



POLICY, PARTNERSHIP AND RESOURCES COMMITTEE

DEVELOPER CONTRIBUTIONS FOR A REPLACEMENT ARMADALE ACADEMY

**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 for a new policy to secure developer contributions to help fund the construction of a replacement Armadale Academy.

B. RECOMMENDATION

It is recommended that committee

1. approves the content of the supplementary planning guidance: *Developer contributions for a replacement Armadale Academy* (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. notes that Education Services will bring forward a report on options for the school development and location in the Spring 2006.

C. SUMMARY OF IMPLICATIONS

I Council Values	Focusing on our customers' needs. Being honest, open and accountable. Making best use of our resources. Working in partnership.
II Policy and Legal	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	Strategic Planning, Education, Legal, Finance, Property Services.

D. TERMS OF REPORT

On 3 May 2005, the council approved supplementary planning guidance to secure developer contributions towards an extension of Armadale Academy. The council has since decided to withdraw the extension to Armadale Academy from the Private Public Partnership Schools Project (PPP2) and has decided to replace Armadale Academy with a new build school. As a consequence, there is a need to replace the supplementary planning guidance approved in May 2005 with new supplementary planning guidance which will secure developer contributions towards a new build school. Education Services will bring forward a report on the school development and location in spring 2006.

Within the catchment area of Armadale Academy, planning permission exists for an estimated 1080 houses to be constructed. It is expected that the children generated from the development of these housing sites can be accommodated within the existing capacity of the school. At April 2005, Armadale Academy had a school roll of 763. The capacity of the school is currently 990.

The Finalised West Lothian Local Plan 2005 sets out the development strategy for West Lothian. In accordance with the Edinburgh and the Lothians Structure Plan 2015, the council has identified Armadale as one of three Core Development Areas (CDAs) to be the main focus of new housing development up to 2015 (the end of the structure plan period) and beyond. An additional 2000 houses are planned for Armadale as part of this strategy.

Other housing opportunities will come forward within the catchment of Armadale Academy but outwith the Armadale CDA (e.g. sites included in Housing Land Audit 2004 which do not yet have planning permission, new local plan allocations, windfall sites). For the purpose of this policy, it is assumed that non-CDA housing sites have the potential to yield 1050 units.

Adding together the CDA allocations of 2000 units with the 1050 additional units which could come forward from other sites, results in a potential additional housing land supply of 3050 units, (ie. over and above that which already has planning permission).

These 3050 additional units could only proceed if additional non-denominational secondary school capacity is provided. The replacement Armadale Academy will therefore be required to have a larger notional capacity than the existing school. Based on current projections, a school with a notional capacity of 1210 will be planned for.

Policy IMP 1 of the Finalised West Lothian Local Plan 2005 (as amended on 22 November 2005) identifies the need for all developers within the catchment area of Armadale Academy to contribute to the cost of replacing Armadale Academy. Contributions from developers is justified because further housing development on the scale envisaged could not proceed without additional non-denominational secondary school capacity being provided.

The cost of providing the additional 220 spaces at Armadale Academy is estimated to be £4,726,800. The full cost of providing this additional capacity should be met through development contributions. Based on a cost of £4,726,800, contributions of £1653 per house and £620 per flat will be required.

To ensure that new housing takes place in phase with infrastructure capacity, it may be necessary in the short term to impose planning conditions requiring housing developments within the catchment area of Armadale Academy to be phased or requiring the housing mix within the area to be restricted. In some cases, development may need to be delayed until the replacement school is provided. Each proposal will be assessed on merit. It may also be necessary to consider a review of the catchment area for the school in the longer term or to consider an extension to the school.

E. CONCLUSION

Additional capacity in the non-denominational secondary school sector is required in Armadale to support the development strategy of the Edinburgh and the Lothians Structure Plan 2015.

It is recommended that the supplementary guidance appended to this report is approved so that developer contributions towards a replacement of Armadale Academy can be secured.

The policy will be monitored and reviewed if circumstances change. 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.

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

West Lothian Local Plan – Report to Enterprise and Development Committee, 22 November 2005

Public Private Partnership Schools Project (PPP2) Update - Report to Policy Partnership and Resources Committee 25 October 2005

Appendices/Attachments : One

SUPPLEMENTARY PLANNING GUIDANCE - DEVELOPER CONTRIBUTIONS FOR A REPLACEMENT ARMADALE ACADEMY

1.0 INTRODUCTION

- 1.1 The council has identified a need to provide additional capacity in the non-denominational secondary sector in Armadale to support the development of the Core Development Area (CDA) housing proposals at Armadale and other housing proposals within the Armadale Academy catchment area. An extension to Armadale Academy as part of a Public Private Partnerships (PPP) scheme was originally planned but this option has been withdrawn from the PPP and a new build solution is to be pursued by the council. Contributions from the Armadale CDA housing developers and from non-CDA housing developers within the catchment area will be sought towards the cost of the replacement school as these developments could not proceed without extra school capacity being provided.
- 1.2 For the purposes of this policy, Armadale CDA housing developers will be defined as *"the developers who construct houses and flats on the mixed use sites at Colinshiel, Lower Bathville, Netherhouse, Standhill North, Standhill South and Trees Farm as identified in the Finalised West Lothian Local Plan (FWLLP05)"* and non-CDA housing developers will be defined as *"all other housing developers within the catchment area of Armadale Academy"*.
- 1.3 This guidance note sets out the council's policy for securing developer contributions towards the cost of replacing Armadale Academy. This policy will be taken into account in the determination of all planning applications for housing on the aforementioned mixed use sites and for all other housing proposals within the catchment area for Armadale Academy from the date the policy is approved.
- 1.4 It is possible that some housing developments within the catchment area of Armadale Academy will not be allowed to proceed until a contract is in place to replace Armadale Academy. Each case will be considered on merit taking into account the scale of the development and the proposed housing mix and the availability of capacity at the existing school. In some cases, development may require to be phased or the housing mix restricted.

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 grant 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 FWLLP05 sets out a development strategy for West Lothian. In accordance with the Edinburgh and the Lothians Structure Plan 2015, the council has identified Armadale as one of three Core Development Areas (CDAS) to be the main focus of new housing development up to 2015 (the end of the structure plan period) and beyond. Up to 2000 houses are planned for Armadale as part of this strategy.

- 2.4 Other housing opportunities will come forward within the catchment of Armadale Academy (e.g. sites included in Housing Land Audit 2004 which do not yet have planning permission, new local plan allocations, windfall sites). For the purposes of this policy, it is assumed that non-CDA housing sites which have yet to receive planning permission and windfall sites will yield 1050 units – (see Appendix 1).
- 2.5 Policy IMP 2 of the FWLLP05 (as amended on 22nd November 2005) identifies the need for all developers within the catchment area of Armadale Academy to contribute to the cost of replacing the school. Contributions from developers are justified because further housing development on the scale envisaged could not proceed in the catchment area for Armadale Academy without additional capacity being provided. It is anticipated that the replacement school will have a notional capacity of 1210, 220 more than the notional capacity of the existing school.

3.0 CONTRIBUTION LEVELS

- 3.1 At April 2005, Armadale Academy had a school roll of 763. The capacity of the school is currently 990.
- 3.2 Within the catchment area of the school planning permission exists for an estimated 1080 houses to be constructed. Based on recent evidence of build rates in the area, it is estimated that this provides a four year land supply. It is expected that the children generated from the development of these housing sites can be accommodated within the existing capacity of the school (see Appendix 2).
- 3.3 As the existing school can cope with the number of children generated from existing sites with planning permission, the need for additional school capacity arises from the need to support other housing sites identified in the FWLLP 2005.
- 3.4 The council will forward fund the replacement school. Contributions will be sought from housing developers within the catchment area of Armadale Academy towards the cost of the project.
- 3.5 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 a replacement Armadale Academy.
- 3.6 The precise cost of constructing the replacement school has yet to be established. 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. The council will fully fund the replacement of the capacity which currently exists.
- 3.7 The cost of providing the additional 220 spaces at the replacement Armadale Academy is estimated to be £4,726,800. The full cost of the extra capacity should be met through developer contributions. Based on a cost of £4,726,800 developer contributions of £1653 per house and £620 per flat are required (the methodology for establishing the contribution levels is set out in Appendix 3).
- 3.8 Actual payments will be index linked to the increases indicated in the RICS Building Cost Information Service Tender Price Index using first quarter 2005 as the base date.
- 3.9 Developers should be aware that places at particular schools cannot be guaranteed.

4.0 EXEMPTIONS

4.1 The only circumstances where housing developers will be exempt will be:

- a) sites where planning permission has been granted prior to the date of the policy coming into effect (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);
- b) sites being developed for less than five residential units. Sites being developed for less than five residential units which are clearly part of a larger development area will not be exempt;
- c) sites where it is proposed to demolish existing residential units and the new residential mix would not result in a greater demand for school places than the residential mix currently on the site. Where the demand for school places would be greater, contributions will be assessed on merit and will be in proportion to the additional demand generated;
- d) sites where residential units have recently been demolished (i.e. within the last two years) and the number of replacement units does not exceed the number of units previously located on the site and the new residential mix would not result in a greater demand for school places than the residential mix previously on the site. Where an increase in the number of units is proposed, contributions will be based on the increase in the number of units; where the demand for school places would be greater, contributions will be assessed on merit and will be in proportion to the additional demand generated.

5.0 SECURING THE DEVELOPER CONTRIBUTIONS

5.1 Developer contributions may be secured by means of a Section 75 Agreement concluded between the applicant and the council. The agreement would need to be concluded prior to the issue of planning permission.

5.2 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.

6.0 POLICY REVIEW

6.1 The policy will be monitored and reviewed if 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 assumed by the council in preparing the policy;
- changes in assumptions about the child/house ratio as a result of the actual housing mix proposed; and
- demographic changes.

APPENDIX 1

POTENTIAL HOUSING LAND SUPPLY WITHIN CATCHMENT AREA OF ARMADALE ACADEMY (EXCLUDING CONSENTED HOUSING SITES AND CDA ALLOCATIONS)

Housing allocations (FWLLP05)	1000
Windfall (Assume 5% of the 1000 assumed for West Lothian in E&LSP)	50 _____
TOTAL	1050 _____

APPENDIX 2

PROJECTED SCHOOL ROLL FOR ARMADALE ACADEMY

Year	Projected School Roll	Capacity
04/05	763	990
05/06	739	990
06/07	784	990
07/08	824	990
08/09	898	990
09/10	935	990
10/11	984	1210
11/12	1030	1210
12/13	1072	1210
13/14	1126	1210
14/15	1170	1210
15/16	1211	1210

- Note:-
- capacity increases in 10/11 due to new build school being provided;
 - projections are based on child/house ratio of 0.218;
 - 3486 units are included in the forecast; a further 644 would remain to be built post forecast.

APPENDIX 3

METHODOLOGY FOR CALCULATING THE LEVEL OF DEVELOPER CONTRIBUTION

Based on developer contributions totalling £4,726,800 the cost per residential unit would be £1550. However, it is reasonable to require a higher contribution from houses than flats as houses will contain more children.

Monitoring of developments in West Lothian suggests that 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 3050 total)	2745
Flats (10% of 3050 total)	305

Total	3050

Having regard to the anticipated housing mix, it is proposed to set developer contributions at £1653 per house and £620 per flat.

2745 houses @ 1653 per house will contribute	£4,537,485
300 houses @ £521 per flat will contribute	£189,100

Total	£4,726,585
