

The background of the slide features the Falkirk Council Coat of Arms. It is a shield divided into four quarters. The top-left quarter shows a castle tower. The top-right quarter shows a stag's head with antlers. The bottom-left quarter shows a sailing ship on water. The bottom-right quarter shows a lion passant guardant. Above the shield is a crown with four fleurs-de-lis. Below the shield is a ribbon with the motto 'A'NE FOR A'.

## **Agenda Item 8**

**Falkirk Local Development Plan –  
Revised Supplementary  
Guidance SG 10 Education and  
New Housing Development**

Falkirk Council

**Title:** Falkirk Local Development Plan – Revised Supplementary Guidance SG 10 Education and New Housing Development  
**Meeting:** Executive  
**Date:** 08 October 2019  
**Submitted By:** Director of Development Services

**1. Purpose of Report**

- 1.1. This report presents the revised Supplementary Guidance on Education and New Housing Development (SG 10) for approval and, subject to the outcome of referral to Scottish Ministers, adoption.

**2. Recommendation(s)**

- 2.1. **It is recommended that the Executive:-**
- (1) notes the comments received on the consultative draft of the revised SG10**
  - (2) agrees the suggested Council responses and the resultant changes made to the guidance as summarised at Appendix 1**
  - (3) agrees to refer the revised SG10 to Scottish Ministers, and thereafter adopt it subject to any intervention or modifications which Scottish Ministers may direct.**

**3. Background**

- 3.1. The Council's supplementary guidance (SG) documents give additional detail on how the strategy and policy requirements of the Falkirk Local Development Plan (LDP) are to be interpreted and applied. They are part of the Development Plan and used to guide decision-making on planning applications throughout the Council area.
- 3.2. SG 10 Education and New Housing Development was originally adopted alongside the LDP in July 2015. The guidance complements Policies INF02 and INF05 of the LDP, which enable the Council to seek developer contributions towards school upgrades (such as extra classrooms) that are necessary to meet additional demand for school places, created by new housing development.
- 3.3. The guidance sets out the circumstances in which the Council will seek contributions, and the rates to calculate these contributions. Rates are specified individually for houses and flats in relation to extensions to primary, secondary and nursery schools. The rates are based on typical construction costs per pupil and pupil product ratios (PPRs), which are an average number of children normally generated by a new house or a flat.

- 3.4 SG10 is in need of revision in particular to reflect updated evidence on PPRs and construction costs. On 19 February 2019, the Executive agreed to publish a consultative draft of the revised SG10 for public consultation and receive a further report if significant representations were received on the guidance. The consultation period for the guidance originally ran from 11 March 2019 until 22 April 2019. It was extended to 31 May 2019 to give stakeholders more time to make comments. Officers received a total of 8 representations, including from Homes for Scotland, Hansteen Land Limited, Persimmon Homes, Avant Homes, Ogilvie Homes and the NHS Forth Valley and Bellsdyke Consortium. Several of the representations raise important issues for consideration by members; hence the reason for this report.

#### **4. Considerations**

- 4.1. Appendix 1 provides a detailed summary of the comments received by issue on the consultative draft, the recommended Council response along with details of resultant changes that are suggested be made to the guidance. The following summarises the key issues raised during the consultation:

- The need for the review is queried;
- More background information should be published including school roll projections and the basis for PPRs;
- What constitutes a lack of school capacity is not defined;
- PPRs and construction costs are queried. PPRs are considered to overestimate the educational impact of development;
- Indexation provisions are queried;
- Insufficient attention is paid to methods of mitigating school capacity issues other than school extensions;
- There is a lack of clarity as to what scale of site will require a bespoke approach to contributions;
- The increased rates will make house building less viable and the wording around development viability statements is queried;
- Affordable housing should be exempted from developer contributions;
- The approach to trigger points for contributions should be clarified;
- The overall methodology behind the SG, and its compliance with Circular 3/2012, is queried;
- Provisions for the wording of legal agreements are queried;
- In considering windfall sites, allocated sites should not be factored into roll projections if they are not progressing; and
- Reconsultation with the housebuilding industry is required once further information has been provided.

- 4.2 Some of the consultation feedback is accepted. It is recommended that the Council provides further information on school rolls in an annual capacity statement, and further background information on PPRs and construction costs. To give developers greater certainty, the annual capacity statement will list schools with an indication that contributions would or would not be required. In relation to the definition of school capacity, it is recommended that the Council's notional threshold for maximum capacity (90%) for both primary

and secondary schools is stated in the SG. This threshold provides a basis to establish lack of school capacity. It is also recommended that a minor change is made in relation to indexation (i.e. the annual adjustment of the rates for inflation). The revised SG10 has been amended, where appropriate, to incorporate the recommended changes.

- 4.3 Regarding other issues, it is recommended that the comments are not accepted and no changes are made. In overall terms, the approach to education contributions in revised SG10, which is largely unchanged from the original SG10, is robust and workable. The changes to PPRs and construction rates have a sound evidence base and are intended to better reflect the cost to the Council of dealing with the education impacts of new housing. It is acknowledged that contributions can impact on development viability, but provision remains for developers to have viability issues taken into account through submission of a Developer Viability Statement. This is normal and accepted practice.
- 4.4 The Executive's approval of the revised SG at Appendix 2 will enable it to proceed to the final stage of adoption. This will involve submitting the document to Scottish Ministers for their approval. At the same time, the Council must also send Scottish Ministers a statement setting out the publicity measures it has undertaken, the comments received and an explanation of how these comments have been taken into account. After 28 days have elapsed, the Council may adopt the revised SG10 unless Scottish Ministers have directed otherwise. Scottish Ministers may also require the Council to make any modifications to the SG as they see fit. On adoption, the revised SG10 supersedes the 2015 guidance and becomes a statutory part of the development plan having the same weight as the LDP in planning application decisions.
- 4.5 It would be useful to set a cut off point for when the adopted revised SG10 will apply to current planning applications. By the time the guidance is adopted, some planning applications will have reached the determination stage or have been approved subject to a legal agreement (usually a Section 75 planning obligation). To ensure a smooth transition, it is suggested that the revised SG10 will not be applied to current planning applications which already have 'minded to grant status' before the date of the guidance's adoption. The 2015 guidance will apply to these planning applications where relevant.

## **5. Consultation**

- 5.1 Details of the consultation on SG10 were publicised in the local press, on the Council's website and via the LDP's facebook page. Community Councils, landowners, planning agents, developers and their representative body, Homes for Scotland, were directly notified of the publication. In addition, the consultative draft was made available online, and in all local libraries and advice and support hubs.

## **6. Implications**

### **Financial**

- 6.1 The updated contribution rates, while having cost implications for public and private housebuilders, should reflect more closely the actual costs of education infrastructure provision required to serve new development and reduce the Council's exposure to such costs.

### **Resources**

- 6.2 The revised SG10 updates the contribution rates for education, ensuring developers pay their pro-rata costs for necessary additional school capacity.

### **Legal**

- 6.3 The requirements and procedures for the preparation of SG are set out in Section 22 of the Town & Country Planning (Scotland) Act 1997, as inserted by the Planning etc (Scotland) Act 2006, and in the Town & Country Planning (Development Planning) (Scotland) Regulations 2008.

### **Risk**

- 6.4 Failure to update the rates could result insufficient contributions being collected in the future and, therefore, place further strain on school services and Council budgets.

### **Equalities**

- 6.5 The LDP was subject to an Equality Impact Assessment (EIA) which concluded that Policy INF05 on Education and New Housing Development would have no adverse impact on protected groups. SG10 simply expands on this policy. The guidance itself therefore does not require a separate EIA.

### **Sustainability/Environmental Impact**

- 6.6 The guidance has been previously subject to screening for Strategic Environment Assessment. The screening confirmed that the guidance will have no adverse environmental impacts.

### **Council of the Future**

- 6.7 The review of SG10 will support the 'Services of the Future' work stream in the Council's 5 Year Business Plan by ensuring that planning guidance is kept up to date, and that the impacts of new development on our school/nursery estate are fully addressed. It also links to the Strategic Property Review, with contributions having the potential to enable projects which enable more efficient use of the school/nursery estate.

## **7. Conclusions**

- 7.1 Developer contributions can be used to mitigate the impact of development on local nurseries and schools. The revised SG10 updates the Council's current approach and will enable the Council, in future, to seek developer contributions that are more proportionate to the actual costs of providing necessary education infrastructure.

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Date: 24 September 2019

## **Appendices**

Appendix 1 Summary of comments and responses

Appendix 2 Revised Supplementary Guidance SG 10 Education and New Housing Development

## **List of Background Papers:**

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- Falkirk Local Development Plan (adopted July 2015)
- Supplementary Guidance SG10 - Education and New Housing Development (adopted July 2015)
- Revised Supplementary Guidance SG 10 Education and New Housing Development – Consultative Draft (February 2019)

## Appendix 1 - Summary of Comments and Proposed Response

Summary of Comments Received	Proposed Council Response
Timing of revised SG10	
<p><u>Homes for Scotland and Ogilvie Homes:</u> The need for the revised SG10 is questioned given the adopted Falkirk Local Development Plan (LDP1) will be replaced by LDP2 within a year.</p>	<p><b>Comments not accepted.</b> The 2015 guidance needs revised to reflect updated evidence on pupil product ratios and construction costs.</p> <p>The timing of LDP2 is not a significant issue. The revised SG10, including the new rates, will be subsumed into new guidance on developer contributions (SG13), which will form part of LDP2. It is likely that SG13 will follow the same approach to education contributions as the revised SG10's. SG13 is expected to be adopted alongside LDP2 next year.</p>
School Roll Information	
<p><u>Avant Homes, Homes for Scotland and Persimmon Homes East:</u> Falkirk Council should publish its annual school roll projections along with its methodology for setting projections. This information would enable developers to identify sites within school catchments which have or do not have available education capacity.</p>	<p><b>Comments accepted.</b> The Council already makes school roll projections available to developers on request. However, the Council intends to go further by publishing projections within an annual school capacity statement. This statement will list school catchment areas where capacity levels are or projected to be above 90% and the likelihood education contributions will be sought. To aid greater understanding, it will explain the Council's methodology for school roll projections. However, the information in the statement will be indicative only as school capacity issues are subject to change and are influenced by a number of variables. The first edition of the statement will be published on the Council's website alongside the adopted, revised SG10.</p> <p>A minor change has been made to the revised SG10</p>

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	(paragraph 3.4) to acknowledge the Council's commitment to publish the statement.
Defining School Capacity	
<p><u>Avant Homes, Felsham Planning and Development, Hansteen Land Ltd, Homes for Scotland, Ogilvie Homes and Persimmon Homes East:</u> The Council has not defined what constitutes 'a lack of school capacity' and should explain how school capacity is assessed. It should generally use 100% planning capacity as the threshold for the lack of school capacity unless specified thresholds are evidenced and set out on a school by school basis.</p>	<p><b>Comments partly accepted.</b> The Council's threshold for notional maximum occupancy for both primary and secondary schools is a capacity level of 90% and above. This figure takes into account rural schools, schools with composite classes and the design of old school buildings which can restrict the number of pupils a school can accommodate. The Council intends to provide further information on school capacity in its annual school capacity statement. This statement will list school catchment areas where capacity levels are or projected to be above 90% and the likelihood that education contributions will be sought. However, the information in the statement will be indicative only as school capacity issues are subject to change and are influenced by a number of variables.</p> <p>The 100% capacity threshold is not appropriate. A degree of flexibility is required to manage year to year class size variations; 90% capacity provides a 10% allowance which is considered reasonable. For large schools, this is essential for maintaining a flexible teaching space.</p> <p>Paragraph 3.4 of the revised SG10 has been accordingly amended to acknowledge 90% as the Council's notional capacity threshold.</p>
Pupil Product Ratios (PPRs)	
<p><u>Avant Homes, NHS Forth Valley and Bellsdyke Consortium; Persimmon East Scotland and Ogilvie Homes:</u> The new PPRs</p>	<p><b>Comments not accepted.</b> School roll forecasting for new housing development is based robust assessment and</p>



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<p>overestimate the school roll impact of new housing development. Firstly, they do not take into account stable school rolls over the last 25 years. The PPRs do not take into account pupils moving house within the same catchment area. A significant proportion of pupils moving to a new build house are existing Falkirk Council residents and have already enrolled at a Council school. Therefore, applying the proposed PPRs could result in developers paying excessive contributions for education.</p>	<p>projections supported by experience and lessons learned. The Council's PPR methodology is, however, a tried and tested approach, providing a workable basis to forecast the number of children that will occupy new housing development. The new PPRs are statistically robust being directly derived from the actual number of pupils generated by new housing development over the period 2007-2017.</p> <p>School rolls are not stable, fluctuating from year to year and from catchment to catchment. Birth rates and house-building activity strongly influence school rolls; and these factors have contributed to spikes in school rolls.</p> <p>Pupil residence movement in the same school catchment area is impractical to track and estimate. It is not accepted practice to factor pupil residence movement into school roll projections.</p> <p>The suitability of education contributions will be considered against the Circular 3/2012 tests as part of the normal planning application process.</p>
<p><u>Avant Homes, NHS Forth Valley and Bellsdyke Consortium, Persimmon East Scotland and Ogilvie Homes:</u> The new PPR for nursery provision is 0.1 per dwelling. This is significantly higher than the current SG10 figure of 0.0357 per dwelling. It is unclear why the PPR has increased so significantly.</p>	<p><b>Comments noted.</b> The current SG10 figure of 0.0357 per dwelling was calculated as 1/7 of the equivalent ratio for a non-denominational primary school (0.25 per dwelling). This calculation is based on the pre-2020 provision of 600 hours (equivalent to half a day) for every 3 and 4 year old, which equates to 1 full day for a primary cohort of 7.</p> <p>The Council now has more reliable figures to estimate PPRs for nursery provision. The PPRs are now directly derived from the actual number of nursery pupils generated by new housing development. Over the period 2007-2017,</p>

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	3,629 new homes generated 346 nursery children. This equates to 0.1 per house after rounding. The 0.1 figure is stated in the revised SG10.
<u>Avant Homes, NHS Forth Valley and Bellsdyke Consortium, Persimmon East Scotland and Ogilvie Homes:</u> The Council should publish background information explaining the derivation of the new PPRs.	<b>Comments accepted.</b> The Council will publish its PPR ratio analysis that was used to inform the revised SG10. Paragraph 3.5 has been amended to acknowledge this commitment.
Average Construction Costs Per Pupil	
<u>Avant Homes, Hansteen Land Ltd, Homes for Scotland, Felsham Planning and Development, NHS Forth Valley and Bellsdyke Consortium, Ogilvie Homes and Persimmon East Scotland:</u> The average construction costs per pupil for nursery buildings has significantly increased from £10,664 in the current, adopted SG10 to £15,660 in the revised SG10. The Council should explain this increase. It is unclear whether the revised SG10's increase in construction costs has taken into account nurseries that are co-located with primary schools.	<p><b>Comments noted.</b> In the current SG10, nursery construction costs per pupil (£10,664) were calculated on the basis:</p> <ul style="list-style-type: none"> <li>• That construction costs per pupil were the same as a permanent extension to a primary school (£10,664)</li> <li>• That the nursery PPR was 1/7 of the equivalent ratio for a non –denominational primary school. This calculation is based on the pre-2020 provision of 600 hours (equivalent to half a day) for every 3 and 4 year old, which equates to 1 full day for a primary cohort of 7.</li> </ul> <p>The revised SG10's nursery construction costs per pupil are higher (£15,660) due to :</p> <ul style="list-style-type: none"> <li>• Increased provision to 1,140 hours (equivalent to a full day) for 3 and 4 years</li> <li>• A more accurate (and higher) pupil product ratio. This was determined using actual pre-school numbers from new housing developments over the</li> </ul>

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	<p>period 2007-2017</p> <ul style="list-style-type: none"> <li>Increased construction costs demonstrated at national level as advised by the Scottish Future Trust.</li> </ul>
<p><u>Avant Homes, Felsham Planning and Development, Hansteen Land Ltd, Homes for Scotland, NHS Forth Valley and Bellsdyke Consortium, Ogilvie Homes and Persimmon East Scotland:</u> No justification has been provided as to why 70% of the SFT new build cost has been used for estimating the construction costs of a school extension. The Council should publish background information explaining the derivation of the average construction costs per pupil.</p>	<p><b>Comments partly accepted.</b> Scottish Futures Trust recommends using 70% of the new build costs to estimate construction costs for permanent extensions and major refurbishments. At paragraph A11, the revised SG10 has been amended to clarify the origin of the 70% figure.</p> <p>The Council will publish the calculation deriving average construction costs per pupil. This information will be published on the Council's website alongside the adopted, revised SG10.</p>
Confirmation of PPRs, construction costs and roll projections	
<p><u>Felsham Planning and Development and Hansteen Land:</u> Falkirk Council should confirm the pupil product ratios, construction costs, school capacity and roll projections for the next five years. The Council should also specify in its Action Programme:</p> <ul style="list-style-type: none"> <li>the school projects it intends to front fund</li> <li>the allocated sites for which the Council intends to seek contributions towards front funded school improvements</li> </ul>	<p><b>Comments partly accepted.</b> All the information requested has been provided in the revised SG10 or will be included in the annual school capacity statement.</p> <p>At paragraph 3.4, the revised SG10 has been amended to acknowledge the Council's commitment to publish the annual school capacity statement.</p>
Identifying the appropriate solution	
<p><u>Persimmon Homes East:</u> Paragraph 3.1 should make it clear that only a proportion of the costs required to mitigate new development will be sought for developer contributions.</p>	<p><b>Comments not accepted.</b> Education contributions are calculated on a pro-rata basis based on the total number of eligible units. This approach is clearly set out in the revised SG10 and means that developers are only asked to mitigate the impact of additional pupils arising from their</p>

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	development.
<u>Persimmon Homes East:</u> 1,140 hours of nursery provision does not become statutory until 2020. While understanding the need for a lead in period to meet the 1,140 hours, Persimmon Homes East questions whether the need to increase provision for 1,140 hours meets the Scottish Government's Circular 3/2012 tests for planning obligations	<b>Comments noted.</b> Nursery provision is now being designed to meet the nursery build requirements of 1,140 hours of nursery provision. It is stated in the revised SG10 that the Council will take into account the Circular 3/2012 tests when considering nursery contributions.
Indexation	
<u>Persimmon Homes East:</u> Contributions for upfront infrastructure should not be index linked. The building work will be complete, and the final costs of the work will be established, by the time development happens.	<b>Comments accepted.</b> This is indeed the case. Paragraph 4.10 now states: "The Council will not index link education contributions beyond the point the school infrastructure improvements, to which the contributions relate, have been completed."
<u>Felsham Planning and Development, and Hansteen Land Ltd:</u> The revised SG10 proposes a yearly review of the rates and will seek to apply the indexed rate at the time of the planning decision. This annual review is excessive and could result in significant increases in costs over time if indexation is applied in this way. The purpose of a yearly review has not been fully explained.	<b>Comments not accepted.</b> Annual indexation of contributions rates is standard and accepted practice across the UK. It ensures the rates keep pace with inflation, avoiding a real terms reduction in required contributions.

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Alternative solutions to permanent school extensions	
<p><u>Avant Homes, Hansteen Land Ltd, Homes for Scotland, Felsham Planning and Development, NHS Forth Valley and Bellsdyke Consortium and Persimmon Homes East</u>: The revised SG10 assumes a permanent school extension will always be required to resolve a capacity issue, created by development. This is not usually the case. Instead, the revised SG10 should set out the Council's sequential approach to establishing the preferred solution to a capacity issue. Planning authorities across Scotland typically consider mitigation measures in the following order:</p> <ol style="list-style-type: none"> <li>1. Management of out of catchment placing requests to free capacity for pupils from new development;</li> <li>2. Reconfiguration of existing accommodation to maximise utilisation of physical capacity;</li> <li>3. Interim solution may be sufficient to meet peak school requirements i.e. use temporary accommodation;</li> <li>4. Potential for catchment review with adjacent school if it has available capacity over the longer term;</li> <li>5. Consider extension at the school to accommodate pupils in the projected roll;</li> <li>6. Consider strategic review of school catchments for multiple schools in adjacent catchments;</li> <li>7. Consider a new stand-alone school taking into account any of the mitigation measures.</li> </ol> <p>This approach would ensure the Council makes the best use of existing infrastructure in accordance with Scottish Planning Policy.</p>	<p><b>Comments not accepted.</b> The revised SG does not preclude alternative solutions, although it is likely a permanent school extension will be required in the majority of cases. Planning obligations are usually flexibly worded to allow contributions to be spent on other accommodation options (such as reconfiguration of classrooms). In some cases, these might be more appropriate to address a development's actual, rather than projected, impact on school capacity. Many of the steps outlined in the approach suggested are already undertaken by the Council in establishing its requirements.</p> <p>Placing requests and catchment rezoning are not dependable solutions. The Council does undertake catchment rezonings from time to time. However, this is a complex, lengthy and costly process, subject to formal consultation under the terms of the School (Consultation) (Scotland) Act 2010, and the outcome of any rezoning proposed is by no means certain at the outset. The Council does not normally undertake a catchment review with the sole purpose of accommodating a new housing proposal. Placing requests are considered on their individual merits, and can be subject to appeal. In addition, the Council cannot refuse placing requests in order to reserve places for pupils from new housing development.</p>

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Refusing planning permission	
<p><u>Felsham Planning and Development; Hansteen Land Ltd:</u> The revised SG10, paragraph 3.5, states, where there is no education capacity, the Council “in extremis, may refuse planning permission.” This wording should be deleted. It would be entirely unreasonable if the Council had done nothing within its powers to resolve a school capacity issue e.g. redrawn school catchment areas or direct pupils to schools where there is capacity.</p>	<p><b>Comments not accepted.</b> Paragraph 3.5 states “if it is technically impossible to provide extra capacity, the Council may resolve the issue through the use of suspensive conditions to control the phasing of development or, in extremis, may refuse planning permission”. The paragraph simply alerts readers that refusal of planning permission is a potential outcome when school capacity issues cannot be resolved through appropriate means. In addition, the wording reiterates Policy INF05 of LDP1, which was considered and accepted by a Reporter during the previous examination.</p>
Large sites	
<p><u>Persimmon Homes East:</u> Paragraph 3.12 states bespoke accommodation solutions will be considered for large scale housing sites. The wording of paragraph 3.12 is concerning, lacking certainty for developers. The revised SG should define what comprises a ‘large scale site’, and also set out exceptions for large-scale sites. The Council should be flexible towards larger sites as they tend to have significant infrastructure and viability issues.</p>	<p><b>Comments not accepted.</b> Paragraph 3.12 simply acknowledges that, in some cases, proposals may be of a scale where more comprehensive changes to the affected catchment school, or even a new building, may be required, in which case the standard rate for an extension is inappropriate, and contributions need to be calculated on an individual basis. Because each school is different, it would be impossible to set a threshold at which point the bespoke approach would kick in. For example, 100 new homes could be a largescale proposal in relation to a rural school, requiring a bespoke approach but not in relation to a larger urban school.</p> <p>Provision has been retained in the revised SG10 (Paragraph 4.7) to enable developers to submit a development viability statement if viability issues are an</p>

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	issue on large sites.
<b>Viability</b>	
<p><u>Tracey Sinclair:</u> The new rates should be reduced as they are too high and do not take into account current market conditions. The option agreements between developers and landowners mean that landowners will pay the costs of increased education developer contributions.</p>	<p><b>Comments not accepted.</b> The new rates have been calculated to enable the Council, in future, to recoup the actual costs of mitigating the educational impact of development. This is entirely reasonable .Option agreements are a matter for developers and landowners.</p> <p>There may be circumstances where contributions might render a development unviable. In these circumstances, provision has been retained in the revised SG10 (Paragraph 4.7) to enable developers to submit a development viability statement, evidencing such issues, which would be a material consideration in the determination of the planning application. Furthermore, the Council will consider the timing and phasing of contribution payments to mitigate verified viability issues.</p>
<p><u>Homes for Scotland, Ogilvie Homes and Persimmon Homes East:</u> The increased rates will make house-building less viable, and create uncertainty in the development process. For example, developers have costed their future plans and agreed land-values with landowners, based on the Council's current developer contribution rates.</p>	<p><b>See above response.</b></p>

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<p><u>Homes for Scotland:</u> Paragraph 4.7 of the revised SG10 is welcomed taking into account the cumulative effects of developer contributions on development viability. However, the revised SG10 should state Development Viability Statements, submitted to the Council, will be treated private and confidential and not be made publically available on the Council's online planning portal. In paragraph 4.7, the phrase 'Council's satisfaction' should be removed. It is self-evident that the decision taker (e.g. Officers) will need to be satisfied with the report to deem development proposals acceptable by way of provision for developer contributions. Lastly, paragraph 4.7 should recognise independently verified statements as a significant material consideration.</p> <p>Homes for Scotland has suggested alternative wording for paragraph 4.7, reflecting the above points. This alternative wording is stated below. The text <b>in bold</b> is new wording while the <del>striketrough text</del> is suggested for deletion.</p> <p>Where a developer <b>states asserts</b> that the cumulative impacts of developer contributions will be such as to render a development unviable, it will be for the developer to demonstrate this <del>to the Council's satisfaction</del> through a Developer Viability Statement. <b>The Council will then appoint an independent, chartered surveyor to review the information submitted.</b> The statement, suitably verified by an independent, chartered surveyor, will be taken into account as a <b>significant</b> material consideration when determining the application. <b>The Development Viability Statement will be treated as private and confidential.</b></p>	<p><b>Comments partly accepted.</b> 'Assert' and 'state' have a similar meaning; but the former word is considered more appropriate in the context of formally evidencing viability issues. The phrase 'to the Council's satisfaction' is entirely appropriate. It alerts applicants that they must sufficiently evidence viability issues.</p> <p>It would be useful to clarify the Council's process for verifying Development Viability Statements. The following wording has been added to Paragraph 4.7:</p> <p>"When necessary, the Council will submit the Development Viability Statement to the District Valuer for independent verification".</p> <p>Generally, the Council treats Development Viability Statements in confidence. However, it may be necessary to publish following requests made under the Freedom of Information (Scotland) Act 2002 or Environmental Information Regulations 2004. Accordingly, the following wording has been added to paragraph 4.7:</p> <p>"The Council generally treats Development Viability Statements in confidence. However, the Council may disclose information where it is obliged to do so, including where it is subject to request under the Freedom of Information (Scotland) Act 2002 or the Environmental Information (Scotland) Regulations."</p>
Affordable housing	



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<p><u>Homes for Scotland, NHS Forth Valley and Bellsdyke Consortium and Ogilvie Homes</u></p> <p>Affordable housing should be exempt from education developer contributions. The costs of education contributions on affordable housing will be borne by private developers as part of fulfilling their planning obligations for affordable housing. These costs will negatively impact on the viability of private housing building. It is common practice among planning authorities (e.g. Angus, Fife, Perth, and Stirling Councils) to exempt affordable housing from education developer contributions</p> <p>To address its concerns, Homes for Scotland requests the following wording to be added to the exemptions at paragraph 3.8 of the Revised SG10:</p> <p>“Where dwellings are provided as affordable housing (and occupancy is controlled by planning condition or obligation), they will also be exempt from education contributions. Whilst it is acknowledged that this type of development will have an impact on infrastructure capacity this impact will not be offset by mainstream housing. Therefore, Falkirk Council will mitigate the impact of affordable housing. “</p>	<p><b>Comments not accepted.</b> Regardless of tenure, a dwelling will have an impact on local infrastructure. The Council's approach to education developer contributions is fair and reasonable, imposing the same requirements on affordable and private housing. This approach has been carried over from the current SG10, which was approved by Scottish Ministers in 2015.</p> <p>It is a matter for individual planning authorities to set out their approach to contributions according to local circumstances. In addition, the Council is not the only planning authority that seeks contributions from affordable housing. For example, Highland, Edinburgh, West Lothian and Clackmannanshire Councils do not exempt affordable housing in their adopted or draft SGs on developer contributions.</p> <p>Provision is retained in the revised SG10 to enable developers to submit a development viability statement which would be taken into account as a material consideration in assessing the imposition of developer contributions in relation to any application.</p>
<p>Trigger points for contributions payments</p>	
<p><u>Persimmon Homes East:</u> Paragraph 4.11 states that the Council's Development Services will be responsible for monitoring the trigger points for staged contribution payments. This is inconsistent with current practice at Falkirk Council. Council Officers have advised Persimmon Homes:</p>	<p><b>Comments not accepted.</b> The revised SG10 is not inconsistent with current practice. The trigger points and payment process are set out in the legal agreement. Further clarification is therefore unnecessary.</p>

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<ul style="list-style-type: none"> <li>• developers are responsible for notifying the Council of trigger points, and</li> <li>• Council Officers will not issue invoices when trigger points are met.</li> </ul> <p>The revised SG should clarify the Council's approach to trigger points.</p>	
Compliance with Circular 3/2012 tests	
<p><u>Avant Homes:</u> Being based on average construction costs per pupil, the new rates do not relate to the actual costs of school infrastructure needed to support development. This is contrary to the Scottish Government's Circular 3/2012 tests.</p> <p>The revised SG10 adopts an overly simplistic 'cumulative approach' to establishing the education impacts of a development. It assumes that all new pupils have to be mitigated, and that these places all need to be mitigated at the one time. This approach does not take into account:</p> <ul style="list-style-type: none"> <li>• Existing and future planning capacity available at a school</li> <li>• Impacts from new housing only</li> <li>• Pupils leaving primary and secondary levels</li> <li>• Phased developments over prolonged period of time</li> <li>• Historic trends at a school, including stage migration, P7-S1 transfer rates, S5 and S6 stay on rates.</li> </ul> <p>At a planning application appeal (reference PPA-390-2056), a Reporter confirmed the 'cumulative approach' is an unsuitable method to determine the school mitigation requirements for a proposed housing development within Stirling.</p>	<p><b>Comments not accepted.</b> The Revised SG10 retains the current SG10's approach to education contributions, which was approved by Scottish Ministers in 2015. The approach does not always assume mitigation is required for new pupils. It is a matter of professional judgement as to the appropriate solution for new development and school capacity issues. The factors listed are taken into account when estimating the educational impact of development.</p> <p>The suitability of education contributions will be considered against the Circular 3/2012 tests as part of the normal planning application process.</p> <p>The stated planning application appeal is not relevant to the revised SG10 as it concerns a different approach to education contributions in a different local authority area.</p>

## Appendix 1 - Summary of Comments and Proposed Response

Alternative method for calculating contributions	
<p><u>Ogilvie Homes</u>: An alternative method is suggested for calculating the education developer contribution rates in the Council area. The standard rate per unit should be derived from dividing the predicted number of units within a school catchment by the total costs of school infrastructure needed to accommodate additional school places. This 'catchment approach' would ensure the costs of supporting school infrastructure are shared equally amongst all developers within the same catchment.</p> <p>There are other benefits to this approach. It avoids situations where the first developments pay less than subsequent developments. Lastly, it would align Falkirk Council with other Councils (Stirling and Fife) which have adopted a similar and widely accepted method to calculating education contributions.</p>	<p><b>Comments not accepted.</b> There are various approaches for calculating contribution requirements. Each approach has its own advantages and disadvantages.</p> <p>The Council's approach is simple to implement, applying standard rates across the Council area. The new rates are based on statistically robust PPRs, being directly derived from the actual number of pupils generated by new housing development over the period 2007-2017. The rates also reflect typical school construction costs. Lastly, Scottish Ministers accepted the Council's approach when approving the current SG10 in 2015.</p>
Windfall Housing Sites	
<p><u>Felsham Planning and Development, and Hansteen Land Ltd</u>: The revised SG10 should explain how it will be applied to windfall housing sites when there is a housing land shortfall. If an allocated site has failed to progress to a planning application within the first three years of its first development plan allocation, the future capacity of the catchment school, net the predicted impact of the allocated site, should be used to determine the education impact of a windfall housing site.</p>	<p><b>Comments not accepted.</b> Section 3 – Key Principles covers the Council's approach to all developments that potentially pose school capacity issues, applying equally to windfall sites as to allocated sites. The difference is that allocated sites will already be factored into school roll projections, whereas windfall sites will not. The idea that allocated sites should not be taken into account in roll projections where they have failed to deliver after three years is not appropriate. Sites frequently take longer than this to deliver. Revised programming and delays with the delivery of sites are captured in the annual Housing Land Audit which feeds into the roll projections. Such delays are therefore taken into account. It is recommended developers of windfall sites contact Development Services</p>

## Appendix 1 - Summary of Comments and Proposed Response

	at an early stage to discuss the principle of development and education provision.
<b>Planning Permission in Principle (PPiP)</b>	
<u>Felsham Planning and Development and Hansteen Land Ltd:</u> The guidance should make it clear that if the PPiP does not fix the amount of units authorised to be constructed on an application site then the legal agreement will proceed on the basis that the indicative capacity figure used to assess traffic and other impacts will be applied so that if any additional units are proposed then the developer will be required to demonstrate that their delivery will not cause a capacity issue.	<b>Comments not accepted.</b> This is a very specific matter, which would best considered during negotiation of the legal agreement rather than through revision of supplementary guidance.
<b>Further consultation.</b>	
<u>Felsham Planning and Development, Hansteen Land Ltd, Homes for Scotland, Persimmon Homes East and Ogilvie Homes:</u> The Council should provide more detailed information and justification on aspects of the revised SG10, and consult the housebuilding industry again before finalising the revised SG10 for adoption.	<b>Comments not accepted.</b> There is no need to re-consult. The Council has taken into account the feedback received, amending the revised SG10 accordingly.

# **Education and New Housing Development Revised Supplementary Guidance SG10**

October 2019

Falkirk Council - Development Services

## Supplementary Guidance

Falkirk Council has prepared supplementary guidance (SG) documents, setting out detailed advice on its requirements for the development across the Council area. In so doing, the SGs give greater clarity and certainty to applicants, developers, communities and so on as to how particular local development plan policies and proposals should be applied in practice.

The SGs are part of the statutory Falkirk Local Development Plan (LDP), giving them the same weight as the plan in decision-making. There are 17 SGs associated with the LDP:

- SG01 - Development in the Countryside
- SG02 - Neighbourhood Design
- SG03 - Residential Extensions and Alterations
- SG04 - Shopfronts
- SG05 - Biodiversity and Development
- SG06 - Trees and Development
- SG07 - Frontiers of the Roman Empire (Antonine Wall) World Heritage
- SG08 - Local Nature Conservation and Geodiversity Sites
- SG09 - Landscape Character Assessment and Landscape Designations
- SG10 - Education and New Housing Development
- SG11 - Health and New Housing Development
- SG12 - Affordable Housing
- SG13 - Open Space and New Development
- SG14 - Spatial Framework and Guidance for Wind Energy Development
- SG15 - Low and Zero Carbon Development
- SG16 - Listed Buildings and Unlisted Properties in Conservation Areas
- SG17 - Renewables

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# 1. Introduction

## About this document

- 1.1 Developer contributions enable the planning system to secure the right infrastructure to support new development and to make sure the impacts of proposals are acceptably mitigated. This revised supplementary guidance sets out the Council's approach to developer contributions and education provision. It is intended for future use by applicants and developers, and by planning officers in the assessment of relevant planning applications within the Falkirk Council area.
- 1.2 New development can place additional strains on education services as well as impact directly on the communities that use these services. The guidance details the principles and mechanisms that the Council will use to manage and mitigate the impacts of development on local schools. Supplementary Guidance SG10 was originally adopted alongside the Falkirk Local Development Plan in July 2015. The Revised SG10 supersedes the 2015 guidance and provides:
  - Updated background to developer contributions (Chapter 2)
  - A notional definition of school capacity (Para 3.4)
  - New guidance for considering nursery provision (Para 3.6-3.7)
  - An extended list of developments exempted from developer contributions for education (Para 3.8)
  - New baseline rates to calculate contributions for education (Appendix 1, Table A). These rates are index linked to ensure they keep pace with inflation.
- 1.3 The consultative draft of Revised SG10 was subject to an 11 week long consultation period running from 11 March 2019 until 31 May 2019. The Council has published a consultation statement on its website, setting out who was consulted, the main issues raised and the Council's response.
- 1.4 The Revised SG10 will be used in the interim period until it is replaced by new guidance on developer contributions at a future date.



## 2. Legislative and Policy Background

### What are developer contributions?

- 2.1 Developer contributions are made by developers to provide, maintain or contribute towards public services, infrastructure and environmental mitigation which are necessary to mitigate the impacts of their development on the area.

### How are developer contributions secured?

- 2.2 Developer contributions are usually secured through a planning obligation made under Section 75 of the Town and Country Planning (Scotland) Act 1997 (as amended). A planning obligation is a legally binding agreement between the relevant parties, normally between the Council, landowner, applicant and any other parties directly involved in fulfilling the agreement.
- 2.3 The Council may use an alternative legal mechanism to secure developer contributions depending on the circumstances. Provision under Section 69 of the Local Government (Scotland) Act 1973 provides the Council with a general power to enter into an agreement with developers to facilitate, or is conducive or incidental to the discharge of any of its functions, including education. This type of agreement (or S69 agreement) can include payment of money but, unlike a planning obligation, is not limited in its purpose to the regulation and restriction of development.

### National policy context

- 2.4 Scottish Planning Policy (SPP) sets out Scottish Ministers' expectations for the planning system and for the development and use of land across Scotland. SPP states the aim of the planning system is to achieve the right development and in the right place, and that policies and decisions should be guided by supporting delivery of infrastructure. It expects development plans and associated documents, such as supplementary guidance and action programmes, to indicate how new infrastructure or services are to be delivered and phased and how and by whom any developer contributions will be made.
- 2.5 Planning Circular 3/2012: Planning Obligations and Good Neighbour Agreements sets out the Scottish Government's policy on the use of planning obligations. It states that planning obligations made under Section 75 of the Town and Country Planning (Scotland) Act 1997 (as amended) should only be sought where they meet all the following policy 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 relate 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 prerequisite
  - **Fairly and reasonably relate in scale and kind** to the proposed development
  - **Be reasonable in all other respects**

## **Local Policy Context**

- 2.6 The Falkirk Local Development Plan, adopted July 2015, is an important document directing the future and development of land within the Falkirk Council area over a 20 year period, up to 2034. It contains policies and proposals indicating where development should, or should not, take place and provides guidance on a range of topics, including housing and infrastructure. All planning applications in the Council area must be determined in accordance with the development plan unless material considerations indicate otherwise.
- 2.7 Access to high quality education and child care will help achieve contribute to the plan's vision by improving the attractiveness of the area as the place to live, work, visit and invest. The vision is underpinned by a spatial strategy which makes provision for nearly 8,000 new homes across the Council area, mainly within 12 Strategic Growth Areas. In some locations, new infrastructure will be needed to serve new development and make it sustainable.
- 2.8 At an early stage, when allocating sites in the Falkirk Local Development Plan (LDP), the Council took into account the potential impact of development on school rolls and capacity. For some sites, a housing or mixed use allocation is conditional on addressing school capacity constraints. The LDP's Appendix 1: Site Schedule, and accompanying Action Programme, sets out infrastructure requirements for the development of allocated sites. Depending on the location, these requirements may include additional school capacity and other necessary infrastructure.
- 2.9 The requirements are not exhaustive and may change over time as growth pressures and infrastructure priorities change. Other requirements for development may be identified at a later stage e.g. through development frameworks or the planning application process.

- 2.10 The plan has two planning policies that are particularly relevant for education. The first is Policy INF02, which sets out the strategic basis for seeking developer contributions. Figure 5 accompanies Policy INF02 and lists types of infrastructure for which developer contributions may be sought. It is reproduced below for guidance.

Type of provision	Circumstances where provision may be required
<b>Environmental Infrastructure</b>	
<b>Woodland Planting &amp; Management</b>	Sites relating to Green Network locations, where opportunities exist to enhance/reinforce the network, to integrate a site into its landscape setting, or otherwise to mitigate its visual impact.
<b>Habitat Creation &amp; Management</b>	Sites relating to existing wildlife sites or corridors, especially loss of habitat requiring mitigation/compensation or enhancement.
<b>Sustainable Flood Management</b>	Sites where opportunities exist to provide sustainable flood management measures as identified through flood risk assessments.
<b>Outdoor Access Provision</b>	Sites relating to Green Network locations and where opportunities exist to enhance the local access network.
<b>Archaeological Investigation / Interpretation</b>	Sites containing archaeological remains.
<b>Historic Building Repair/Conservation</b>	Sites containing buildings of historic or townscape importance.
<b>Physical Infrastructure</b>	
<b>Road Improvements</b>	Sites where improvements will be necessary as demonstrated by Transport Assessment in order to ensure mitigation of impact, including cumulative impact, of the proposed development.
<b>Public Transport Facilities &amp; Services</b>	Larger sites where access by public transport needs to be secured to meet sustainability objectives.
<b>Pedestrian/cycling facilities</b>	Sites where pedestrian/cycle links into the wider network and to key community/public transport nodes need to be established.
<b>Sewerage Improvements</b>	Sites where additional sewerage infrastructure must be provided in order to serve the development.
<b>Community Infrastructure</b>	
<b>Open Space Provision/Maintenance</b>	All housing sites must provide for, or contribute to, open space on- or off-site, as well as maintenance.
<b>Play Area Provision/Maintenance</b>	All housing sites must provide for, or contribute to, play facilities on- or off-site, as well maintenance.
<b>School Capacity</b>	Sites where school capacity/facilities are inadequate to cope with the proposed development.
<b>Community/Sports Halls</b>	Sites in areas where there is a recognised deficiency in the quantity or quality of provision.
<b>Health Care Facilities</b>	Sites in areas where there is a recognised deficiency in the quantity or quality of provision.

- 2.11 The second policy is Policy INF05. This specifically deals with education provision and new housing.

**Policy INF05 Education and New Housing Development**

Where there is insufficient capacity within the catchment school(s) to accommodate children from new housing development, developer contributions will be sought in cases where improvements to the school are capable of being carried out and do not prejudice the Council's education policies. The contribution will be a proportionate one, the basis of which is set out in Supplementary Guidance SG 10 'Education and New Housing Development'. Where proposed development impacts adversely on Council nursery provision, the resourcing of improvements is also addressed through the Supplementary Guidance.

In circumstances where a school cannot be improved physically and in a manner consistent with the Council's education policies, the development will not be permitted.

### 3. Key Principles

#### **When will a contribution be sought?**

##### Identifying the appropriate solution

- 3.1 Developer contributions for education will be sought where they are necessary to manage and mitigate the impacts of development on the area's educational infrastructure. They will be required for proposed housing developments in the catchment areas of schools which are experiencing, or are projected to experience, capacity problems. They will apply to both allocated sites, where the need for contributions may or may not have been stated in the LDP, and to windfall sites.
- 3.2 There may be instances where the Council decides to 'front fund' school improvements necessary to meet the demands of new development, in advance of contributions being secured from sites which will contribute to the particular capacity issue. In these circumstances, the Council will continue to collect contributions from these sites up until such time as the Council's costs have been recouped.
- 3.3 The need for contributions will be established with reference to the school roll projections which are produced annually by the Council's Children's Services. These projections take into account actual school enrolment figures, future P1 intakes based on birth data, and new housing programmed in the Housing Land Audit (including allocated LDP sites and sites with planning permission). Proposals for housing development over and above the existing commitments will be tested by re-running the projections with the proposed development included.
- 3.4 The Council's threshold for notional maximum occupancy for both primary and secondary schools is a capacity level of 90% and above. This figure takes into account rural schools, schools with composite classes and the design of old school buildings which can restrict the number of pupils a school can accommodate. The Council will provide further information on school capacity and rolls in an annual school capacity statement. This statement will list school catchment areas where capacity levels are or projected to be above 90% and the likelihood that education contributions will be sought. It will also include details of committed school upgrades. However, the information in the statement will be indicative only as school capacity issues are subject to change and are influenced by a number of variables.
- 3.5 The impact of development will be assessed on the available capacity at the schools affected, and the estimated number of pupils which will be generated by the development, based on the pupil product ratio (PPR). This is the average ratio of pupils per house or flat within a new housing development. Appendix 1, Table B shows the current pupil product ratios that are used by the Council. The ratios are derived from the Council's 2018 PPR ratio analysis, which can be found on the Council's website. PPRs are regularly reviewed.

- 3.6. There may be school specific factors, such as space, quality of ancillary accommodation and so on, that mean increasing capacity is not a practical solution. If it is technically impossible to provide extra capacity, the Council may resolve the issue through the use of suspensive conditions to control the phasing of development or, in extremis, may refuse planning permission.

#### Nursery provision

- 3.6 New housing development can create extra demand for early learning and childcare places, requiring, in some cases, additional nursery capacity. The Scottish Government is funding a number of nursery extensions within the area as part of the Scottish Government's and Falkirk Council's commitment to increase the early learning and childcare core entitlement from 600 to the 1,140 hours per year by 2020. This funding, however, is not intended to resolve a nursery capacity issue created by future development. Developer contributions will still be required for nursery provision in some circumstances.
- 3.7 The Council will consider contributions for nursery provision on a case-by-case basis, taking into account the following questions:
- Will the development by itself, or in combination with other developments, require a further, and material, increase in nursery provision? What constitutes a "further and material increase" will depend on individual circumstances such as scale and phasing of development, catchment and capacity of nursery provision.
  - Does the contribution meet all the policy tests within Planning Circular 3/2012: Planning Obligations and Good Neighbour Agreements?

#### Exemptions

- 3.8 Development falling into any one of the following categories will be exempt from education developer contributions as they would have no, or a negligible impact on school capacity:
- All proposed one bedroom dwellings
  - Proposals for fewer than 4 houses, and/or fewer than 10 flats. In applying this exemption to any application, the capacity of the whole site allocated in the LDP, or consented for housing development, of which the application site is part, will be used. This is to prevent avoidance of contributions through sub-division of sites
  - Changes of use, conversion or redevelopment schemes in which there would be no net increase in the number of residential units at the site
  - Dwellings which would not place an additional burden on existing schools, for example, housing exclusively for the elderly, student accommodation linked with a college or university, or dwellings with occupancy restrictions secured by a planning condition or legal agreement that would prohibit occupation of the dwellings by children of nursery or school age
  - Non-residential development, including Class 8 Residential Institutions

### **What level of contribution will be sought?**

- 3.10 Appendix 1, Table A sets out the baseline rates to calculate the level of developer contribution based on the total number of eligible units. Separate rates are set for flats and houses and for each type of school (nursery, Roman Catholic primary and secondary, non-denominational primary and secondary). The rates are based on infrastructure costs per pupil and pupil product ratio for different kinds of school as reported by the Scottish Futures Trust.
- 3.11 Applicants should be aware the rates and level of developer contribution quoted by the Council at any time are time-limited and subject to change. For example, the rates are index linked to account for inflation. The current indexed rate in force at the time of the decision notice will be used to set the level of developer contributions within the legal agreement. Paragraphs 4.8-4.10 set out further guidance on indexation.
- 3.12 Large scale housing proposals may sometimes require bespoke accommodation solutions, and in such circumstances the scale of contribution will be calculated on an individual basis, rather than through the application of the rates.

## **4. Planning Application Process**

### **Pre-application discussion**

- 4.1 The Council strongly encourages applicants to discuss their proposals with Development Services before they prepare a planning application. Pre-application discussions can help highlight and resolve planning issues before proposals have reached an advanced stage and give an early indication of likely developer contribution requirements.

### **Planning application**

- 4.2 After submission and validation of the planning application, the Planning Case Officer will confirm which contributions, if any, are applicable to the application following consultation with relevant services. The type and level of education developer contributions will usually be indicated in the Planning Case Officer's report with the final decision on the application either being made under delegated powers or by the Planning Committee.

### **Legal agreement**

- 4.3 If the Council is minded to grant the planning application, a decision will be made on the appropriate mechanism for securing any contributions (whether a planning obligation or S69 agreement as described in paragraphs 2.2 and 2.3). Negotiations will take place between the Council and the applicant to agree the Head of Terms for the legal agreement. The agreement will specify the basis on which contributions should be spent.
- 4.4 Where appropriate, the Council may agree to phase payments to mitigate the financial burden on developments. Where contributions are phased, appropriate triggers for payment will be included in the agreement.
- 4.5 Planning permission may be granted once an agreement has been concluded (and in the case of planning obligations, registered in the appropriate Property Register) or if all the contributions have already been paid.

### **Planning Permission in Principle**

- 4.6 In the case of applications for planning permission in principle where the type and number of proposed residential units are unknown, the developer will be required to enter into a legal agreement with the Council to establish the principle of an appropriate developer contribution being calculated and made at an agreed future point in time.



## **Development Viability**

- 4.7 Where a developer asserts that the cumulative impacts of developer contributions will be such as to render a development unviable, it will be for the developer to demonstrate this to the Council's satisfaction through a Development Viability Statement. When necessary, the Council will submit the Development Viability Statement to the District Valuer for independent verification. The statement will be taken into account as a material consideration in determining the application. The Council generally treats Development Viability Statements in confidence. However, the Council may disclose information where it is obliged to do so, including where it is subject to request under the Freedom of Information (Scotland) Act 2002 or the Environmental Information (Scotland) Regulations 2004.

## **Indexation**

- 4.8 Indexation ensures the rates and contributions keep pace with price rises. The following outlines how indexation will be applied:

### Annual indexation of rates

- 4.9 All the rates (at Appendix 1, Table 1) are annually index linked to the BCIS 'General Building Cost Index'. The rates will be updated in April every year using this index. A table will be published on the Council's website ([www.falkirk.gov.uk/ldp](http://www.falkirk.gov.uk/ldp)) showing the current indexed rate.

### Indexation of developer contributions

- 4.10 The legal agreement will require agreed developer contributions, specified in the agreement, to be indexed from the date of the agreement to payment. The BCIS 'General Building Cost Index' will be used as the basis for indexation. The Council will not index link education contributions beyond the point the school infrastructure improvements, to which the contributions relate, have been completed.

## **Contributions Management**

- 4.11 The Council has a procedure for handling education developer contributions which involves Development Services, Legal Services and Children's Services working closely together to monitor the receipt and expenditure of contribution monies. Planning obligations details are recorded, with each benefiting service providing information at the relevant time. All contributions payments are made to the Council in accordance with an agreed process which is intimated to the responsible party at the conclusion of the legal agreement. Development Services are responsible for monitoring the trigger points for staged payments.

## 5. Useful Contacts

- 5.1 For matters of planning policy in relation to education provision or to discuss the principle of development proposals contact:

Development Plans Team  
Planning and Environment  
Development Services  
Falkirk Council  
Abbotsford House  
David's Loan  
Falkirk  
FK2 7YZ  
Tel: 01324 504720  
Email: [ldp@falkirk.gov.uk](mailto:ldp@falkirk.gov.uk)

- 5.2 For issues relating to specific planning applications:

Development Management  
Development Services  
Falkirk Council  
Abbotsford House  
David's Loan  
Falkirk  
FK2 7YZ  
Tel: 01324 504720  
Email: [dc@falkirk.gov.uk](mailto:dc@falkirk.gov.uk)

# Appendix 1: Contribution Rates

## Rates

- A1 The baseline rates for education developer contributions are shown in Table A, below. The rates are rounded to the nearest pound and only relate to permanent extensions as this is likely to be the required solution in the majority of cases.
- A2 The rates are based on Q2 2018 prices and are annually index linked to the BCIS 'General Building Cost Index. The rates will be updated in April every year using this index. A table will be published on the Council's website ([www.falkirk.gov.uk](http://www.falkirk.gov.uk)) showing the current indexed rate. The current indexed rate in force at the time of the decision notice will be used to set the level of education developer contributions within the legal agreement.
- A3 For clarification, ND and RC mean non- denominational and Roman Catholic respectively. The rates reflect construction costs and revised pupil product ratios.

Table A: Baseline rates

Type of dwelling	ND Primary rate per dwelling (index linked)	RC Primary rate per dwelling (index linked)	ND Secondary rate per dwelling (index linked)	RC Secondary rate per dwelling (index linked)	Nursery rate per dwelling (index linked)
House	£4,398	£825	£2,334	£467	£1,566
Flat	£1,512	£137	£622	£156	£470

## How the rates were derived

A4 The baseline rates stated in Table A were derived using the below formula:

(A) rate per type of dwelling = (B)\* pupil product ratio for type of school and dwelling x (C)\* average construction costs per pupil

\*The values for B and C are stated in bold by Tables B and C respectively.

A5 For example, the rate for a house in relation to a permanent extension for a ND primary school was calculated as follows using the formula:

(A) rate for a house = (B) 0.32 x (C) £13,744

(A) rate for a house = £4,398

### Pupil Product Ratios

A6 The ratios in Table B are the average number of children of nursery or school age per household within the Council area generated by all housing completions during the period 2007-2017. They do not provide a definitive figure for the number of children who will eventually come from individual sites.

A7 The ratios are derived from the Council's 2018 PPR ratio analysis, which includes sites with houses of 10 units or more and sites with flats of 20 units or more. The ratio analysis can be found on the Council's website.

A8 The ratios are based on separate averages of all children from houses and all children from flats rather than an average from all types of housing. Separate averages produce higher ratios for houses but more realistically reflect actual children from coming sites. The Council regularly reviews pupil product ratios.

A9 Table B, below, provides the current ratios. For clarification, ND and RC mean non-denominational and Roman Catholic respectively. All nursery provision is non-denominational.

Table B: Pupil Product Ratios by type of school and type of dwelling

	ND Primary ratio	RC Primary ratio(	ND Secondary ratio	RC Secondary ratio	Nursery ratio
House	0.32	0.06	0.15	0.03	0.10
Flat	0.11	0.01	0.04	0.01	0.03

Average construction costs per pupil

- A10 The Scottish Futures Trust (SFT) is a limited company established by Scottish Ministers to assist local authorities in achieving best value for investment in public infrastructure. The Trust is tasked with supporting delivery of the Scottish Government's Scotland's Schools for the Future Programme, which has funded a number of refurbished and new schools across Scotland since 2009. The Trust provides reliable, average construction costs which can be used for the calculation of education developer contributions.
- A11 Table C, below, provides the costs. These are estimated extension costs which are based on 70% of the new build costs per pupil. SFT recommend using 70% of the new build costs to estimate construction costs for permanent extensions and major refurbishments. The nursery costs are based on the current SFT metrics applicable to the early years and childcare expansion programme. At the time of writing, this was underway to meet 1,140 hours provision by 2020.

Table C: Average construction cost per pupil

ND Primary construction cost per pupil	RC Primary construction cost per pupil	ND Secondary construction cost per pupil	RC Secondary construction cost per pupil	Nursery construction cost per pupil
£13,744	£13,744	£15,577	£15,557	£15,660