

Delivery Strategy

New 1FE Primary School, Barrow upon Soar

Updated 25 November 2022

Purpose

1. This Delivery Strategy (DS) has been prepared by the developers and promoters of a number of sites in Barrow upon Soar (referred to for this purpose as the Developers), Charnwood Borough Council (CBC) and Leicestershire County Council (LCC) (collectively the Parties) but subsequently updated by LCC to reflect the increased cost to deliver a 1FE Primary School.
2. The sites controlled and promoted by the Developers are all emerging allocations in the Pre-submission Draft Charnwood Local Plan 2021-37 (the Plan) which is currently subject to public examination.
3. These sites are:

| Plan Ref | Site Name | Allocated Yield | Parties |
|----------|-------------------------|------------------|---|
| HA45 | Melton Road South | 130 | Gladman |
| HA46 | Melton Road North | 135 | Gladman |
| HA47 | Land Adj 84 Melton Road | 18 | |
| HA48 | Willow Road | 220 | Bloor |
| HA49 | Cotes Road | 220 | William Davis Rosconn St Philips Swithland Homes |
| | | 723 homes | |

4. Whilst the site at Cotes Road is included as a single allocation within the emerging Plan and the table above, the individual Developers may bring parts of this site forward independently within the framework set by the emerging Local Plan.
5. The purpose of this Delivery Strategy is to set out the funding and delivery mechanism to enable LCC to construct and open a new 1FE primary school

within Barrow upon Soar to provide the necessary additional capacity alongside the new housing growth.

6. It is the culmination of a number of months joint working by the Parties to establish an approach which both ensures the timely funding for the new school, without adversely impacting the delivery of the market and affordable homes proposed in the emerging Local Plan.
7. This Delivery Strategy sets out the Parties' agreed position as to how the school site will be provided to LCC and how the capital costs to enable LCC to construct the school will be equitably shared between the Developers. It also takes account of LCC's commitment to provide £2m of forward funding.
8. An accompanying Trajectory and Contributions Timing Table has been prepared to help LCC understand the likely rate that new education demand will be created alongside the delivery of new homes. It illustrates the role of the **committed** forward funding and indicates how this subsidy will be withdrawn as later schemes make their contributions.

The School Site

9. The emerging Local Plan proposed that land for a new school was provided as part of HA49 Cotes Road. However, during the discussions between the Parties, it became clear that given the need for the early availability of the school site, consideration should be given to the school being located on a different site to that currently identified in the emerging Plan.
10. The developer of the Willow Road Site (Bloor) with the agreement of their landowners proposed that the school would be located as part of their scheme. Following agreement of all the Parties, CBC have proposed a set of Main Modifications to the Local Plan which would mean the school site would be included within the Willow Road site (HA48).

The Delivery Approach

11. The Parties have agreed a funding approach which meets the objective of LCC to ensure both the land and funding to build are provided at an early stage whilst allowing developers to retain control of the timing of the delivery of homes without restrictions once construction has commenced.
12. This is achieved by each site being required to pay their primary school contribution in full prior to commencement and a serviced school site being transferred to LCC prior to commencement of any superstructures on HA48.
13. The structure agreed then allows the Developers to focus upon the delivery of much needed new homes whilst LCC use the site and money provided to

deliver their statutory function to ensure sufficient primary school capacity is available.

14. The agreed approach is as follows:

Providing the school land as part of HA48

- a. As part of an outline or hybrid planning application, the developers of HA48 will include a 1.1ha site to enable construction of 1FE Primary School.
- b. Once permission has been granted (and reserved matters have been approved as necessary), that developer will commence the development of its scheme on HA48. The developer will pay its share of the Primary School Contribution (PSC) less the value of the school land prior to commencement.
- c. Initial work on HA48 will include the creation of a serviced school site. Whilst that developer may commence groundworks on its wider housing site, the s106 for HA48 will prevent the commencement of any superstructures until the serviced school site has been transferred.
- d. Once the school site is serviced, it will be transferred to LCC for £1. The developer (having both paid its PSC in full (in land value and cash) and having provided the serviced site to LCC) will then be able to build out its site without further restriction.
- e. The s106 for this scheme would ensure the restriction and triggers for payment set out in §b-d above were secured and were enforceable.

The other sites

- f. The remaining Developers will be able to obtain planning permission (outline and reserved matters or full permission) in advance of the school site on HA48 having been provided. However, their s106 agreements will include a restriction that the other schemes cannot commence until LCC confirms the school site has been transferred to them.
- g. The restriction upon commencement would be controlled by a s106 restriction (rather than *Grampian* condition). The s106 would require LCC to serve a notice when it had received the transfer of a 1.1ha serviced site within Barrow upon Soar for the use of a new 1FE Primary School. Once this notice was received, the restriction upon commencement would be lifted. Wording the restriction in this way will mean that the individual s106 agreements are not explicit about the school site and could be granted in advance of the approval of the application on HA48.

- h. Once this restriction is lifted, the other sites will be able to commence, conditional upon also paying their full share of the PSC prior to commencement. Again, given at this stage LCC will be in possession of both the land and the full share of the contribution from each scheme which has commenced, each scheme will be able to build out without further restriction.
 - i. Whilst it will be for each developer to negotiate the terms of the s106 for their schemes, to conform with this Delivery Strategy each s106 must:
 - include the restrictions and triggers set out in f-h above
 - follow the agreed structure and division of contributions set out in 16-30 below.
15. This approach is intended to both ensure that LCC receive the land and substantial funding at an early stage and to enable the schemes to be viably delivered.

Build Cost

16. As per the information provided by LCC, they currently estimate that capital construction costs of the school (including design work etc) will be £8,944,771 million. The maths is based upon a 1FE school currently under construction in Hinckley. This is a considerable increase from the previous estimate and CBC will be provided with a full justification for this to ensure compliance with the CIL Regulations.
17. The Developers note the scale of the increase from the £6million figure discussed in the summer, which was itself an increase from the £5mil cited when discussions began. As acknowledged in the previous paragraph, further work is needed to determine what level of cost constitutes a CIL compliant contribution.
18. The Developers accept that the minimum CIL compliant contribution would be based on the average build costs for new primary school development projects reported in the Department for Education's (DfE) National School Delivery Cost Benchmarking report (version 16, July 2022)¹ with figures adjusted for the local area. These figures have recently been increased to reflect increases in build costs; for 210 pupils, this totals £5.15m (210 x £24,524) for a new build on a greenfield site, or £3.95m for an extension/re-build on an existing or previously developed school site (210 x £18,832).

¹ Document available at <https://documents.hants.gov.uk/property-services/NationalSchoolDeliveryBenchmarkingreport.pdf>

19. The parties agree that the CIL compliant level of contribution will not be lower than the appropriate DfE benchmark costs and will not be higher than £8,944,771 (both subject to indexation).
20. The final CIL compliant build cost will be determined prior to the signing of the first s106 agreement, once CBC have sufficient evidence to determine what the CIL compliant cost is.
21. Whilst the figures elsewhere in this document are based upon a cost of £8,944,771, these calculations would be reworked in the event a different CIL compliant build cost was determined.

Structure and Division of Contributions

22. The land will be transferred to LCC for £1.
23. To ensure an equitable share of land and capital costs between all sites, the Developers have agreed a value for 1.1 ha of fully serviced site of £1.87 million. This has been agreed through commercial negotiation and will not be subject to further valuation.
24. The total cost of the project, to be shared equitably between the Developers is £10.81 million.
25. The 5 allocated sites which the cost will be shared out between are allocated for a total of 723 dwellings.
26. Dividing the £10.81 million cost (land and capital) between these dwellings results in a **per dwelling contribution of £14,958.19**
27. At the allocated yields, this per dwelling contributions would total the following for each site:

| Plan Ref | Site Name | Allocated Yield | Contribution |
|-----------------|-------------------|------------------------|-----------------------|
| HA45 | Melton Road South | 130 | £1,944,564.63 |
| HA46 | Melton Road North | 135 | £2,019,355.58 |
| HA47 | 18 Melton Road | 18 | £269,247.41 |
| HA48 | Willow Road | 220 | £3,290,801.69 |
| HA49 | Cotes Road | 220 | £3,290,801.69 |
| | | Total | £10,814,771.00 |

28. The Developer which provides the school site will provide this land as an in kind contribution in-lieu of part of its payment, with a resultant reduction to the contribution payable by that site of £1.87 million.

29. For HA48, this means:

| | |
|-----------------------------------|---------------|
| Unadjusted Contribution | £3,290,801.69 |
| Willow Road Land (paid in lieu) | £1,870,000.00 |
| Willow Road Adjusted Contribution | £1,420,801.69 |

30. To enable future indexation to be applied, each s106 will include that site's pro-rata percentage contribution of the capital cost (calculated as £8.9mil at present). Taking into account the adjusted contribution for Willow Road (on the assumption that site provides the school land), these percentages would be:

| Plan Ref | Site Name | Allocated Yield | % | Contribution |
|----------|-------------------|-----------------|---------------|----------------|
| HA45 | Melton Road South | 130 | 21.74% | £1,944,564.63 |
| HA46 | Melton Road North | 135 | 22.58% | £2,019,355.58 |
| HA47 | 18 Melton Road | 18 | 3.01% | £269,247.41 |
| HA48 | Willow Road | 220 | 15.88% | £3,290,801.69* |
| HA49 | Cotes Road | 220 | 36.79% | £3,290,801.69 |
| | | Total | 100% | £10,814,771.00 |

* HA48 contribution reduced to £1,420,801.69 due to contribution of serviced school site based on agreed land value

Flexibility for LCC and other Education Contributions

31. In addition to the agreed Primary School contribution, LCC may request further education contributions to meet any deficiencies in capacity for other age groups which exists at the time each application is approved. These will be subject to the usual CIL Regulation tests and will be negotiated by each applicant.

32. However, for the avoidance of doubt, only the primary contributions discussed above will be subject to the restrictions preventing commencement until they are paid in full. Other education contributions will be subject to appropriate triggers, again subject to negotiation by individual developers.

33. To provide flexibility, LCC will seek to include the principle of an 'education pot' mechanism within individual s106 agreements – i.e. all education related payments are held in a pot, with LCC able to prioritise the order and timing

that these are spent – subject always to no more than the defined amounts being spent on each educational category.

34. Whilst the Developers have no objection to the principle of this, it is agreed that the detail of this will be subject to negotiation during the drafting of s106.

Transition Contributions

35. In addition to the proposed Primary School contribution, the parties recognise that it may be necessary to provide an element of 'transition funding' to cover the cost of delivering temporary school transportation and/or pupil accommodation, in the event that this is required during the initial phases of dwelling occupation prior to the new primary school opening.
36. Any transitional funding arrangements will only be applicable for the finite period in which it is necessary to deliver temporary transportation and/or accommodation solutions whilst the new Primary School is under construction. This will be tied to reciprocal obligations that will require the new Primary School to be brought forward in a timely fashion, with clear timescales for obtaining detailed planning permission, construction and opening on the part of LCC, mindful that a minimum funding threshold will need to be passed prior to the commencement of physical construction, and for the simultaneous phasing out of any transitional funding provisions.
37. The details of the transitional funding arrangements will be subject to further discussion and negotiation during the drafting of individual s106 agreements.