

**CHILDREN AND YOUNG PEOPLE  
SCRUTINY AND PERFORMANCE PANEL**

**Agenda  
Item No.**

**DATE: 7 SEPTEMBER 2006**

**6a**

**SECTION 106 EDUCATION CONTRIBUTIONS**

**Ward(s)** All

**Portfolios:** Councillor Zahid Ali, Children's Services  
Councillor Adrian Andrew, Regeneration and Enterprise

**Summary of report:**

A report on Section 106 developer contributions to education was considered by Cabinet on 12 July 2006.

This report provides details of the methodology and formula used to calculate contributions and also information regarding the contributions sought and payments received.

**Background papers:**

Papers relating to planning applications.

**Reason for scrutiny:**

Scrutiny requested a report on the methodology and formula used to calculate contributions and also information regarding the contributions sought and payments received.



**Signed:**

**Helen Denton, Managing Director, Education Walsall**

**Date: 23 August 2006**

**Resource and legal considerations:**

Policy GP3 of the UDP enables Section 106 contributions to be sought from developers. The contributions are used to support the provision and improvement of education facilities at schools in the general area within which children residing in the dwellings are expected to be educated.

The draft Supplementary Planning Document currently under development will be the subject of formal consultation in due course.

**Citizen impact:**

Local communities benefit from the use of Section 106 developer contributions for the provision and improvement of education facilities.

**Environmental impact:**

Schemes funded through Section 106 developer contributions would use sustainable resources wherever possible and designs would incorporate developments to reduce the impact on the environment.

**Performance management:**

Developer contributions will assist the Council to fund the investments necessary to meet the demand for education facilities required as a result of development.

**Equality Implications:**

None arising from this report.

**Consultation:**

This report has been prepared in conjunction with Planning Services.

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## **1. CALCULATION OF DEVELOPER CONTRIBUTIONS**

### **1.1 General**

- 1.1.1 All planning applications for 10 or more dwellings are referred to Education Walsall for assessment as to whether a developer contribution is required.
- 1.1.2 The availability of school places is checked at all primary schools within 2 miles of the proposed development and at all secondary schools within 3 miles. If the level of available ('surplus') places is below 10%, a contribution is calculated for the relevant phase(s). This level of surplus places is considered necessary to maintain the denominational mix of schools, to provide flexibility in the system, to cater for changing patterns of entry and to cater for parental preferences.
- 1.1.3 There are considerable variations in the demand for school places across Walsall. In some areas, contributions are not required; however, in other areas contributions may relate to the primary phase, the secondary phase or both these phases. The need for contributions in an area may change over time.
- 1.1.4 Contributions are calculated by estimating the number of pupils expected to be generated by a development and multiplying it by the cost of providing education facilities for those children.
- 1.1.5 Calculations are based on 7 year groups in primary schools and 5 year groups in secondary schools ie the years of compulsory education.
- 1.1.6 All contributions are adjusted by a regional building cost multiplier which is provided at the beginning of each financial year by the Department for Education and Skills.
- 1.1.7 Dwellings with only 1 bedroom are excluded from the calculation.
- 1.1.8 Appendix 1 shows the calculations for a hypothetical planning application.

### **1.2 Houses**

- 1.2.1 The calculation of pupil yield from houses is based upon an estimate of 3 children per year group per hundred dwellings; this is increased by 20% for larger dwellings (4 or more bedrooms).

### **1.3 Apartments**

- 1.3.1 A revised formula for the calculation of contributions for apartments was agreed by Cabinet on 12 July 2006.
- 1.3.2 Pupil yield for apartments is based upon an estimate of 1.5 children per year group per hundred dwellings; this is increased by 20% for larger apartments (3 or more bedrooms).

## **2. CONTRIBUTIONS**

- 2.1 Contributions are used towards the capital costs of developing / improving education facilities at primary schools within 2 miles of the development site and / or secondary schools within 3 miles.

- 2.2 The majority of individual contributions are not large enough to fund a scheme and they are therefore 'joined up' with other contributions or funding available to the Council to enable suitable schemes to be taken forward.
  - 2.3 There can be a time lag of several years between the granting of planning consent and the receipt of the associated Section 106 contribution; however, for new schemes, planning permission now lasts for 3 years, which is a much more focussed and manageable period of time than the previous 5 year period. Some contributions are paid in instalments which are linked to stages of progress with the development.
  - 2.4 Many Section 106 agreements contain claw back requirements if the Local Authority fails to spend the contribution within a certain period of time.
  - 2.5 Details of the contributions requested and received are provided in Appendix 2.
  - 2.6 To date, 7 contributions totalling £600,896.74 have been received.
  - 2.7 On 14 June 2006, Cabinet decided to use developer contributions to provide additional resources for a scheme at Frank F Harrison Community School which has recently been awarded Specialist College Status for engineering. In order to support the provision of suitable specialist facilities, the DfES has awarded a grant of £100,000 in 2006/07 and the school has raised £70,000 of sponsorship to provide a total of £170,000 towards capital developments. Cabinet agreed the use of a contribution of £135,000 which had recently been received for additional secondary school places to the area in which Frank F Harrison is located and that further sums totalling £71,176 be added to the provision for the scheme when received.
  - 2.8 No other decisions have yet been made regarding the investment of developer contributions.
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## Appendix 1

### Calculation of Contribution

The following calculation is for a hypothetical development of 60 houses and 20 apartments in an area of Walsall where a contribution would be required for both the primary phase and the secondary phase. The calculation is done in 4 parts: separate primary and secondary phase contributions for houses and apartments.

Table 1 Primary Phase Contribution for Apartments

Type	Number		Pupil Yield		Year Groups		DfES Multiplier		Area Weighting		Contribution
1-bed	0	x	0	x	7	x	£10,372	x	0.93	=	£0.00
2-bed	20	x	0.015	x	7	x	£10,372	x	0.93	=	£20,256.52
3-bed +	0	x	0.018	x	7	x	£10,372	x	0.93	=	£0.00
Total	20										£20,256.52

Table 2 Primary Phase Contribution for Houses

Type	Number		Pupil Yield		Year Groups		DfES Multiplier		Area Weighting		Contribution
1-bed	0	x	0	x	7	x	£10,372	x	0.93	=	£0.00
2-bed	10	x	0.03	x	7	x	£10,372	x	0.93	=	£20,256.52
3-bed	35	x	0.03	x	7	x	£10,372	x	0.93	=	£70,897.81
4-bed +	15	x	0.036	x	7	x	£10,372	x	0.93	=	£36,461.73
Total	60										£127,616.06

Table 3 Secondary Phase Contribution for Apartments

Type	Number		Pupil Yield		Year Groups		DfES Multiplier		Area Weighting		Contribution
1-bed	0	x	0	x	5	x	£15,848	x	0.93	=	£0.00
2-bed	20	x	0.015	x	5	x	£15,848	x	0.93	=	£22,107.96
3-bed +	0	x	0.018	x	5	x	£15,848	x	0.93	=	£0.00
Total	20										£22,107.96

Table 4 Secondary Phase Contribution for Houses

Type	Number		Pupil Yield		Year Groups		DfES Multiplier		Area Weighting		Contribution
1-bed	0	x	0	x	5	x	£15,848	x	0.93	=	£0.00
2-bed	10	x	0.03	x	5	x	£15,848	x	0.93	=	£22,107.96
3-bed	35	x	0.03	x	5	x	£15,848	x	0.93	=	£77,377.86
4-bed +	15	x	0.036	x	5	x	£15,848	x	0.93	=	£39,794.33
Total	60										£139,280.15

Table 5 Contributions available for investment

Phase	Contribution			Comments
	Apartments	Houses	Total	
Primary	£20,256.52	£127,616.06	£147,872.58	These contributions would be invested in primary schools
Secondary	£22,107.96	£139,280.15	£161,388.11	These contributions would be invested in secondary schools
Total	£42,364.48	£266,896.20	£309,260.69	

## Appendix 2

### Details of Developer Contributions for Education

Site	Contribution requested £	Primary Sector	Secondary Sector	Contribution received £	Date	Comments
<b>Education Contribution Received</b>						
2 Coppice Road, Walsall, WS9 9BL	£28,582.65	£0.00	£28,582.65	£28,582.65	16/06/2006	
97-113 Walsall Road, Aldridge, Walsall, WS9 0AY	£167,237.31	£80,520.28	£86,717.03	£167,237.31	08/02/2006	
Bonner & Co (Engineers) Ltd, Cook Street, Wednesbury, Walsall	£13,338.57	£0.00	£13,338.57	£13,338.57	14/12/2005	
Land Adj Walker Road and Taylor Avenue, Walsall	£135,000.00	£0.00	£135,000.00	£135,000.00	06/02/2006	Used to provide additional resources at Frank F Harrison. See 2.7 above.
Former Cutler's site, Streetly.	£74,800	£0.00	£74,800.00	£74,800.00	06/03/2006	
St Margaret's Hospital site	£860,977.60	£0.00	£860,977.60	£160,977.60	20/06/2006	Two further education contributions of £350,000 each are payable on completion of 150 and 350 dwellings on the site, plus a further sum payable on completion of the development. The exact amount of the further sum will be calculated according to a formula depending on the exact number of dwellings that are built.
<b>Sub Total</b>	<b>£1,279,936.13</b>	<b>£80,520.28</b>	<b>£1,199,415.85</b>	<b>£579,936.13</b>		
<b>Planning Permission Obtained</b>						
45A Park Road, Bloxwich, Walsall, WS3 3SS	£20,960.61	£0.00	£20,960.61			

Site	Contribution requested £	Primary Sector	Secondary Sector	Contribution received		Comments
				£	Date	
Atlas Works, Sandwell Street, Walsall	£68,480.80	£32,276.11	£36,204.69			
Binary House, Boatmans Lane, Walsall	£45,732.24	£0.00	£45,732.24			
Brickyard Road, Aldridge, Walsall	£83,784.00	£37,344.00	£46,440.00			
British Lion Works, Forest Lane, Walsall	£45,732.24	£0.00	£45,732.24			
Filon Products, Aldridge Road, Streetly	£97,911.00	£43,640.65	£54,270.35			
Former Avonmore Dairies, Wolverhampton Road, Walsall	£59,070.81	£0.00	£59,070.81			
Former Filling Station, Wolverhampton Road West, Walsall	£15,244.08	£0.00	£15,244.08			
Former Rawlins Tip, Streetly, Sutton Coldfield	£229,066.00	£0.00	£229,066.00			
Former ROH Wheel Works, St Anne's Road, Willenhall	£53,059.11	£0.00	£53,059.11			
Formerly known as Eagle Envelopes, Bloxwich Road, Walsall	£63,262.93	£0.00	£63,262.93			
Land at Blakenall Heath & Victoria Avenue, Blakenall, Walsall - SITE A	£72,409.38	£0.00	£72,409.38			Cabinet have agreed to allocate this contribution to Frank F Harrison.
Land at Blakenall Heath, Victoria Avenue, Church Place, Bloxwich - SITE B	£51,448.77	£0.00	£51,448.77			Cabinet have agreed to allocate this contribution to Frank F Harrison.

Site	Contribution requested £	Primary Sector	Secondary Sector	Contribution received		Comments
				£	Date	
Land between Hospital Street, Northcote Street and Gladstone Street, Walsall	£70,122.77	£0.00	£70,122.77			
Site C Blakenall Housing Renewal - Land Adjacent to Community Centre, Walker Road, Blakenall, West Midlands	£15,625.18	£0.00	£15,625.18			Cabinet have agreed to allocate this contribution to Frank F Harrison.
Waterglade Inn, Rosehill, Willenhall, Walsall	£31,250.36	£0.00	£31,250.36			
<b>Sub Total</b>	<b>£1,023,160.28</b>	<b>£113,260.76</b>	<b>£909,899.52</b>	<b>£0.00</b>		
<b>Decision Pending</b>						
12-13 and 14 High Street, Walsall	£36,042.52	£8,493.71	£27,548.81			
152 Beacon Road, Great Barr	£21,182.24	£10,128.26	£11,053.98			
2 Plaswed House, Bright Street	£17,686.37	£0.00	£17,686.37			
272-276 Lichfield Road, New Invention, Willenhall	£46,426.71	£0.00	£46,426.71			
60 Walsall Road, Willenhall, Walsall	£45,732.24	£0.00	£45,732.24			
Assa Abloy, Wood Street / Union Street, Willenhall	£60,976.32	£0.00	£60,976.32			
Autocraft, Walsall Road	£44,215.92	£0.00	£44,215.92			
Bentley Moor Club, Bentley Drive, Walsall	£26,677.14	£0.00	£26,677.14			



Site	Contribution requested £	Primary Sector	Secondary Sector	Contribution received		Comments
				£	Date	
Former Warreners Arms, High Street, Brownhills	£75,167.06	£0.00	£75,167.06			
Land at 15 to 17 Romney Way, Pheasey, Walsall	£32,719.78	£0.00	£32,719.78			
Land at Bentley Gate, Bentley Road South, Wednesbury, Walsall	£84,010.24	£0.00	£84,010.24			
Land at Brockhurst Crescent, Bescot, Walsall	£232,157.33	£111,005.71	£121,151.62			
Land at Sunningdale Way, Bloxwich, Walsall	£29,624.67	£0.00	£29,624.67			
Land between 109 Calvers Croft and 18 Park Road, Willenhall	£88,431.84	£0.00	£88,431.84			
Land between Castle Street, The Green, Darlaston	£48,637.51	£0.00	£48,637.51			
Land Corner of New Street / Lichfield Road, Shelfield	£6,632.39	£0.00	£6,632.39			
Land Corner of, Pleck Road/Ida Road, Walsall	£7,622.04	£0.00	£7,622.04			
Leamore Lane, between railway line and canal, Bloxwich	£250,704.27	£0.00	£250,704.27			
Neptune Public House, Bilston Lane, Willenhall	£72,409.38	£0.00	£72,409.38			
New Tesco Site, Littleton Lane	£60,976.32	£0.00	£60,976.32			
Pinfold Industrial Estate, Field Road, Bloxwich	£34,267.34	£0.00	£34,267.34			

Site	Contribution requested £	Primary Sector	Secondary Sector	Contribution received		Comments
				£	Date	
Pleck Road/Ida Road, Walsall	£19,055.10	£0.00	£19,055.10			
R/O Heston and Granby, Stafford Road, Wednesbury	£136,815.61	£0.00	£136,815.61			
Redundant Petrol Station, Corner of Moreton Avenue and Beacon Road, Great Barr	£11,053.98	£0.00	£11,053.98			
Roapp Hall Ltd, Dorsett Road Terrace, Wednesbury, Walsall	£17,686.37	£0.00	£17,686.37			
Robin Hood Service Station, The Crescent, Willenhall	£16,580.97	£0.00	£16,580.97			
Saracens Head P.H., Bloxwich Road South, Willenhall, Walsall	£41,921.22	£0.00	£41,921.22			
Site at Corner of Edison Road & Arkwright Road	£20,960.61	£0.00	£20,960.61			
Tasker Street, Walsall (Formerly BRS Distribution Site)	£142,817.42	£0.00	£142,817.42			
Tenacres, Station Road, Rushall	£234,344.38	£0.00	£234,344.38			
The Boundary Hotel, Birmingham Road, Walsall	£86,502.06	£40,769.82	£45,732.24			
The Stag, Field Road	£36,257.05	£0.00	£36,257.05			
<b>Sub Total</b>	<b>£2,086,294.40</b>	<b>£170,397.50</b>	<b>£1,915,896.90</b>	<b>£0.00</b>		
<b>Grand Total</b>	<b>£4,389,390.81</b>	<b>£364,178.54</b>	<b>£4,025,212.27</b>	<b>£579,936.13</b>		