised and the projects have been subjected to a tendering process. The council's Construction Services unit has provided indicative costs based on first quarter 2010 prices for each of the projects and these are set out in Appendix 2.
- 4.5 Based on these indicative costs, a developer contribution rate of £2,971 per residential unit has been established for denominational primary school provision and a rate of £6,774 has been established for non-denominational primary school provision (the methodology for establishing the level of contributions is set out in Appendix 2). The indicative costs include school commissioning costs.
- 4.6 Actual payments will be index linked to the changes indicated in the RICS Building Cost Information Service Tender Price Index using the first quarter 2010 as the base date.
- 4.7 The levels of contribution will be reviewed regularly to take account of changed circumstances.
- 4.8 Developers should be aware that places at particular schools cannot be guaranteed.
- 4.9 In circumstances like this, where the need to provide new education infrastructure arises as a result of several proposed housing developments, there is a need for the council to establish an indicative budget cost for the works deemed necessary and to publish developer contribution rates. An appropriate contingency is built into the budget cost. This is necessary to safeguard the council's position as the council should not be expected to carry the financial burden of unexpected development costs. If surplus funds are left over once the projects have been completed, these will be repaid, on a pro-rata basis, to those parties who made the contributions towards the project. It may be necessary to adjust contribution rates as more details about the project become known.
- 4.10 Whilst it is understood that developers of large sites will not be in a position to make all their contributions up front, the council will need to have sufficient funds in place for each project before committing to a contract to build that project. Thus, whilst some phasing of payments is likely to be acceptable, some developers will need to make large payments at appropriate stages to ensure that constraints can be overcome. As a general principle, if one party makes overpayments to forward fund education infrastructure in order to

overcome a constraint and other applicants later benefit from this, the council will seek to refund the overpayments to the party who made them once contributions are received from the other applicants who have benefited and it is clear that surplus funds are available.

5.0 EXEMPTIONS

5.1 The only circumstances where developers will be exempt from this policy will be:

- a) Sites which already have the benefit of planning permission and that permission has not expired (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). Where an existing planning permission expires, any new application will not be exempt from this policy.
- b) Sheltered housing, student housing and other types of housing designed or approved for special population groups which do not include children within the resident's household.
- c) Sub-division of existing residential units provided the new residential accommodation would not result in a greater demand for school places. Where the demand for school places would be greater, contributions will be assessed on a case by case basis and will be in proportion to the additional demand generated.
- d) Sites where it is proposed to demolish existing residential units and replace with new housing provided there is no increase in the number of residential units. Where there is an increase in the number of units, the need for contributions will be assessed on a case by case basis and any contributions sought will be in proportion to the additional demand for school places which is generated.
- e) Sites where residential units have recently been demolished (ie. within the last two years) and the number of replacement units does not exceed the number of units previously located on the site. Where there is an increase in the number of units, the need for contributions will be assessed on a case by case basis and any contributions sought will be in proportion to the additional demand for school places which is generated.

6.0 SECURING THE DEVELOPER CONTRIBUTIONS

6.1 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. In some cases, the use of a Section 69 Agreement under the Local Government (Scotland) Act 1973 may be more appropriate.

6.2 In some cases, where relatively small sums of money are involved, it may be possible to avoid formal Section 75 Agreements and Section 69 Agreements and for the council to collect contributions through an exchange of letters prior to planning permission being granted.

6.3 Phased payments will be accepted for larger developments.

7.0 SCHOOL SPECIFICATION AND TIMESCALE

7.1 The new build school designs will need to have regard to the Design Guidance for new schools approved by the council in October 2006.

7.2 Statements of Need for the anticipated primary school projects in Armadale have been prepared by the council. Based on these Statements of Need, accommodation schedules will be prepared. The budget cost plans produced by the council's Construction Services unit has been based on the Statements of Need which have been prepared.

7.3 The council will need to ensure that the school projects meet the relevant building and education statutes, regulations and guidelines pertaining at the time and that the schools have appropriate provision.

7.4 The council will decide the appropriate procurement route for all education infrastructure projects. Through the Armadale CDA Developers Forum, the council will share information on school specifications, procurements options, phasing of school infrastructure, timing of projects etc.

8.0 FURTHER INFORMATION

8.1 For further information or advice please contact:

For planning enquiries -
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Appendix 1

Possible timing of projects which will provide additional primary school capacity in Armadale

Scenario 1

Year	Project	Townwide capacity
2011	St. Anthony's RC Primary extension to 198 capacity	973
2013	Armadale Primary School extension to 462 capacity	1020
2014	Eastertoun extension to 415 capacity and relocation of nursery	1075
2015	First phase of new non-denominational primary (Armadale Station)	1175
2018	First phase of new build denominational primary (Colinshiel)	1275
2019	Second phase of new build non-denominational primary	1406

Scenario 2

Year	Project	Townwide capacity
2011	St. Anthony's RC Primary extension to 198 capacity	973
2013	Armadale Primary School extension to 462 capacity	1020
2014	First phase of new non-denominational primary (Armadale Station)	1120
2018	First phase of new denominational primary (Colinshiel) Eastertoun extension to 415 capacity and relocation of nursery	1275
2021	Second phase of new non-denominational primary (Armadale Station)	1406

Scenario 3

Year	Project	Townwide capacity
2011	St. Anthony's RC Primary extension to 198 capacity	973
2013	Armadale Primary School extension to 462 capacity	1020
2014	Eastertoun extension to 415 capacity and relocation of nursery	1075
2015	First phase of new non-denominational primary (Armadale Station)	1175
2018	First phase of new denominational primary (Armadale Station)	1275
2019	Second phase of new non-denominational primary (Armadale Station)	1406

Assumptions :

- 1) build rate is as per the DPHM
- 2) developer contributions are paid at appropriate stages
- 3) satisfactory progress is made on catchment reviews

Appendix 2

Methodology for calculating developer contribution rates

At this stage, only indicative costs are available. The current indicative costs, based on first quarter 2010 prices are as follows:

Estimated denominational primary school costs

New build (up to single stream school with 80/80 nursery)	£7,785,000
St. Anthony's Primary School extension	£180,000
School commissioning costs	£332,250
Total	£8,297,250
Deduct proposed council contribution	£126,000
New total	£8,171,250

This scale of infrastructure will support 2,750 residential units within the current catchment area of St. Anthony's RC Primary School which do not yet have the benefit of planning permission. The scale of infrastructure envisaged will also support committed development. Dividing the indicative cost by 2,750 results in a contribution rate of £2,971 per residential unit based on first quarter 2010 prices.

Actual payments will be linked to the increases indicated in the Building Tender Price Index using first quarter 2010 as the base date.

Estimated non-denominational primary school costs

New build (up to two stream school with 80/80 nursery)	£12,600,000
Armadale Primary School extension	£913,000
Eastertoun Primary School extension (excluding nursery relocation)	£310,000
School commissioning costs	£539,300
Total	£14,362,300

This scale of infrastructure will support the 2,120 residential units within the current catchment areas of Armadale Primary School and Eastertoun Primary School which do not yet have the benefit of planning permission. The scale of infrastructure envisaged will also support committed development. Dividing the indicative cost by 2,120 results in a contribution rate of £6,774 per residential unit based on first quarter 2010 prices.

Actual payments will be linked to the increases indicated in the Building Tender Price Index using first quarter 2010 as the base date.