

Supplementary Guidance

September 2023

Education Contributions



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Introduction

This publication provides statutory Supplementary Guidance from North Lanarkshire Council on developer contributions for education infrastructure. The guidance promotes good practice on pupil yield evidence and engagement with developers and planning authorities in order to deliver any necessary expansion or new build schools as a direct result of the impact on the school estate from new housing developments.

North Lanarkshire Council is committed to providing the highest quality of education within its establishments and developer contributions for education are required to help mitigate the impact of developments on the education estate. This will allow the correct infrastructure to be put in place to support the additional pupil product from new developments and their impact on the educational estate.

The introduction of any new development can have a significant impact on a wide variety of existing infrastructure, facilities, services and amenities and in such circumstances where it can be justified the Council will seek developer contributions to offset such impacts.

Residential housing developments can place additional requirements and result in capacity constraints on the education services of the Council. This guidance outlines the circumstances in which residential development proposals are required to be assessed in terms of their impact on the capacity of the education estate and the ability to accommodate the pupils generated by the development in the local schools. All qualifying residential developments of 5 or more units will be assessed with regards to their impact on the education estate.

Education Establishments

North Lanarkshire Council currently provides an education service across the authority through secondary schools, primary schools and pre-five establishments.

The council will seek to secure contributions for areas of education infrastructure in Primary and Secondary areas where required. These will be requested where capacity issues are identified through the cumulative impact of all emerging housing developments identified through the Housing Land Audit and Local Development Plan.

The developer contributions will be required to contribute towards providing additional capacity through the provision of a new build school, permanent additional classrooms (extensions or modular accommodation) and adaptations to existing schools.

What are Contributions

In order for developer contributions to be secured, North Lanarkshire Council require developers to enter into a contract to offset adverse impacts of their project.

In Scotland, they are most commonly (though not exclusively) made under Section 75 of the Town and Country Planning (Scotland) Act 1997. Section 75 agreements are used where conditions attached to the planning permission itself are not appropriate. While planning conditions control how a project is built and used, Section 75 agreements tend to provide for financial contributions and any requirements affecting land outside the area to which the planning permission relates, such as education infrastructure.

Planning Policy

This supplementary guidance has been prepared within the context of the following:

- National Planning Framework 4 (NPF4);
- Circular 3/2012: Planning Obligations and Good Neighbour Agreements (Revised 2020); and
- North Lanarkshire Local Development Plan (NLLDP) 2022

National Planning Framework 4

NPF4 was adopted on the 13th February 2023 and forms part of the statutory Development Plan (alongside the Local Development Plan) and is required to be considered when determining planning applications. In the event of any incompatibility between NPF4 and the adopted NLLDP 2022, it should be noted that the NPF4 policy position will supersede the policies in the NLLDP.

Whilst there are several policy overlaps between NPF4 and the adopted NLLDP 2022, it is considered that Policy 18 Infrastructure First of NPF4 most closely aligns with the requirements of Policy CI Contributions to Infrastructure of the NLLDP 2022.

NPF4 **Policy 18 Infrastructure First** outlines that:

“a) Development proposals which provide (or contribute to) infrastructure in line with that identified as necessary in LDPs and their delivery programmes will be supported.

b) The impacts of development proposals on infrastructure should be mitigated. Development proposals will only be supported where it can be demonstrated that provision is made to address the impacts on infrastructure. Where planning conditions, planning obligations, or other legal agreements are to be used, the relevant tests will apply.

Where planning obligations are entered into, they should meet the following tests:

- *be necessary to make proposed development acceptable in planning terms*
- *serve a planning purpose*
- *relate to the impacts of the proposed development*
- *fairly and reasonably relate in scale and kind to the proposed development*
- *be reasonable in all other respects*

Planning conditions should only be imposed where they meet all of the following tests. They should be:

- *necessary*
- *relevant to planning*
- *relevant to the development permitted*
- *enforceable*
- *precise*
- *reasonable in all other respects”*

Circular 3/2012 Planning Obligations and Good Neighbour Agreements (Revised 2020)

Planning Circular 3/2012: Planning Obligations and Good Neighbour Agreements (Revised 2020) outlines that Local Authorities may use agreements under Section 75 of the Town & Country Planning (Scotland) Act 1997 to offset the impact of new development.

The use of an agreement under Section 75 of the Town & Country Planning (Scotland) Act 1997 (hereinafter referred to as the ‘Section 75 Agreement’) to help deliver necessary infrastructure and facilities is considered a legitimate planning objective by the Scottish Government. However, Section 75 Agreements should only be sought where they are required to make a proposal acceptable in land use planning terms and where the use of a planning condition, including a suspensive condition, is not appropriate. Conditions, including suspensive conditions, should be used wherever possible. Section 75 Agreements should only be sought where they meet the following tests:

- Be necessary to make the proposed development acceptable in planning terms.

- Shall serve a planning purpose and, where it is possible to identify infrastructure provision requirements in advance, should relate to development plans.
- Shall relate to the proposed development either as a direct consequence of the development or arising from the cumulative impact of development in an area.
- Shall fairly and reasonably relate in scale and kind to the proposed development.
- Be reasonable in all other aspects.

It is acknowledged that Section 75 Agreements can at times, cause delays in the planning process and place an additional financial burden on developers. In order to minimise delays and any financial burden the requirement for planning obligations should be identified as soon as possible – ideally at the pre-application stage - and relevant parties brought together to ensure that the process flows as smoothly as possible. In addition, it is recommended that timescales for any legal agreement be included where possible within a planning processing agreement in order that the applicant has a reasonable expectation on the delivery timescales for their decision – provided they too adhere to the agreed timescales for provision of supporting information. The timescale for completion of a legal agreement will be no more than 6 months from the date of committee approval unless exceptional circumstances require additional time for its signing.

It should be noted that the requirement for and level of contribution (if necessary in terms of education infrastructure) can only be confirmed once a valid planning application has been submitted and a consultation response from NLC Education confirms the current position to the Planning Authority. However, guidance as to whether an Education contribution is likely to be required will be provided at the Pre Application process.

In some circumstances it may be possible to expedite this process by use of an agreement under section 69 of the Local Government (Scotland) Act 1973 to achieve contributions towards provision of necessary infrastructure and facilities. Section 69 of the Local Government (Scotland) Act 1973 states that: ***‘(1)...a local authority shall have power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.’***

This provision provides the Council with a general power to enter into an Agreement with developers to secure the above contributions prior to the release of the planning consent. This type of Agreement does not have to be limited in its purpose to the restriction or regulation of the development or use of the land subject to the planning application and could also include the payment of money.

North Lanarkshire Local Development Plan 2022

The NLLDP **CI Policy Contributions to Infrastructure** outlines that:

“North Lanarkshire Council will seek to secure developer contributions for new developments that, individually or cumulatively, generate a requirement for new or enhanced infrastructure or services, covering Affordable Housing in Cumbernauld Housing Sub-Market Area, and Education, Transport and Green Network Infrastructure, Amenity Space and Play across North Lanarkshire.

Where new development is proposed that, individually or cumulatively, generates a requirement for new or enhanced infrastructure or services in the categories listed, developers will be expected to contribute towards the provision of the required infrastructure, facilities and services. This will include any infrastructure to be provided in advance of development proposed in this Plan.

Developer contributions will be sought through a legal agreement or planning condition and in accordance with the five tests of Circular 3/2012 – “Planning Obligations and Good Neighbour Agreements”, as outlined by the Scottish Government and in accordance with this Guidance.

Any information provided to developers by the Council before the application stage is only indicative, including the Action Programme for the delivery of those housing sites identified in this Plan.”

Policy CI 1 Category Education

“For proposed residential developments the Council is seeking education infrastructure contributions, through Legal Agreements or planning conditions, based on adaptations and new builds within our Schools and Centres 21 Programme and the identified solutions to deal with the impact of all known future development within the catchment areas. This may include contribution(s) towards early years provision, due to the increase in provision by 2020 outlined in the Children and Young People Act 2014. It should be noted that any potential need identified is based on known future housing provision and could be affected if additional units come forward as a result of housing sites that have not been identified through the Plan process.

A contribution towards education infrastructure will be expected for all dwellings, with the exception of those with only one bedroom. Indicative conditions attached to any agreement will

include the education authority retaining any payment for a period of 10 years or as otherwise agreed with the Council, following the completion of the final dwelling, after which time the payment would be returned to the applicant if not spent. Phased payments may be acceptable in most instances.

Full details of any infrastructure and contribution requirements will be identified by the Council as Education Authority on a case-by-case basis through the Development Management process.”

Implementation

When a planning application relating to development is submitted to the Council for consideration, it will be assessed to determine if there is a requirement for the prospective developer to make an appropriate developer contribution in accordance with the provisions of this supplementary guidance.

Development contributions will be sought for a contribution towards education infrastructure for all dwellings, except for developments that are within one of the following categories which are exempt from education developer contributions:

- One bedroom Dwellings;
- Proposals of fewer than 5 Dwellings;
- Change of use, conversion or redevelopment whereby no additional residential units are constructed;
- Development that would not put capacity pressures on schools e.g. Student accommodation linked to college/universities, housing for the elderly or dwellings with occupancy restrictions that prohibit children of nursery or school age.
- Non-residential development.

Phased contributions will be acceptable in most instances and indicative conditions attached to any agreement to include the education authority retaining any payment for a period of 10 years or as otherwise agreed with the Council, following the completion of the final dwelling, after which time the payment would be returned to the applicant if not spent or committed in full by the Council within 28 days of receipt of a written request from the applicant.

For the avoidance of doubt all developer contributions will be index linked to inflation from the point of the Council being minded to grant planning permission (“Index meaning the All-in Tender Price Index as published by the Building Cost Information Service of the Royal Institution of Chartered Surveyors on a quarterly basis;).

Development Viability

North Lanarkshire Council acknowledges that unforeseen or abnormal development costs can affect development viability and may take this into account dependent on the specific circumstances. Only in very exceptional circumstances where there are excessive, abnormal costs on sites that are designated for housing or within the urban area boundary in the North Lanarkshire local Development Plan 2022, it is likely that the Council will consider a reduction or give an exemption from the requirement for an education contribution.

In circumstances where a developer considers that development viability is compromised by the requirement for an education contribution there is a requirement for developers to undertake a full viability appraisal at the outset of their development which considers all likely costs including any other developer obligations including affordable housing if applicable.

Standard development costs such as demolition works, retaining and ground works, landscaping, archaeological investigations, drainage works, site purchase, site servicing and flood prevention works will not normally be accepted as abnormal costs. It is expected, and will require to be demonstrated, that the cost of preparing and developing land, including reasonably known 'abnormal' costs have been reflected in the purchase price/valuation of the land.

The process to be followed where a developer is seeking an exemption from paying the required education contribution is set out in Appendix 3 of this Supplementary Guidance.

Contribution Trigger

The cumulative impact assessment of emerging housing identifies those schools where it is anticipated that the pupils generated by housing allocations (programmed up by the current Housing Land Audit and Local Development Plan), will increase school capacity beyond 90%. Developer contributions for Education will be sought for infrastructure within these school catchment areas towards the projected pupils generated above 90% of the school capacity. The cost of these pupils is shared across the residential units (programmed in line with the current Housing Land Audit and Local Development Plan) within the catchment area.

Calculations

The contribution is calculated using the Pupil Product Ratio against the number of houses planned within the catchment area of each school. The number of pupils generated is added to the current number of children in each school to calculate the overall percentage capacity. The number of spaces is proportionated against each school based on the Denominational/Non-Denominational split. This is calculated annually and based on a rolling five-year average. If the occupancy is identified to exceed 90% then a developer contribution will be required. If it is below 90% then a contribution is unlikely. If a school already exceeds 90% then a contribution will be required.

The example of how the developer contributions are calculated appear in Appendix 1.

Pupil Product Ratio (PPR)

The PPR is the number which identifies the average number of pupils relative to new areas of housing. Contributions are based on the anticipated number of residential units to generate children of school age (the anticipated number is represented as a pupil product ratio per property). The PPR used in North Lanarkshire for each age range is as follows:

***The figures below are used for example purposes only and are intended to demonstrate the calculation. For the most up to date figures please refer to <https://www.northlanarkshire.gov.uk/planning-and-building/planning-applications/our-supplementary-planning-guidance>**

***Primary School: 0.3**

***Secondary School: 0.24**

*These numbers are used as examples for the calculations

In order to achieve the correct calculation for each school the number of units within a development is multiplied by the Pupil Product ratio to project the total number of pupils anticipated to present for both primary and secondary education. The total is then split by the 5-year average Non-Denominational/Denominational ratio. The five-year average ratio is calculated by looking at the pupils in geographical areas and analysing the percentage of the total pupils in the area who attended each sector.

When calculating the pupil product for each primary school the following calculation is used:
 [Total no of units] x [PPR] x [ND/D Split Percentage] = Pupil yield for given school

When calculating the pupil product for each high school the following calculation is used:
[Total no of units] x [PPR] x [ND/D Split Percentage] = Pupil yield for given school

Calculations will be rounded down to the nearest whole number.

Non-Denominational/Denominational Ratio

Using the existing primary school population over the last five years, the education authority calculates the Non-Denominational/Denominational split which is used to determine the percentage of pupils from new housing who are anticipated to attend either school. Based on the analysis carried out against the latest school census.

Cost Per Pupil

Costs are based on previous NLC contracted work for new builds and extensions in North Lanarkshire schools. These figures are updated and adjusted following completion of the latest projects. The figures will be reviewed annually. An average of the latest completions is used for developer contribution calculations and are based on the following information:

New Build School calculation

$$\text{Contract Cost/School Capacity} = \text{Cost per pupil}$$

*These figures are used as examples for the calculations. Formal requests should be made to ef.forwardplanning@northlan.gov.uk

** It should be noted that these figures only relate to 'build costs'. It does not include any abnormal costs, land purchase or all design fees.

Developer Contribution Calculations are shown in Appendix 1
Developer Contribution School List is shown in Appendix 2

Useful Contacts

For further advice on this Supplementary Planning Guidance and its applications, please contact:

For queries relating to planning applications and development viability.

**Planning & Place
Civic Centre
Windmillhill Street
Motherwell
ML1 1AB
Planningenquiry@northlan.gov.uk**

For queries relating to pre-application enquiries.

[Pre-application advice | North Lanarkshire Council](#)

For queries relating to the developer contribution figures, calculations or school list.

**Forward Planning (Education)
Civic Centre
Windmillhill Street
Motherwell
ML1 1AB
ef.forwardplanning@northlan.gov.uk**

For general matters.

**North Lanarkshire Council Website
<http://www.northlanarkshire.gov.uk>**

Appendix 1 – Developer Contribution Calculations

New Builds

Reference Site	School Capacity	Contract Cost	Cost Per Pupil
A	1522	£36,511,169	£23,988.94
B	1161	£33,071,295	£28,485.18
C	1117	£27,011,646	£24,182.32
D	484	£19,954,327	£41,227.95
E	434	£24,821,452	£57,192.29
F	509	£18,577,215	£36,497.48
Average			£35,262.36

Contributions rounded down to £35,000 per pupil

Cost per Unit

£35,000 * 0.3 (PPR) = £10,500 per unit for Primary School Contribution

£35,000 * 0.24 (PPR) = £8,400 per unit for Secondary School Contribution

The calculation for Extensions/Additional Capacity to PPP and Non-PPP schools are based on the following information

Extensions/ Additional Capacity - Non PPP School

Reference Site	GIFA	Contract Cost	Cost Per Sqm	Design Fees
A	235	£610,584	£2,598.23	14%
B	184	£774,000	£4,206.52	14%
C	93	£311,000	£3,344.09	14%
Average	171	£565,195	£3,382.95	

Cost per square metre = £3,382.95

Design Fee = 14%

Cost per square metre including design fees = £3,855.42

Square metres required for each class =

57sqm classroom + 3sqm cloaks + 10sqm toilets and circulation = 70sqm

Cost per classroom = £3,855.42 * 70 sqm = £269,883.60

Each classroom is anticipated to accommodate minimum 25 pupils

Cost per pupil = £269,883.60 / 25 = £10,795.34

Cost per unit = £10,795.34 * 0.3 (PPR) = £3238.60 per unit for Primary School Contribution

£10,795.34 * 0.24 (PPR) = £2590,88 Secondary per unit for School Contribution

Extensions / Additional Capacity - PPP School

North Lanarkshire has 25 PPP schools which are owned by external stakeholders. These schools are subject to additional costs when making adaptations to the buildings for ongoing revenue and life cycle costs. The total additional cost is £35,840 per classroom

Cost per classroom = £3,855.42 * 70 sqm = £269,883.60 + £35,840 = £305,723.60

Each classroom is anticipated to accommodate minimum 25 pupils

Cost per pupil = £305,723.60 / 25 = £12,228.94

Cost per unit = £12,228.94 * (PPR) = £3668.68 Primary School Contribution

£12,228.94 * (PPR) = £2934.95 Secondary School Contribution

The table below provides the sum of the costs to developers based on all calculations.

Total Build Cost per pupil – As at March 2023*

Primary	New Build £35,000	Capacity Improvement PPP School £12,228.94	Capacity Improvement Non-PPP School £10,795.34
Secondary	New Build £35,000	Capacity Improvement PPP School £12,228.94	Capacity Improvement Non-PPP School £10,795.34

*these figures will be reviewed annually, and BCIS Index linked

Total Build Cost per unit – As at March 2023*

Primary	New Build £10,500	Capacity Improvement PPP School £3,668.68	Capacity Improvement Non-PPP School £3,238.60
Secondary	New Build £8,400	Capacity Improvement PPP School £2,934.95	Capacity Improvement Non-PPP School £2,590.88

*these figures will be reviewed annually, and BCIS Index linked

It should be noted that these figures only relate to 'build costs'. It does not include any land purchase or all design fees. The BCIS All In Tender Price Index will be used to evaluate and calculate costs for any given year up until the full contribution has been received.

A full school list is provided in Appendix 2 which identifies if a developer contribution is required or not.

Appendix 2 – Developer Contribution School List (As at September 2023)

Cluster	PPP / Non PPP	School	Contribution Requested
Airdrie Academy	PPP	Airdrie Academy	No
	Non PPP	Chapelside PS	No
	Non PPP	Golfhill PS	No
	Non PPP	Greengairs PS	Yes
	Non PPP	New Monkland PS	No
	Non PPP	Rochsolloch PS	Yes
	Non PPP	Tollbrae PS	No
	Non PPP	Victoria PS	No
Bellshill Academy	Non PPP	Lawmuir PS	No
	Non PPP	Mossend SP	Yes
	Non PPP	Noble PS	No
	Non PPP	Bellshill Academy	No
Braidhurst HS	Non PPP	Braidhurst HS	No
	Non PPP	Logans PS	No
	Non PPP	Muir Street PS	No
Brannock HS	Non PPP	Brannock HS	Yes
	Non PPP	Holytown PS	Yes
	Non PPP	Keir Hardie Memorial PS	Yes
	PPP	New Stevenston PS	Yes
	Non PPP	Newarthill PS	No
Calderhead HS	Non PPP	Alexander Peden PS	Yes
	Non PPP	Allanton PS	No
	Non PPP	Calderhead HS	No
	Non PPP	Dykehead PS	No
	Non PPP	Kirk 'O' Shotts PS	No
	Non PPP	Stane PS	Yes

Cluster	PPP / Non PPP	School	Contribution Requested
Caldervale HS	Non PPP	Calderbank PS	No
	Non PPP	Caldervale HS	Yes
	PPP	Chapelhall PS	Yes
	PPP	Clarkston PS	Yes
	PPP	Glengowan PS	Yes
	Non PPP	Hilltop PS	No
	PPP	Plains PS	No
	Cardinal Newman HS	Non PPP	Cardinal Newman HS
Non PPP		Holy Family PS	No
Non PPP		Sacred Heart PS	No
Non PPP		St Gerard's PS	No
Non PPP		St John Paul II PS	No
Chryston HS	Non PPP	Chryston HS	Yes
	Non PPP	Chryston PS	Yes
	Non PPP	Gartcosh PS	Yes
	Non PPP	Glenmanor PS	Yes
	PPP	Stepps PS	Yes
Clyde Valley HS	Non PPP	Berryhill PS	Yes
	Non PPP	Clyde Valley HS	Yes
	Non PPP	Morningside PS	Yes
	Non PPP	Muirhouse PS	No
	Non PPP	Netherton PS	Yes
	Non PPP	Newmains PS	Yes
	Non PPP	Orchard PS	Yes
	Non PPP	Thornlie PS	No
	PPP	Wishaw Academy PS	Yes

Cluster	PPP / Non PPP	School	Contribution Requested
Coatbridge HS	PPP	Bargeddie PS	Yes
	Non PPP	Carnbroe PS	Yes
	PPP	Coatbridge HS	Yes
	PPP	Glenboig PS	Yes
	Non PPP	Greenhill PS	No
	Non PPP	Kirkshaws PS	No
	Non PPP	Langloan PS	No
	Non PPP	Old Monkland PS	No
	Non PPP	Shawhead PS	No
	Non PPP	Sikeside PS	No
Coltness HS	PPP	Calderbridge PS	No
	PPP	Cambusnethan PS	No
	Non PPP	Cleland PS	Yes
	Non PPP	Coltness HS	No
Cumbernauld Academy	Non PPP	Abronhill PS	No
	Non PPP	Carbrain PS	No
	Non PPP	Cumbernauld Academy	Yes
	Non PPP	Cumbernauld PS	No
	Non PPP	Kildrum PS	No
	Non PPP	Whitelees PS	No
Dalziel HS	Non PPP	Dalziel HS	Yes
	Non PPP	Glencairn PS	Yes
	Non PPP	Knowetop PS	Yes
Greenfaulds HS	Non PPP	Baird Memorial PS	No
	Non PPP	Condorrat PS	No
	Non PPP	Eastfield PS	No
	Non PPP	Greenfaulds HS	No
	Non PPP	St Helen's PS	No
	Non PPP	Westfield PS	No



Non PPP	Woodlands PS	No
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Cluster	PPP / Non PPP	School	Contribution Requested
Kilsyth Academy	Non PPP	Balmalloch PS	No
	Non PPP	Banton PS	No
	Non PPP	Chapelgreen PS	No
	Non PPP	Kilsyth Academy	No
	Non PPP	Kilsyth PS	No
Lenzie Academy	Non PPP	Auchinloch PS	Yes
OLHS - Cumbernauld	Non PPP	OLHS Cumbernauld	Yes
	Non PPP	St Andrew's PS	No
	Non PPP	St Barbara's PS	Yes
	Non PPP	St Joseph's PS	Yes
	Non PPP	St Lucy's PS	Yes
	Non PPP	St Margaret of Scotland PS	No
	Non PPP	St Mary's PS Cumbernauld	No
OLHS - Motherwell	Non PPP	Cathedral PS	Yes
	Non PPP	OLHS Motherwell	No
	Non PPP	St Bernadette's PS	No
	Non PPP	St Brendan's PS	No
Split Catchment	Non PPP	Ladywell PS	Yes
Split Catchment	Non PPP	Ravenswood PS	No
St Aidan's HS	Non PPP	St Aidan's HS	No
	Non PPP	St Aidan's PS	No
	Non PPP	St Brigid's PS	No
	PPP	St Ignatius PS	No
	Non PPP	St Mary's PS Cleland	No
	Non PPP	St Patrick's PS Shotts	No
	Non PPP	St Thomas' PS	Yes
St Ambrose HS	Non PPP	St Ambrose HS	No
	Non PPP	St Augustine's PS	No
	Non PPP	St Bartholomew's PS	No
	PPP	St Kevin's PS	Yes

Cluster	PPP / Non PPP	School	Contribution Requested
St Andrew's HS	Non PPP	Corpus Christi PS	No
	PPP	OL & St Joseph's PS	Yes
	PPP	St Andrew's HS	No
	Non PPP	St Bernard's PS	No
	Non PPP	St Mary's PS Coatbridge	Yes
	Non PPP	St Monica's PS	No
	Non PPP	St Patrick's PS Coatbridge	Yes
	Non PPP	St Stephen's PS	Yes
	PPP	St Timothy's PS	No
	St Margaret's HS	Non PPP	All Saint's PS
PPP		St Aloysius PS	No
Non PPP		St Andrew's PS	No
PPP		St David's PS	Yes
Non PPP		St Dominic's PS	No
Non PPP		St Edward's PS	No
Non PPP		St Margaret's HS	No
PPP		St Mary's PS Caldercruix	No
Non PPP		St Serf's PS	No
St Maurice's HS	Non PPP	Holy Cross PS	No
	Non PPP	St Maurice's HS	No
	Non PPP	St Michael's PS	Yes
	PPP	St Patrick's PS Kilsyth	No
Taylor HS	Non PPP	Christ the King PS	Yes
	Non PPP	OL & St Francis PS	No
	PPP	St Patrick's PS New Stevenston	Yes
	Non PPP	St Teresa's PS	Yes
	Non PPP	Taylor HS	Yes
Uddingston Grammar	Non PPP	Aitkenhead PS	No
	PPP	Tannochside PS	No

Appendix 3 – Development Viability

Development Viability Statement Requirements

Where a developer is seeking an exemption or reduction of the education contribution on the basis of economic viability then the following information will be required:

- An independent and verified Development Viability Statement undertaken by the DV or mutually agreed suitably qualified consultant. This allows a comparison of costs to be evaluated against projected house values and should also set out in detail why any abnormal development costs cannot be met from either a reduction in purchase price for the site and/or developer profit margins. This should include an explanation of financial assumptions and an explanatory note on all appraisal assumptions. The report should detail the financial implications of the additional costs and their implications for the viability of the development.
- A certified dated copy of the original viability appraisal setting out the allowances made for developer obligations and affordable housing policy (if applicable) and compatibility with prevailing policy requirements.
- From a RICS accredited firm a Quantity Surveyor's (QS) detailed cost budget on development costs e.g., externals, infrastructure, and abnormal costs which include a detailed breakdown, produced in accordance with RICS published costing data and with regard to the recommended practice set out in the RICS Practice Statement Financial Viability in Planning: Conduct and Reporting (2021) (RICS FVIP).
- Verified site valuation at the time of the application submission.
- Projected market valuations for each property within the development (with supporting evidence).
- An indication of the timescales within which each property would be marketed and sold and, where appropriate, development phasing information.
- Design and Access statement (if applicable and available).

- Build specification.
- Assumptions on all grant funding and (where appropriate) evidence of transactions/negotiations with RSL's.


The confidential and sensitive nature of some financial information is acknowledged, and the content of the Assessment will remain confidential between the applicant and named officials within the Council, District Valuer or other third-party advisor as agreed and the relevant decision makers and committees.

As a public body, however, the Council will require to comply with the terms of the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004 in relation to any request for disclosure of such information. Any applicable exemptions or exceptions under the legislation will be appropriately applied. Any requests received for such disclosure of information shall be considered on a case by case basis.

Viability Assessment and Outcomes

Once an agreed Development Viability Statement and supporting information is received by the Council it will be considered. If the applicant submits their own independent Development Viability Statement that has not been agreed in advance with the Council as being carried out by a suitably independent source then it will be independently reviewed by the District Valuer Service (DVS) or an alternative third-party advisor agreed by, and acting on behalf of the Council. This will be carried out at the developers' expense with costs determined on an individual basis. The requirement for independent verification of Viability Assessments will only be removed where the time and cost associated with this process is disproportionate to the amount of developer contribution required.

Each case will be determined by the Council on its own merits. The outcome of the Viability Assessment independent review will not be binding on the Council but may inform any recommendation to the appropriate planning decision maker. If the exercise establishes there are viability issues with the development as a result of the Education contribution requirement, the council will then have to determine if the shortfall in the education requirements can be borne by the Council and/or its partners as ultimately the impact of the development will need to be mitigated and paid for. In event that the Council can support the viability, it will proceed with such a recommendation but ultimately if the infrastructure cannot be funded to offset the impact of development, then the site will be required to be deferred until such time as the site can become viable on its own merits.



For the avoidance of doubt the agreement to waive a contribution towards education provision would be for a timescale specified within the contribution waiver agreement (3 to 5 years maximum depending on the number of units to be constructed) and starting from the date of planning permission being granted. The Council would reserve the right to seek an updated Viability Assessment independent review at the end of the specified period and every 3-5 years for the duration of the planning permission or until site completion. Should the updated viability assessment show that the viability of the site had changed then the Council would reserve the right to withdraw a waiver on the remaining units still to be constructed and it would be expected that a contribution at the current established rate would be required for the remaining units.

Land Value

The price paid for land is not a justification for failing to accord with development plan policies. The Royal Institute of Chartered Surveyors (RICS) guidance on Financial Viability in Planning, Guidance Note (1st Edition- GN94/2012 - abbreviated to RICS FVIP) and now updated, at [para 1.2.4] of Assessing Viability confirms this, and the District Valuer (DV) or an alternative third-party advisor agreed by, and acting on behalf of the Council when instructed by the Council will adopt and use the RICS's guidance as the most appropriate. The use of the DV in this way is supported by paragraph 22 of PAN 2/2010 setting out this as recommended good practice.

It should be noted that financial viability can have regard to not just a single policy's impacts but the cumulative impact of policy requirements and developer contributions. In terms of viability however all of these policy documents only recognise a departure from the policy requirements for provision of a developer obligation for education and to address viability and no other policy requirement.