

Central Bedfordshire Council

EXECUTIVE

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Increasing the Pupil Yield arising from Housing Development and Section 106 Contributions

Report of: Cllr Steven Dixon, Executive Member for Education and Skills
(steven.dixon@centralbedfordshire.gov.uk)

Advising Officer: Sue Harrison, Director of Children's Services
(sue.harrison@centralbedfordshire.gov.uk) and Kate Philpot, Principal Assistant (School places), Kate.philpot@centralbedfordshire.gov.uk , Tel: 0300 300 5575

This report relates to A Key Decision

Purpose of this report

1. To seek the approval of an update in the pupil yield factor used to understand the number of new school places required as a result of new housing development.

RECOMMENDATION

The Executive is asked to:

1. **Approve an increase to the pupil yield assumptions used for pupil forecasting and the calculation of S106 funding requests for education, from 1 form of entry per 750 homes to 1 form of entry per 500 homes, for residential planning applications, from 7 June 2017.**

Overview and Scrutiny Comments/Recommendations

1. This report was presented to Children's Services Overview and Scrutiny Committee at its meeting on 11 July 2017 and the views of the committee will be reported at this meeting

Background

2. The annually refreshed pupil forecast for Central Bedfordshire is showing a increase in pupil numbers by approximately 6,757 over the next 5 years. The forecast reflects the population of 0-5 year olds, current pupil numbers, trends in pupil movement and the number of children anticipated to come from housing development. A significant proportion of the increase showing in the forecast is expected as a result of housing development.
3. A pupil yield factor is used to understand the number of children likely to arise from housing developments and the associated need for school places. This is used to inform the pupil forecast and the level of S106 contribution for education required from developments.
4. The New School Places (NSP) programme is a programme of new school builds and school expansions across the area, which is primarily funded through a combination of Basic Need Grant, Council Contribution and S106 funding. It is important to secure the right level of S106 funding to enable the delivery of school places to meet the demand arising from housing developments.
5. The existing pupil yield factor used for the majority of developments within Central Bedfordshire is 0.04 pupils per dwelling, per academic yeargroup, which equates to 1 form of entry (30 pupils per yeargroup) for every 750 homes.
6. The 0.04 pupils per dwelling, per academic yeargroup is based on analysis of the 2001 national census. Experience of recent development within CBC has shown that the actual pupil yield is higher than this estimation and the Executive is asked to approve an increase to the pupil yield assumptions to 0.06 pupils per dwelling, per academic yeargroup, which equates to 1 form of entry per 500 homes.
7. The Councils neighbouring authorities of Bedford Borough Council and Hertfordshire County Council currently use the 0.06 pupil yield factor to understand the need for school places arising from housing development.

Research into actual pupil yield from housing development

8. A study into the actual pupil yield from new housing was commissioned to better understand the actual yield and included a survey of residents of new housing. An executive summary of that report is attached as appendix A. The report includes a table showing the number of children produced by different dwelling sizes within new development and highlights the high proportion of pre-school and lower school aged children.

9. 1,150 interviews were conducted with residents as part of the pupil yield study and the results provide an evidence base to support the recommended increase in the pupil yield from new housing. Table 1 provides examples of the pupil yield experienced on developments within Central Bedfordshire to supplement the results of the pupil yield study. This was created through an analysis of the number of children within the October 2016 pupil census recorded as living within each development site.

Table 1:

	Approximate timing of development	Yield by Yeargroup											
		Lower School Age Range					Middle School Age Range				Upper School Age Range		
		R	1	2	3	4	5	6	7	8	9	10	11
Fairfield Park	2007-2009 (approx.)	0.06	0.05	0.05	0.04	0.05	0.03	0.02	0.02	0.01	0.01	0.01	0.004
Cranfield University Campus, Silsoe	2012 onwards	0.07	0.05	0.05	0.05	0.03	0.03	0.03	0.02	0.02	0.02	0.01	0.01
South East Leighton	ongoing	0.06	0.07	0.05	0.04	0.03	0.04	0.04	0.02	0.02	0.02	0.02	0.02

10. It is expected that those pupils which attend lower school in Central Bedfordshire will go on to require middle and upper school places in the area.
11. The Fairfield Park development was the first development to be completed of the examples shown. The yield at this development has remained at up to 0.06 in the lower school age range. The more recent developments at Silsoe and South East Leighton have a peak year of 0.07 within the lower school age range, but this is not sustained. A yield assumption of 0.06 would capture the long-term need for school places across all year groups, while bringing CBC in-line with neighbouring authorities.

Impact on pupil forecasting

12. A pupil forecast is produced on an annual basis to understand the need for school places within Central Bedfordshire. This is created through the analysis of the number of 0-5 year old children living within each lower school catchment, as shown by health authority population data, and the number on pupils on roll within the January pupil census, taking the impact of historical trends in parental preference into account and with the addition of anticipated pupil yield from planned housing development.

13. The need arising from planned housing development reflected within the pupil forecast is currently based on the 0.04 pupil, per dwelling, per academic year group yield factor, therefore increase in the pupil yield would impact directly on the pupil forecast.
14. The forecast is published annually in the school organisation plan, available at:
http://www.centralbedfordshire.gov.uk/Images/schools-organisational-plan-v3_tcm3-7596.pdf.
15. Increasing the pupil yield factor to 0.06 would reflect a more accurate picture of the number of children arising from a development and the future need for school places across Central Bedfordshire.

Impact on S106 contributions

16. The methodology used to understand the level of contribution required from residential development over 10 dwellings is assessed by multiplying the Pupil yield by DfE cost per pupil place multiplier.
17. Increasing the pupil yield factor has a direct impact on the amount of contribution requested. Table 2 provides an example of the impact of increasing the pupil yield factor on the request for financial contributions from development of different scales.

Table 2: Example request for education

	Existing 0.04 yield	Contribution based on 0.06 yield
150 dwellings	£1,223,692.08	£1,835,538.12
100 dwellings	£815,794.72	£1,223,692.08
50 dwellings	£407,897.36	£611,846.04
10 dwellings	£81,579.47	£122,369.21
Less than 10 dwellings	No contribution is sought from any development smaller than 10 dwellings	

18. A reduction is applied for 1 and 2 bed dwellings once the dwelling mix is known and the methodology above is used to understand the financial requirement from development which creates a need for the expansion of existing school settings, as is the case with the majority of sites.
19. A change in the pupil yield factor would improve the accuracy of the understanding of the need for places across all scale of development and where it is judged that a development would produce enough pupils to fill a new school/s, then the request for contributions is based on the total actual cost of providing a new setting, based on build cost estimates produced at the time.

Reasons for decision

20. The 0.06 pupil, per dwelling, per academic year group yield factor would provide a more realistic understanding of the impact of housing development on the need for school places
21. An increase in the pupil yield would place a fairer and more accurate share of the costs of new school places on development and would make new development sustainable by ensuring adequate school places are made available in areas of growth.

Risks

22. The new school places programme is funded primarily through a combination of Basic Need Grant, S106 contributions and a Council Contribution. A key risk of not securing enough S106 funding is that this is likely to impact on the level of council contribution required to fund the New School Places Programme.
23. There is a risk of not securing, or understanding the level of educational provision required from new housing development, if the pupil yield factor is not increased to reflect experience.
24. An increase in the level of contributions payable may be challenged by developers who are concerned about the viability of their developments. As planning obligations have to be necessary and related to the development for which planning permission is sought it would be incumbent upon the local planning authority to justify the levels of contribution at an appeal. The report sets out the justification in paras 9-12 drawing upon the study commissioned in 2014. Information from the study shows the pupil yield factor is higher at 0.06/0.07 in recent housing developments at entry level which would support the Councils case at appeal. The fact that neighbouring authorities have experienced similar demand levels and have applied the higher yield level to their development would also provide support for the Councils proposal.

Council Priorities

25. The report supports Central Bedfordshire's Five Year Plan 2015- 2020 and the specific priority of Improving Education and Skills as it relates to securing the right number of school places from new development within CBC.

Legal Implications

26. Section 14 of the Education Act 1996 places a duty on Councils to secure sufficient primary and secondary school places to provide appropriate education for pupils in its area.
27. The Education and Inspections Act 2006 gives Councils a strategic role as commissioners, of school places and includes duties to consider parental representation, diversity and choice, duties in relation to high standards and the fulfilment of every child's educational potential and fair access to educational opportunity.

Financial Implications

28. The New School Places Programme is majority funded by developer contributions and Basic Need grant income from the Department for Education (DfE). S106 income has contributed significantly to the programme. An increase to the pupil yield assumption will impact the level of S106 contribution requested from housing development, as detailed within the issues section of this report and reduce the pressure on the Council's own contributions.

Equalities Implications

29. Public authorities have a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and to foster good relations in respect of the following protected characteristics: age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
30. This statutory duty includes requirements to:
 - i. Remove or minimise disadvantages suffered by people due to their protected characteristics.
 - ii. Take steps to meet the needs of people from protected groups where these are different from the needs of other people.
 - iii. Encourage people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
1. The proposed changes in the s106 contributions and pupil yield factor will help promote equality of opportunity and are not envisaged to have an adverse impact on any of the listed groups below:-

I.	Sex	N/A
II.	Gender Reassignment	N/A

III.	Age	N/A
IV.	Disability	N/A
V.	Race & Ethnicity	N/A
VI.	Sexual Orientation	N/A
VII.	Religion or Belief (or No Belief)	N/A
VIII.	Pregnancy & Maternity	N/A
IX.	Human Rights	N/A
X.	Other Groups (rural isolation etc)	N/A

Conclusion and next Steps

31. Subject to the Council's Executive approval to increase the pupil yield factor from 0.04 pupils per dwelling, per academic yeargroup which equates to 1 form of entry per 750 homes, to 0.06 pupils per dwelling, per academic yeargroup which equates to 1 form of entry per 500 homes, this will be used to inform the 2017 update to the school organisation plan.
32. All negotiations from 2 August 2017 with housing developers relating to S106 contributions from planned developments will use the 0.06 pupil yield.

Appendices

Appendix A – executive summary of the pupil yield from new housing study

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Background Papers

None.