

**Town and Country Planning Act 1990  
Town and Country Planning (Development Management Procedure)  
(England) Order 2015 (as amended)  
Town and Country Planning (Inquiries Procedure) (England)**

An Appeal by Robert Hitchins Ltd against non-determination by Cheltenham Borough council – application no. 20/01069/OUT – Outline application for development comprising of up to 250 residential dwellings including provision of associated infrastructure, ancillary facilities, open space and landscaping, demolition of existing buildings and formation of new vehicular access from Harp Hill. All matters reserved except for means of access to site from Harp Hill.

**Appeal reference: APP/B1605/W/21/3273053**

**STATEMENT OF CASE of GLOUCESTERSHIRE COUNTY COUNCIL  
(EDUCATION AND HIGHWAYS, TRANSPORTATION)  
JUNE 2020**



**TABLE OF CONTENT**

<b>1.</b>	<b>INTRODUCTION</b>	<b>3</b>
<b>2.</b>	<b>BACKGROUND</b>	<b>4</b>
<b>3.</b>	<b>THE COUNTY COUNCIL'S STATEMENTS OF ITS CASE</b>	<b>5</b>
<b>4.</b>	<b>EDUCATION</b>	<b>6</b>
<b>5.</b>	<b>HIGHWAYS AND TRANSPORTATION</b>	<b>13</b>
<b>6.</b>	<b>RELEVANT DOCUMENTS</b>	<b>20</b>

## **1.0 INTRODUCTION**

**1.1** This is a Statement of Case submitted on behalf of Gloucestershire County Council (“GCC”) in the exercise of its statutory functions for Education and Highways in relation to the appeal that has been lodged against the failure of Cheltenham Borough Council (the Local Planning Authority “LPA”) to determine the application for planning permission within the statutory period. During the course of this Statement, we will separate the County Council’s case in respect of its relevant statutory function.

**1.2** The Statement addresses the education infrastructure required for the development proposed to be acceptable in planning terms, and the implications of that infrastructure not being secured through an appropriate planning obligation or at all, the relationship between planning obligations and the Community Infrastructure Levy (“CIL”) from a County perspective.

**1.3** The Statement will further address the impact of the proposed development on highway infrastructure, both in respect of network capacity, highway safety, junctions and pedestrian and cycle infrastructure whilst also addressing related matters pertaining to access and site levels. The relevance of the Gloucestershire Manual for Streets 2021 will also be addressed.

**1.4** GCC will not duplicate details of the planning history which will be set out by the LPA nor will it recite the putative reasons for refusal had the application been determined by the LPA. This Statement of Case will principally address putative reasons for refusal 3, 6 and 7 pertaining to educational infrastructure and highway matters and set out the case to be made by the County Council in respect of those matters.

## **2.0 BACKGROUND**

**2.1** GCC submitted representations to Cheltenham Borough Council in response to the application on both education and highway matters on the following occasions:

Education:

- 21 August 2021 - initial response to the application.
- 11 April 2021 – Further clarifications.

Highways:

- 18 August 2020 – initial response to the application.
- 10 February 2021 – response to Transport Assessment Addendum Nov 2020.
- 3 April 2021 – response to File Note Dealing with Further Highway Response from GCC (5 March 2021)

**2.2** These representations related to the impact on Education and Library infrastructure and sought contributions to both. In respect of highways, the Local Highway Authority has retained dialogue with the Appellant’s transport consultant and requires further evidence and modelling to demonstrate that the proposal will not result in a severe impact on the highway network. It is understood that the Appellant does not challenge the contribution sought to library services and this contribution is not addressed further in this statement of case; it will be justified in a CIL compliance statement in due course.

**3.0 THE COUNTY COUNCIL'S STATEMENT OF ITS CASE**

- 3.1** GCC's evidence to the Inquiry will consider the issues of the sustainability of the proposed development with particular focus on the requirement for community infrastructure necessary to meet the needs generated by the proposal, in particular school place provision and highway safety matters.
- 3.2** GCC will continue to liaise with the Appellant's transport consultants to agree appropriate modelling, active travel provisions, mitigation measures, contributions and conditions, seeking to narrow the matters to be discussed at the Inquiry. GCC wrote to the Appellant on the 18 June 2021, setting out the additional information required to endeavour to resolve matters between the parties. **(Appendix 1)**
- 3.3** GCC (Legal) will liaise with the Appellants' Legal Representatives to negotiate a suitable Agreement under the provisions of inter alia S106 of the Town and Country Planning Act 1990 (as amended) to endeavour to narrow the matters to be discussed at the Inquiry.

## 4.0 EDUCATION

4.1 In terms of education provision, GCC has statutory duties to ensure the provision of:

4.1.1 Early years, pre-school provision, every local Authority in England is required by legislation (section 7 and 7A Childcare Act 2006 and section 2 Childcare Act 2016) to ensure all children who meet the eligibility are able to take up a place if their parent wants one. This relates to:

- a. the most disadvantaged two year olds, the 15 hour entitlement
- b. three and four year olds, the 15 hour entitlement (the universal entitlement); and
- c. three and four year olds of working parents, the 30 hour entitlement (the extended entitlement).

4.1.2 Primary and secondary provision. Under Section 14 of the Education Act 1996, every local authority has a statutory duty to provide sufficient school places for all 4 to 19 year old young people in its area.

### Planning Policy Need for Places

4.2 The Gloucester, Cheltenham and Tewkesbury Joint Core Strategy 2011-2031 (JCS) (Adopted December 2017) infrastructure policy INF6 provides as follows:

***Policy INF6: Infrastructure Delivery***

***1. Where infrastructure requirements are generated as a result of individual site proposals and/or having regard to cumulative impact, new development will be served and supported by adequate and appropriate on- and/or off-site infrastructure and services. In identifying infrastructure requirements, development proposals will also demonstrate that full regard has been given, where appropriate, to implementing the requirements of the Joint Core Strategy Infrastructure Delivery Plan.***

***2. Where need for additional infrastructure and services and/or impacts on existing infrastructure and services is expected to arise, the local planning authority will seek to secure appropriate infrastructure which is necessary, directly related, and fairly and reasonably related to the scale and kind of the development proposal, including:***

***i. Broadband infrastructure***

- ii. Climate change mitigation/adaptation*
- iii. Community and cultural facilities and initiatives*
- iv. Early Years and Education*
- v. Health and well-being facilities and sport, recreation and leisure facilities*
- vi. The highway network, traffic management, sustainable transport and disabled people's access*
- vii. Protection of cultural and heritage assets and the potential for their enhancement*
- viii. Protection of environmental assets and the potential for their enhancement*
- ix. Provision of Green Infrastructure including open space*
- x. Public realm*
- xi. Safety and security including emergency services*
- xii. Flood risk management infrastructure*

*This list of potential infrastructure items is neither exhaustive, sequential nor are its elements mutually exclusive.*

*3. Priority for provision will be assessed both on a site-by-site basis and having regard to the mitigation of cumulative impact, together with implementation of the JCS Infrastructure Delivery Plan.*

*4. Planning permission will be granted only where sufficient provision has been made for infrastructure and services (together with their continued maintenance) to meet the needs of new development and/or which are required to mitigate the impact of new development upon existing communities. Infrastructure and services must be provided in line with an agreed, phased timescale and in accordance with other requirements of this Plan.*

*This policy contributes towards achieving all the JCS Strategic Objectives.*

- 4.3** The planning and organisation of school places in the local authority is a complex task not least because of the size and diversity of the County. GCC commissions suitable school accommodation to support the promotion of high-quality educational standards and to ensure vulnerable learners get fair access to educational opportunities. GCC manages the impact of rising and declining pupil numbers and helps to create a diverse community of schools and providers.
- 4.4** GCC actively plans school places through its annual planning cycle of forecasting, review and change to ensure that supply is in line with forecast demand and the parents are given the best possible chance of securing one of their preferences. The available data is analysed annually and the areas of greatest basic need are identified for options to expand settings, schools or change admission numbers either increasing or decreasing them to reflect the need locally.

- 4.5** GCC has published a Childcare Sufficiency Assessment for early years provision. This covers all types of settings including in schools and private, voluntary and independent (PVI).
- 4.6** GCC also has a School Places Strategy in place that sets out the pupil place needs in mainstream, state funded schools in Gloucestershire between 2021 and 2026 The strategy examines the duties placed upon the County Council by the Department for Education and its purpose is to help key stakeholders and partners understand how school places are planned and developed though out the county.
- 4.7** Both of the above GCC publications are refreshed to keep in line with proposed developments and any changes in local or national policy.
- 4.8** On an annual basis the GCC’s commissioning team receive updated local level data. This is used to provide revised school level pupil forecasts and identify if further provision is required for the following year.
- 4.9** Information about expected levels of new housing from the six district councils is also taken into account in the planning of places linked to the annual forecasts.
- 4.10** Where new places are required as a result of new housing developments, and where existing capacity cannot meet that requirement, the council seeks developer contributions to address this.

**Pupil Yields**

- 4.11** The number of pupils arising from new housing developments is known as ‘pupil yields’. The Department for Education non-statutory guidance, Securing Developer Contributions for Education (November 2019) states pupil yields should be based on up-to-date evidence from recent local housing developments.
- 4.12** In accordance with this Guidance, in 2018 GCC commissioned a report from Cognisant Research to establish updated yields or pupil product ratios. When the



rates were challenged by residential developers in 2019 a further study commissioned by three developers and coordinated by Rapley's was carried out which confirmed the levels. Cognisant Research collected, analysed and published data from research undertaken at a number of local new developments.

**4.13** The pupil yield formula used in the GCC yield calculation is derived from the evidence in the Cognisant Research 2019 report. For every 100 new dwellings there are: 30 pre-school children, 41 primary pupils, 20 secondary pupils, and 7 post-16 pupils.

**4.14** The appeal seeks permission for the erection of 250 dwellings, the application documentation provides no clarity on the proposed housing mix, but the supporting planning statement does advise that 40% affordable housing will be provided, in line with policy requirements of the JCS. Accordingly, the proposal has been assessed on the basis of all properties being classed as 'qualifying dwellings', provision within any Legal Agreement can be made to review this once the housing mix is ascertained.

**4.15** This development of 250 qualifying dwellings would generate the following educational need, when applying the 2019 PPRs:

- 75 pre-school places
- 102.5 primary school places
- 50 secondary school places
- 17.5 post-16 places

**4.16** The site is located within the Cheltenham Secondary School Place Planning Area and the Whaddon and Charlton Kings Primary Place Planning Areas.

**4.17** Following the submission of this appeal against non-determination, an appeal decision into a site known as Coombe Hill, in Tewkesbury (App ref: APP/G1630/W/20/3257625) has been received. The Inspector in his decision letter

questioned, in certain respects, the robustness of the PPR's used by GCC. The consequences of this decision are under review and a revised position is currently being finalised. We will endeavour to update the PPRs and associated educational contributions as soon as possible.

### **School Capacity Forecasts**

- 4.18** GCC produces pupil projections for individual schools across both the primary and secondary school phases. Bespoke automated systems generate figures in the early stages of the process. To inform the process of forecasting primary school numbers, the County Council uses health data to track the numbers of births and location of pre-school age children across the county.
- 4.19** The pre-school age population is projected into primary school rolls according to trend-based intake patterns at each school.
- 4.20** Secondary school forecasts are calculated by projecting forward the Year 6 cohort, also according to trend-based intake patterns. If the size of the Year 6 cohort is forecast to rise, the projected Year 7 cohort size at Secondary schools will also be forecast to rise.
- 4.21** These trend based patterns take into account the percentage of children attending private/independent schools and those who are home educated and therefore not attending a mainstream school place.
- 4.22** Pupil forecasts are compared with school capacities to give the projected surplus or deficit places in the area. It is important to note that where a deficit is identified within the next few years, work will already be underway to address the situation.
- 4.23** There are 6 primary schools within the Whaddon and Charlton Kings Primary Planning Areas. The 2021 forecasts are as follows:

Closest School(s)	Distance (Miles/Walking route)	Final PAN	Final Capacity	Current NOR Jan 2021	2021/22	2022/23	2023/24	2024/25	% 2023/24 forecast year
St Mary's C of E Infant School	0.8	60	180	210	180	179	179	179	99%
Prestbury St Mary's C of E Junior School	0.8	[60]	240	238	270	270	270	270	113%
Oakwood Primary School	0.9	60	420	317	323	333	334	335	80%
Holy Apostles CofE Primary School	1.1	30	210	212	213	213	212	210	101%
Holy Trinity C of E Primary School	1.3	30	210	192	200	200	201	196	96%
St. John's C of E Primary School (Chelt)	1.3	29	203	196	194	196	199	199	98%

**4.24** There are 4 non-selective secondary schools within the Cheltenham Secondary Planning Area and 1 selective school. The successful completion of the 11+ is required to obtain a place at Pate’s Grammar School. The 2021 forecasts are as follows:

Closest Schools	Distance (Miles/Walking route)	PAN	Final Capacity	NOR Jan 2021	Forecast 2021							Final forecast year %
					2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
Pittville School	1.5	175	875	836	888	901	902	875	875	875	875	100%
Balcarras School	2.3	194	1331	1405	1400	1395	1395	1384	1378	1347	1340	101%
Cheltenham Bournside School	3.1	300	1960	1747	1778	1826	1859	1883	1890	1889	1889	96%
All Saints' Academy	3.7	180	1150	948	990	1040	1080	1113	1126	1124	1120	97%
Pate's Grammar School	3.7	150	1204	1222	1249	1283	1287	1291	1282	1292	1298	108%

**4.25** Across the place planning areas there is a residual 5% capacity in primary provision and no capacity within secondary provision.

**4.26** Not all unfilled school places should be considered “surplus”. The Audit Commission advises that some margin of space school capacity is necessary to provide some flexibility for unexpected influxes of children and expressions of parental preference. The 2013 National Audit Office report Capital Funding for

New School Places (**Appendix 2**) confirms that the Department for Education (DfE) considers it “reasonable for authorities to aim for between 5 – 10 percent primary surplus to allow them some opportunity to respond to parental choice” (para 1.17) and that 5% is “the bare minimum needed for authorities to meet their statutory duty with operational flexibility, while enabling parents to have some choice of schools” (para 1.16).

- 4.27** Based on the lack of capacity within both the primary and secondary place planning areas, having regard to the 5% surplus to allow for parental choice, a primary and secondary education contribution is being sought. The final sum will be dependent on the review of the PPRs referenced in paragraph 4.17 above.

#### **CIL Charging Schedule**

- 4.28** CIL will be payable in respect of the appeal development, in the event that planning permission is granted and the development commenced. However, CIL is payable to Cheltenham Borough Council and not to GCC.
- 4.29** CIL receipts are accumulated to meet general infrastructure needs, not those arising directly as a result of development.

There is no obligation on Cheltenham Borough Council to transfer any element of CIL receipts to the County Council to meet education infrastructure needs nor has any commitment been made to do so, further CIL receipts from the development are not sufficient to meet the costs of education or library infrastructure to meet the need which it generates.

- 4.30** As such, and in full accordance with policy INF6 and national policy guidance the development must meet its infrastructure needs and the contribution sought in respect of education and library infrastructure is necessary to make the development acceptable in planning terms, is directly related to the development and is fairly and reasonable related to the development in scale and kind.

## **5.0 HIGHWAYS AND TRANSPORTATION**

**5.1** GCC, as the Local Highway Authority (LHA), has responsibility to assess planning applications as a Statutory Consultee under the provisions set out in the Town and Country Planning (Development Management Procedure) Order 2015 (as amended), having regard to the National Planning Policy Framework 2019 (NPPF) and the Development Plan for Cheltenham Borough Council.

**5.2** Section 9 of the NPPF specifically requires the LHA to assess whether a planning application has appropriate opportunities to promote sustainable transport modes, has safe and suitable access and any impacts can be cost-effectively mitigated (paragraph 108).

**5.3** The NPPF states that *“development should only be prevented or refused on highways grounds if there would be unacceptable impact of highway safety, or the residual cumulative impacts on the road network would be severe”* (paragraph 109).

**5.4** The proposals comprise an Outline Planning Application for up to 250 dwellings, with all matters reserved. A Transport Assessment and a Framework Travel Plan were included as part of the planning submission and additional evidence has been submitted within a Transport Assessment Addendum (November 2020) and a File Note Dealing with Further Highway Response from GCC (5 March 2021).

### **Network Junction Assessment**

**5.5** The assessment year within the transport evidence submitted is 2024, less than 5 years from the submission date of the application and is unlikely to cover the full build period of the development. It is typical industry practice to ask for a 5 year assessment in respect of allocated site, particularly where previous highway assessments have been undertaken as part of the Local Plan process. This follows on from now superseded guidance *“Guidance on Transport Assessments”* 2007.

**5.6** National Planning Policy Guidance says (Paragraph: 014 Reference ID: 42-014-20140306) *“It is important to give appropriate consideration to the cumulative impacts arising from other committed development (i.e. development that is consented or allocated where there is a reasonably degree of certainty will proceed within the next 3 years). At the decision-taking stage this may require the development to carry out an assessment of the impact of those adopted Local Plan allocations which have the potential to impact on the same sections of the transport network as well as other relevant local sites benefitting from as yet unimplemented planning approval”*.

**5.7** As this site is not allocated, no historical assessments have been undertaken and given the scale of development and its location on a transport network that is affected by allocated sites, the Local Highway Authority requires an additional assessment year of 2031 to ensure all planned growth is accounted for and that this proposed development does not prejudice the delivery of the Development Plan. This has been expressly requested in a letter to the Appellants dated 17 June 2021, attached at **Appendix 1**.

**5.8** The Appellant’s have requested the relevant data from the County Council’s Saturn transport model and it is anticipated that further assessments from the Appellant, using a 2031 assessment year, will be forthcoming in advance on the submission of evidence. As part of that assessment, the County Council expects the following junctions, with and without development, to be assessed:

1. B4075 Priors Road / Hales Road / Harp Hill / Hewlett Road Double Roundabout
2. B4075 Priors Road / Redmarley Road Traffic Signals
3. B4075 Priors Road / Bouncers Lane Priority Junction
4. B4075 Priors Road / B4632 Prestbury Road Priority Junction
5. B4632 Prestbury Road / B4075 Tatchley Lane / Deep Street / Blacksmiths Lane / Bouncers Lane Double Mini-Roundabout
6. A40 London Road / A40 Old Bath Road / B4075 Hales Road Traffic Signals

7. A40 London Road / Greenway Lane / Ryeworth Road / Copt Elm Road Traffic Signals

**5.9** Assessments will also need to provide information pertaining to the potential impact on vehicle journey times and overall levels of congestion; at present the information which has been provided to support the proposal is overly simplistic and provides numbers and percentages, without considering or assessing the actual impact on the network.

**5.10** Once these assessments are submitted, appropriate and cost-effective mitigation measures to address any identified issues can be considered and hopefully agreed.

**5.11** The need for such assessments is emphasised when having regard to the Transport Evidence Base that supported the Joint Core Strategy (JCS). Within this Evidence Base, the A40/Hales Road junction was assessed to ensure the proposed planned growth and development would not have a detrimental impact on the highway network and that any necessary mitigation could be factor into the viability of sites and the then emerging JCS overall. At that time evidence demonstrated that this junction, with mitigation, would operate over capacity by 2031, the end of the Plan period.

**Harp Hill/Hewlett Road/Priors Road Junction**

**5.12** The Harp Hill/Hewlett Road/Priors Road junction is the nearest junction to the Appeal site and is comprised of 2no 3-armed mini roundabouts. Each arm of the junction is fed by a single lane of traffic.

**5.13** In the AM peak, the dominant traffic flow is north-south along Priors Road, taking priority over traffic joining the roundabout from Harp Hill, which in turns leads to the Appeal site.

- 5.14** In line with the comments above pertaining to additional junction modelling, further evidence regarding the impact the proposed development will have on the junction is required.
- 5.15** However, the Appellant has proposed some alterations to the Harp Hill and Hewlett Road arms of the junction to facilitate, it appears, two-vehicle exits from these roads on to the roundabouts. The plans of these proposed alterations fail to demonstrate how these junctions can operate as a two-vehicle exit. The mitigation shown for the Harp Hill junction has a widening of the junction on the curve of the nearside and the flare tapers over a short distance, such that this junction will remain as a single vehicle exit regardless.
- 5.16** The increased widths at this junction will impact on pedestrian movements and result in a likelihood of an increase in vehicle incidents due to the constrained dimensions of the roundabout, which were not designed for two-vehicle exits.

#### **Pedestrian/Cycle Infrastructure**

- 5.17** The proposed development seeks to upgrade Public Right of Way FP86, located to the northwest corner of the site and extending from the main body of the appeal site to Priors Road. The upgrade of the route is intended to deliver an active travel connection comprising a combined footpath/cycleway, 3 metres in width.
- 5.18** Local Transport Note 1/20, paragraph 5.5.3, sets out the requirements for new cycle infrastructure. It advises that 3m cycleway and segregated 2m footpath should be provided. A minimum width of 5m is therefore required to comply with the Local Transport Note 1/20.
- 5.19** Due to the scale of the site location plan, thickness of the red line and lack of ownership boundaries on the plans showing the proposed footpath/cycleway, it is not clear whether a 5m width can be accommodated within landownership, or if it can be accommodated, what the impact would be on other material considerations



considered by the Local Planning Authority. GCC has contacted the Appellant to establish the position. GCC therefore reserves its position in respect of this matter pending a response.

### **Public Transport**

- 5.20** Manual for Gloucestershire Streets 2021, the Chartered Institute for Highways & Transport, and Stagecoach guidance all seek a 400m walking distance door to bus stop, however, they do accept that greater distances can be accepted to avoid compromising bus routes.
- 5.21** 800m is recognised in Providing Journeys on Foot as being acceptable as a walking distance from door to bus stop. In order to apply flexibility to the consideration of this site, the Local Highway Authority has sought to apply the 800m as a maximum distance subject to the walking routes from properties being sufficiently direct and attractive to encourage walking beyond the 400m to a bus stop.
- 5.22** The illustrative masterplan shows a significant proportion of properties in excess of 400m walking distance from the nearest bus stop and some beyond 800m. The walking routes shown on the illustrative masterplan are not considered to be direct or attractive to justify distances greater than 400m from the bus stops on Priors Road.
- 5.23** Subject to the confirmation which is sought and is referred to in paras.5.17-5.19 above, proposed combined footpath/cycleway may not create an attractive walking route as it would lead to potential conflicts between cyclists and pedestrians, particularly if it is well used.

### **The Proposed Development**

- 5.24** The Local Highway Authority have sought clarification from the Appellant on their preferred approach to dealing with access. The application was made with all matters reserved, but supporting documentation suggests that the Appellant

wishes to have the main access into the site from Harp Hill conditioned, but all other access matters reserved.

- 5.25** In its current form the proposed access arrangement creates conflict with other users, particularly pedestrians with protected characteristics, through poor pedestrian/vehicle intervisibility and higher access speeds through the junction. These speeds are created as a result of large radii widths shown on submitted drawings and a wide carriageway that do not encourage slower speeds. Accordingly, the design of the access is unacceptable and will be detrimental to highway safety.
- 5.26** The Local Planning Authority are satisfied that highway design and safety concerns pertaining to the access can be resolved within land controlled by the Appellant, such that it is anticipated that the matter can either be resolved before further evidence is submitted or, subject to the Appellant's confirmation, that the main access into the site can be dealt with as a reserved matter.
- 5.27** Levels across the site are challenging, as can be seen on the sections provided.
- 5.28** The desired gradient for roads and footpaths is 1 in 20 and no steeper than 1 in 12. The Manual for Gloucestershire Streets advises that, where the levels are at the steeper gradient, they should be for no greater lengths than 30m.
- 5.29** The section provided to date shows long lengths, well in excess of 30m, at a gradient of 1 in 12.5. Such a gradient would undermine the promotion of active travel and be particularly prejudicial to those persons with protected characteristics.
- 5.30** Whilst it is acknowledged that layout is a reserved matter, the Local Highway Authority need to be satisfied that an acceptable scheme can in principle be delivered in an acceptable matter. At present, the Appellant has failed to demonstrate that an acceptable access arrangement to provide appropriately

graded roads and footways within the site is capable of being delivered without significant level changes.

**5.31** It is anticipated that discussions will continue between the relevant parties, but in the absence of agreement, the Local Highway Authority will address all residual matters, assessing them against the paragraph 108 and 109 NPPF tests, within its proof of evidence and will advance a case that the proposal is unacceptable due to the conflict that in particular arises by reason of:

- a) Severe residual operational impact on the road network;
- b) Unacceptable impact on safety; and
- c) Failure to deliver or show deliverable “appropriate opportunities to promote sustainable transport modes.”

**6.0 RELEVANT DOCUMENTS**

**6.1** Aside from the core documents that will be agreed with the Appellant and LPA in advance of the Inquiry, it is anticipated that the following may be referred to:

- National Planning Policy Framework (NPPF)
- National Planning Policy Guidance (NPPG)
- CIL Regulations
- The Gloucester, Cheltenham and Tewkesbury Joint Core Strategy
- Cheltenham Borough Council Regulation 123 List
- Cheltenham Borough Council Infrastructure Delivery Plan
- CIL Charging Schedule Examiners Report
- Securing Developer Contributions for Education (Nov 2019)
- Adopted Local Developer Guide 2021
- Gloucestershire School Places Strategy
- Manual for Gloucestershire Street 2021
- Local Transport Note 1/20

**6.2** GCC reserves the right to refer to additional documents to the ones outlines above in preparation and advancement of its case.

**APPENDIX 1**

Our Ref: LF/21044

18 June 2021

Mr D Hutchison  
Pegasus Planning Group Ltd  
Pegasus House  
Querns Business Centre  
Whitworth Road  
Cirencester  
GL7 1RT

By Email Only: david.hutchison@pegasusgroup.co.uk

Dear Mr Hutchison

**S78 Appeal, Land at Oakley Farm, Cheltenham**  
**APP/B1605/W/21/3273053**

We write in respect of the above appeal and to endeavour to facilitate the appeal process, and seek to narrow the outstanding issues, in respect of traffic and transportation matters, on behalf of the Local Highway Authority at Gloucestershire County Council.

The Local Highway Authority have provided feedback on the Transport Assessment March 2020, Transport Assessment Addendum November 2020 and the File Note Dealing with Further Highway Response from GCC Dated 10 February 2021 (5 March 2021), on the 18 August 2020, 10 February 2021 and 3 April 2021.

In order to facilitate the appeal process, we thought it would be beneficial to set out the additional information required to enable matters to be addressed in evidence hopefully to be narrowed and to save Inquiry time.

**Harp Hill/Hewlett Road/Priors Road Junction**

The submitted details suggest a widening of the junction from Harp Hill onto Priors Road to facilitate a 2-lane exit. The Local Highway Authority is concerned that the widening of the junction is on the curve of the nearside and the flare tapers over a short distance, such that this junction will remain as a single vehicle exit regardless.

To progress this matter, the Local Highway Authority would request that evidence is provided to demonstrate how this junction can operate as a two-vehicle exit as seems to be suggested.



**Barker Parry Town  
Planning Ltd**

33 Bancroft, Hitchin,  
Herts SG5 1LA

T: 01462 420 224

E: office@barkerparry.co.uk

W: www.barkerparry.co.uk

**Steven Barker**

Director (Managing)  
MA (Cantab) MA MRTPI

**Liz Fitzgerald**

Director  
BA (Hons) Dip TP MRTPI

**Gae Parry**

Director  
BA (Hons) Dip TP

**Registered**

England & Wales No. 5314018.  
Registered Office same as  
office address



Further, initial observations from the Local Highway Authority's Safety Auditor on the overall proposals to alter the widths of junctions at both Harp Hill and Hewlett Road as they intersect with Priors Road, suggest that the proposed alterations will likely result in an increase in vehicle incidents and will have a detrimental impact on pedestrians.

The Local Highway Authority request that a Stage 1 Road Safety Audit be undertaken on the proposed junction alterations, to demonstrate that the proposals will not result in the impact on highway safety that is currently of concern.

Without further information requested above it is not considered by the County Council that the proposed alterations to this junction provides any benefit to the function of the junction, as it has not been demonstrated that the proposals will provide any practical capacity increase/benefit but would adversely affect other road users.

The Transport Assessment Addendum contains the 'Systra Report', but unfortunately this does not provide any network performance statistics. What is key is understanding the impact on queue lengths and journey time on Harp Hill over the peak hours. Currently the information provided is over a 3 hour period.

The use of the Paramics Modelling Assessment for this junction is considered to provide a better junction operational assessment than the Junction 9 model, however, the findings are limited as the data from all arms of the junction have been combined and then averaged, thus hiding peak impact. Regardless of this flaw, the Paramics model shows an increase in queue lengths, increased journey times and slower speeds, suggesting mitigation is necessary.

To enable the Paramics model to be of benefit further clarification should be provided on the analysis was undertaken and how it provides any value to this process, given the models limitations in this context.

It is the Local Highway Authority's position that focus should be on queue length and journey times with and without development, specifically on Harp Hill, making it clear what junction geometry is included in the data. This can then be benchmarked against the Junction 9 model.

In summary, the additional information required in respect of this junction is as follows:

- Stage 1 Road Safety Audit of the junction alteration, specific consideration needed on the implications for pedestrian and cyclists.
- Tracking Detail to show that 2 vehicles can align side by side at the stop line and in advance.
- Dimensioned drawing to show existing and proposed junction layouts.

- DMRB compliance statement against CD116 and any departure.
- Clarification on the Paramics Model
- What nodes has the network been reported over.
- Specific link analysis on Harp Hill, queue length through the peak hours and journey time to pass through the junction.

### Network Wide Junction Assessments.

The assessment year provided is 2024. It is understood that initial Transport Assessment scoping advised that a 5 year projection was required, this was in error and in any event is not complied with in the Transport Assessment.

The Transport Assessment Addendum, at paragraph 5.18, states that 2024 represents five years after the date of registration of the planning application. This clearly isn't the case, as the application was registered in 2020. Based on the Appellant's submissions, the future assessment year should be 2025.

The Local Highway Authority are seeking a future assessment year of 2031. This is based on the fact that the site is not a JCS allocation and the Local Highway Authority need to ensure that the overall delivery of the sites allocated in the Plan is not prejudiced by the development of this scheme. A 2031 assessment would ensure planned growth is accounted for in any modelling.

We understand that PFA have requested data from the Saturn Transport Model and this is being actioned, we trust therefore that any dispute around the future assessment year can be considered to be resolved. Clarification on this point would be appreciated.

The Local Highway Authority will need to see a series of junction models, along with the assumptions that have informed them, based on 2031 with and without development. The junctions that will need to be assessed are as follows:

1. B4075 Priors Road / Hales Road / Harp Hill / Hewlett Road Double Roundabout
2. B4075 Priors Road / Redmarley Road Traffic Signals
3. B4075 Priors Road / Bouncers Lane Priority Junction
4. B4075 Priors Road / B4632 Prestbury Road Priority Junction
5. B4632 Prestbury Road / B4075 Tatchley Lane / Deep Street / Blacksmiths Lane / Bouncers Lane Double Mini-Roundabout
6. A40 London Road / A40 Old Bath Road / B4075 Hales Road Traffic Signals
7. A40 London Road / Greenway Lane / Ryeworth Road / Copt Elm Road Traffic Signals

From the transport information submitted to date, we note that some mitigation measures, traffic calming etc are mentioned. Following the above junction



assessment, we would appreciate a definitive list of mitigation measures being proposed by the Appellant.

### Pedestrian/Cycle Infrastructure

The appeal scheme proposes the use of the PROW FP86 to provide active travel connections from the northern part of the site to Priors Road. An indicative alignment of this proposed footpath/cycleway has been submitted.

Plan reference H628/06 shows a footpath/cycle link of 3m width extending from the main part of the Appeal site to Priors Road. If 3m width was adequate, there are some concerns over the impact on a category B tree and development within its RPA, but that would be a matter for the Local Planning Authority.

However, Local Transport Note 1/20 defines the requirements for new cycle infrastructure. Paragraph 5.5.3 and Table 5.2 of that Note confirm that the cycle width should be 3m, the footpath provision should be a further 2m width segregated from the cycleway.

The minimum required width to achieve compliance is 5m. It is not possible to ascertain from the submitted plan the extent of landownership along FP86 to Priors Road, such that the Local Highway Authority would request that an amended plan be provided demonstrating that a compliant footpath/cycle way is deliverable within landownership.

Further works are also proposed along Priors Road with the inclusion of a toucan crossing and footpath widening on the eastern side of the road to upgrade the footpath to a combined footpath/cycleway. The same comments in respect of Local Transport Note 1/20 apply to this upgrade, whilst additional information is also required to demonstrate how the footpath/cycleway then integrates into the existing network at its end.

Additional information, having regard to Local Transport Note 1/20 is therefore required to satisfy the Local Highway Authority that the proposal adequately provides for safe and efficient pedestrian and cycle movements.

Should there be any difficulties in addressing these points, it may be worth considering undertaking a WCHAR assessment to review the existing provision and potential improvements to pedestrian and cycle infrastructure around the site.

### Public Transport Access

Industry guidance seeks a 400m walking distance door to door (CIHT, Stagecoach guidance and Manual for Gloucestershire Streets), but greater distances can be accepted to avoid compromising the bus route.

The Local Highway Authority has referenced an 800m maximum in this instance recognising that guidance needs to be used flexibly and 800m is recognised in Providing for Journeys on Foot as being “acceptable” (table 3.2).

To depart from the industry guidance and apply a more flexible approach of up to 800m, the walking route from each dwelling should be sufficiently direct and attractive to encourage walking beyond the 400m. Having regard to the comments above regarding the footpath/cycleway, a combined footpath/cycle way, as proposed, will create conflict between pedestrians and cyclists, thus prejudicing the delivery of an attractive walking route.

Further information is required demonstrating how residents would be encouraged to walk to the bus stop where distances are over 400m. Using the submitted illustrative masterplan, the Local Highway Authority need to be satisfied that all properties are within 800m walking distance of the bus stop, all indicative properties outside of 400m need to be clearly identified and their walking routes shown.

Should sufficient evidence be provided to satisfy the Local Highway Authority in this regard, it is important to ensure the bus stops themselves present an attractive opportunity to users. An assessment of this should be provided and upgrades of bus stops, both north and southbound, to include Kassel Kerbs, bus shelters and RTI provision, should be considered, if necessary. This may require the relocation of the existing southbound stop to the intersection with the proposed footpath/cycle way with Priors Road, where additional land is available to avoid obstructing the footpath.

#### The Proposed Development

Please can you confirm by return that the Appellant is not expecting any formal access proposals from Harp Hill to be approved as part of this Appeal. It is acknowledged that the application form identifies that all matters are reserved, but clarification would be appreciated.

The submitted access proposals from Harp Hill, as presently presented, are unacceptable and it has not been demonstrated that the scheme would not result in safety issues associated with users.

The Local Highway Authority is content that access be left as a reserved matter but are not in a position to agree to the proposed access arrangements shown on plan reference H628/02.

Please advise on how you wish to proceed.



It is acknowledged that levels across the site are challenging and that some site sections have been provided. It is also acknowledged that the layout of the site is a reserved matter, however, it is important that the Local Highway Authority is reasonably confident that the site can be delivered without significant levels issues that affect the useability of the development, particularly by individuals with protected characteristics.

The desired gradient for roads and footpaths is 1 in 20 and no steeper than 1 in 12. The Manual for Gloucestershire Streets advises that, where the levels are at the steeper gradient, they should be for no greater lengths than 30m.

The section provided to date shows long lengths, well in excess of 30m, at a gradient of 1 in 12.5. Such a gradient would undermine the promotion of active travel and be particularly prejudicial to those persons with protected characteristics.

The Local Highway Authority therefore request further information to provide confidence that a suitable design solution can be adopted to achieve the desired 1 in 20 gradient, with steeper gradients limited to shorter lengths and preferably outside of desired walking routes.

We trust this assists in setting out the additional information required by the Local Highway Authority to hopefully rationalise matters in advance of evidence being submitted.

We look forward to receiving feedback and additional information in respect of highway matters and a draft Statement of Common Ground.

If you require any further clarification on points, please do not hesitate to contact me.

Yours sincerely

**LIZ FITZGERALD**  
**DIRECTOR**  
**[liz@barkerparry.co.uk](mailto:liz@barkerparry.co.uk)**

**APPENDIX 2**



National Audit Office

REPORT BY THE  
COMPTROLLER AND  
AUDITOR GENERAL

HC 1042  
SESSION 2012-13

15 MARCH 2013

---

Department for Education

---

# Capital funding for new school places

---

Our vision is to help the nation spend wisely.

We apply the unique perspective of public audit to help Parliament and government drive lasting improvement in public services.

---

The National Audit Office scrutinises public spending for Parliament and is independent of government. The Comptroller and Auditor General (C&AG), Amyas Morse, is an Officer of the House of Commons and leads the NAO, which employs some 860 staff. The C&AG certifies the accounts of all government departments and many other public sector bodies. He has statutory authority to examine and report to Parliament on whether departments and the bodies they fund have used their resources efficiently, effectively, and with economy. Our studies evaluate the value for money of public spending, nationally and locally. Our recommendations and reports on good practice help government improve public services, and our work led to audited savings of more than £1 billion in 2011.

---



National Audit Office

---

Department for Education

# Capital funding for new school places

Report by the Comptroller and Auditor General

Ordered by the House of Commons  
to be printed on 14 March 2013

This report has been prepared under Section 6 of the  
National Audit Act 1983 for presentation to the House of  
Commons in accordance with Section 9 of the Act

Amyas Morse  
Comptroller and Auditor General  
National Audit Office

13 March 2013

The need for school places has increased in recent years. The Department for Education has increased its capital funding to 2014-15 to over £4.3 billion for new school places.

---

© National Audit Office 2013

The text of this document may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not in a misleading context.

The material must be acknowledged as National Audit Office copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

Links to external websites were valid at the time of publication of this report. The National Audit Office is not responsible for the future validity of the links.

Printed in the UK for The Stationery Office Limited on behalf of the Controller of Her Majesty's Stationery Office

2547064 03/13 PRCS

---



---

## Contents

**Key facts** 4

**Summary** 5

**Part One**

Achievement of the Department's objectives 12

**Part Two**

Funding new school places 24

**Part Three**

The Department's funding allocation 32

**Appendix One**

Our audit approach 39

**Appendix Two**

Our evidence base 41

The National Audit Office study team consisted of:  
Sarah Drysdale, Daniel Greenwood, Chris Groom, Martin Malinowski, Howard Revill and Hannah Robinson, under the direction of Julian Wood.

This report can be found on the National Audit Office website at [www.nao.org.uk/school-places-2013](http://www.nao.org.uk/school-places-2013)

For further information about the National Audit Office please contact:

National Audit Office  
Press Office  
157–197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

Tel: 020 7798 7400

Enquiries: [www.nao.org.uk/contactus](http://www.nao.org.uk/contactus)

Website: [www.nao.org.uk](http://www.nao.org.uk)

Twitter: @NAOorguk

---

## Key facts

---

**256,000**

estimate of new primary and secondary school places needed in England by 2014

---

**£4.3bn**

in capital funding being allocated by the Department to local authorities for new school places in England from 2010 to 2014, excluding March 2013's Targeted Basic Need Programme

---

**12,000**

National Audit Office's estimate of additional pupils in reception classes in England each year to 2014

---

- 5 per cent** fewer primary school places available in 2010 than 2004, in response to falling school rolls
- 16 per cent** increase in the number of four-year-olds starting reception classes between 2006/07 and 2011/12
- 20.4 per cent** of primary schools were full or over capacity, at May 2012
- 29 per cent** of local authorities were funded less than the Department had assessed they needed for new school places in 2012-13 using authorities' own forecasts for pupil numbers

---

**In this report:**

2011-12 refers to the financial year (April to March)

2011/12 refers to the academic or school year (September to August)

---

# Summary

## Introduction

**1** In 2011/12, 6.8 million 4- to 16-year-olds attended state-funded schools in England, 3.9 million were in primary schools, 2.8 million in secondary schools, and 78,000 in special schools. Around 600,000 children start reception classes in primary school each year.

**2** The number of children starting school fluctuates annually, increasing if the birth rate and inward migration grow. New school places may be needed to meet increases in demand, initially in reception classes and later in other primary and secondary classes. A lack of sufficient places can create local 'hotspots' where demand outstrips places available within a local area, even though the local authority may not have an overall shortage of places.

**3** **Figure 1** overleaf shows roles and responsibilities for providing school places. The **Department for Education** (the Department) is responsible for the policy and statutory framework. It aims to give parents "the choice of a good local school" for their children, and "to use available capital funding to best effect to provide sufficient places in schools parents want to send their children to". The Department makes a substantial financial contribution to local authorities' costs in delivering places, and is accountable for overall value for money delivered from its funding.

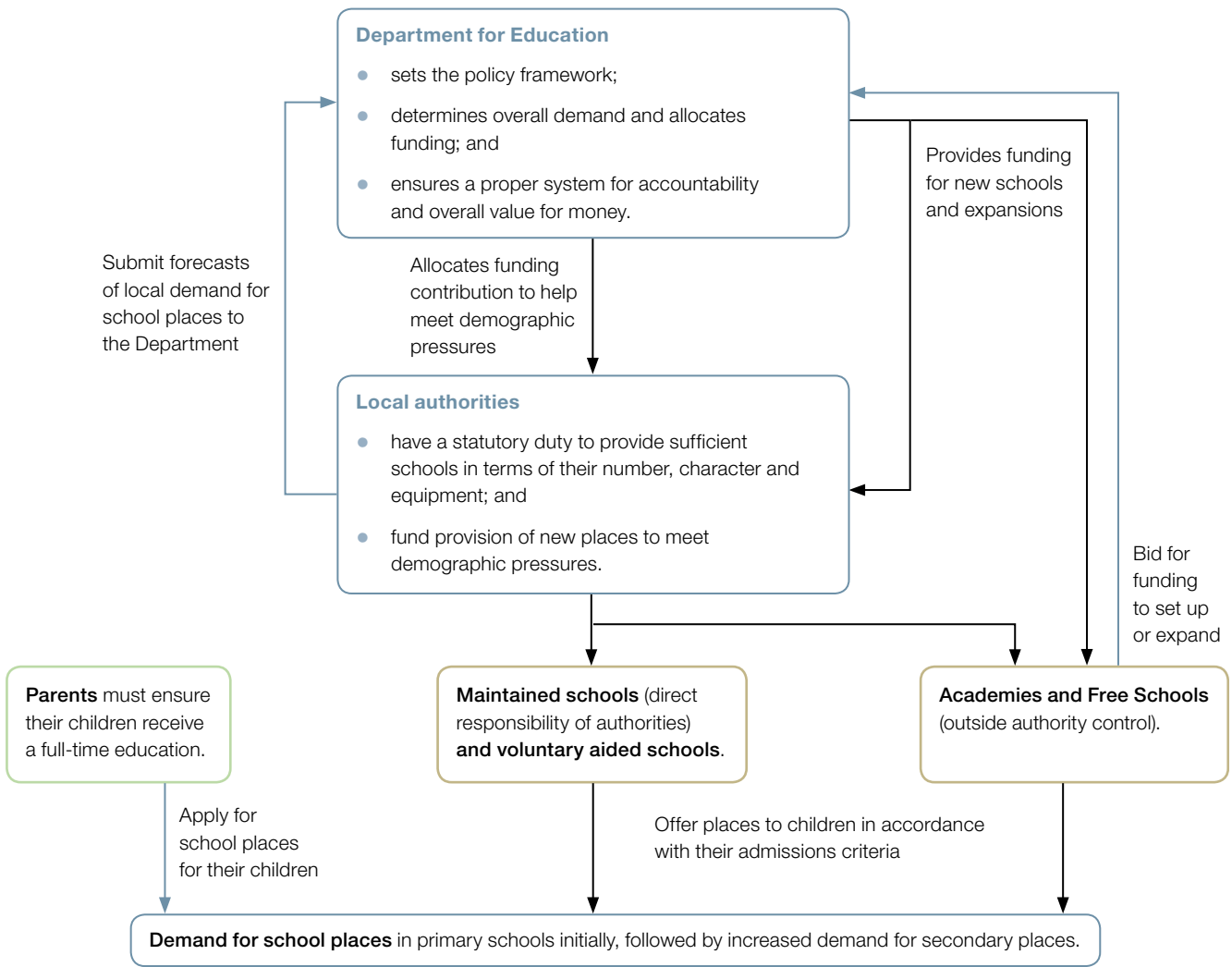
**4** **Local authorities** are statutorily responsible for ensuring that there are sufficient schools, and therefore school places. Authorities assess demographic changes, plan and finance new school places, including using funding provided by the Department. There is a range of possible solutions to provide new places, mainly:

- building new schools;
- permanent or temporary extensions; or
- converting existing spaces for use as classrooms.

**5** Local authorities rely on cooperation from individual **schools** to expand existing provision. An authority can direct the expansion of community and voluntary controlled schools, but not others. There are legal limits on the size of certain primary classes, and space on existing school sites may be constrained. For children required to travel more than either two or three miles, depending on their age, to school, authorities must arrange transport at no charge to parents.

**Figure 1**  
Roles and responsibilities in providing school places

The Department is responsible for the policy framework and overall value for money. Local authorities are responsible for delivering sufficient schools



- Funding body    → Information flow
- Funded school    → Funding flow
- Parents

Source: National Audit Office analysis of Department for Education documents and legislation

## Scope of the report

**6** This report assesses whether the Department is securing overall value for money, including:

- how far the Department's objectives are being achieved (Part One);
- how well it determines its financial contribution to local authorities (Part Two); and
- how well it allocates funding to areas that have the greatest need (Part Three).

**7** The report covers school places for 4- to 16-year-olds. It does not assess the educational impact of different types of building programmes, or judge how well local authorities deliver new places.

## Key findings

### Achievement of the Department's objectives

**8** **The rise in children born in England between 2001 and 2011 was the largest ten-year increase since the 1950s and increased demand for primary school places.** Between 2001 and 2011, live births rose by 22 per cent to 688,000. Between 2006/07 and 2011/12, the number of children starting in reception classes in primary school increased by 16 per cent to 606,000. Previously, many local authorities faced falling school rolls and had reduced primary places by 5 per cent nationally between 2003/04 and 2009/10 (paragraphs 1.8 and 1.9).

**9** **At May 2012,<sup>1</sup> there was an estimated national surplus of primary places of 10 per cent.** However, 13 per cent of local authorities (19) had less than the minimum 5 per cent surplus the Department assumed in its planning as necessary to support operational flexibility and some parental choice, with 16 of these in London. The Department adopted this planning assumption in the context of a challenging Spending Review when preparing its funding bid. It recognises that it needs to undertake work to identify levels of surplus which realistically enable parental choice (paragraphs 1.16 to 1.18).

**10** **Despite a net increase of almost 81,500 primary places from 2010 to May 2012, 256,000 new school places are still needed from May 2012 by 2014/15. Forecasts of future need are inevitably uncertain but the demand for school places is projected to increase beyond 2014/15.** 240,000 of the places required by 2014/15 are primary places, of which 37 per cent are in London. In 2010, the Department had estimated that 324,000 additional places would be needed by 2014/15. In 2012, the Department expected demand to continue to rise, and 400,000 further places could be required by 2018/19. The Department is undertaking work to consider the uncertainty in these long-term estimates (paragraphs 1.14, 1.20 and 1.23).

<sup>1</sup> The Department published May 2012 data in March 2013.

**11 The Department considers that all local authorities have so far met their statutory duty to provide sufficient schools. There are, though, indications of stress on school places.** In May 2012, 20.4 per cent of primary schools were full or had more pupils than their capacity. Numbers of children in infant classes (up to age seven) of 31 or more pupils have more than doubled in five years, from 23,200 in 2007 to 47,300 in 2012. Thirty-four per cent of authorities responding to our survey in August 2012 reported that rising demand for places has had a significant impact on children's average journey times to school. Appeals as a percentage of primary school admissions to infant classes increased from 1.7 per cent in 2004/05 to 4.8 per cent in 2010/11 (paragraphs 1.19, 1.21 and 1.22, and Figures 6 and 7).

The Department's funding for new school places

**12 The Department's assessments of funding required to meet expected demand are based on incomplete information.** Local authorities' costs in providing places vary depending on the mix of solutions they use, and local prices. In 2010, the Department initially estimated the cost of delivering 324,000 places at £5 billion, covered by the Department's funding and financial contributions from authorities. This figure was based on 2007 data, inflated to 2010 prices, and did not include, for example, the cost of land acquisition for new schools. The Department assumed that the majority of new places would be delivered as extensions to existing schools. The Department is revising its estimates to create more up-to-date costings, including considering the impact of standardised designs for schools announced in October 2012. These indicate potential for reducing building costs for new schools by 30 per cent. Developing a more robust estimate of funding needs is vital for the Department to respond efficiently to the forecast increase in need (paragraphs 2.14 to 2.16 and 2.19).

**13 The Department has supplemented its 2010 spending settlement to increase its contribution to local authorities for new school places to around the level it originally estimated.** The 2010 Spending Review settlement reduced the Department's overall capital spending in real-terms by 60 per cent. Within this, the Department increased its specific funding for new places to £3.2 billion up to 2014-15. Subsequent injections of funding from savings on other programmes and from HM Treasury increased this to £4.3 billion by November 2011. The Department's effective funding contribution per place had thus increased from £9,875 to £13,780. As the Department has yet to update its estimate of the total cost of places required, it is not yet clear whether this level of funding represents an accurate assessment of the resources required to meet forecast need. In addition, a further £982 million capital funding for schools was announced in December 2012. The Department has invited bids from local authorities which will determine how much of this is for delivery of new places in 2014-15 and how much for 2015-16. It is therefore not yet clear how much funding in total the Department will be providing for the delivery of places by 2014/15 (paragraphs 2.4, 2.7 and 2.8, and Figure 9).

**14 Local authorities report that they made a higher funding contribution in 2012-13 than the Department's original assumptions implied, although the Department has subsequently increased its funding.** The Department assumes that authorities meet any difference between actual costs and the funding it provides. Local authorities' required contribution therefore varies depending on the level of the Department's funding and the actual costs of providing places. The Department initially assumed that local authorities would contribute 20 per cent towards the cost of new places. This planning assumption was not evidence-based and was not communicated to authorities. In our survey, authorities reported making an average contribution in 2012-13 of 34 per cent. Most authorities drew on other sources of funding to finance new places, including maintenance funding provided separately by the Department (64 per cent), potentially storing up future costs by deferring repair work (paragraphs 2.17 and 2.18, and Figure 12).

**15 The Department's capital priorities have changed since 2010 and new capital programmes will deliver some additional places by 2014/15.** The Department has changed its capital priorities since 2010, including cancelling many Building Schools for the Future projects and the Primary Capital Programme. These programmes were primarily aimed at enhancing the quality of school buildings and the Department has not estimated how the total number of school places available may have been affected. The Free Schools Programme has been allocated capital funding of £1.7 billion to 2014-15. It is expected to increase the number of available places, although this is not the primary purpose of the programme. We estimate that Free Schools opened in September 2012 could provide up to 24,500 places, 58 per cent in local authorities with a shortage of places. However, only 8,800 of the 24,500 places are in primary schools and most Free Schools will not be operating at their full capacity by 2014/15 (paragraphs 2.5 and 2.6).

### The Department's allocation of funding

**16 The Department's funding framework for new school places could be better aligned with its objectives.** The Department adopted a planning assumption about the scale of surplus places required to support some degree of operational flexibility and parental choice. However, local authorities' statutory duty for providing sufficient schools does not oblige them to maintain a surplus of places for parental choice, nor does the Department set expectations about the assumed level of surplus required (paragraph 1.17).

**17 The Department has used four different methods to allocate funding for school places since 2007, although its current approach provides a clearer focus on the areas of greatest need.** It has moved gradually to a method which most closely reflects local authorities' need for new places, and, until 2012-13, its data was insufficiently detailed to enable it to identify 'hotspots' of demand within individual authorities. The Department has yet to decide how its future allocations will reflect the places authorities expect to deliver using the funding they have already received in prior years. Uncertainty over future levels of funding from the limited duration of allocations and changes in the Department's allocation methods has increased planning uncertainty for authorities (paragraphs 3.4, 3.5, 3.9, and 3.18, and Figure 14).

**18 For 2012-13 only, the Department sought to provide local authorities with some funding stability, and consequently allocated some £56 million (7 per cent of core funding) away from authorities with most need.** The Department introduced a transitional mechanism to afford authorities some protection as it changed the method of allocating core funding. As a result, 57 per cent of authorities received more funding than the Department assessed them to need according to authorities' own forecasts of pupil numbers, while 29 per cent received less. These forecasts were not at a detailed enough level to identify demand 'hotspots' (paragraphs 3.14 and 3.15, and Figure 16).

**19 The Department lacks sufficient information about the local impact of its funding, and has limited feedback to assure itself that overall the system for new school places is achieving value for money.** In 2012, the Department collected more detailed data by planning area within local authorities and data on forecast capacity to identify local need and potential 'hotspots'. It also intends to collect more information on the use made of its funding. However, it currently lacks a full understanding of the impact its spending is having on the number of places created, and how funding is being used (paragraphs 2.19, 3.17, and 3.19).

## **Conclusion on value for money**

**20** Delivering value for money in providing new school places requires effective partnership working, while the scale of future need is inherently uncertain. The Department has ambitious objectives to provide sufficient places and an effective choice for parents. There was a net increase of almost 81,500 primary places by May 2012 and the Department has increased funding to 2014-15 to over £4.3 billion. However, a further 256,000 new school places are still required by 2014/15 and, despite a national surplus, there are indications of real strain on school places.

**21** To improve value for money, the Department needs to build on the incremental improvements to the information it uses to make its funding allocations. It needs a better understanding of costs, clarity about how it will allocate funding to areas of need, and a better understanding of the impact its funding contribution is having on the ground.



## Recommendations

- 22** The Department should:
- a** **Clarify the costs of new places and the scope of its funding contribution to local authorities to better inform its future decisions on the total amount of funding it should contribute.** The Department needs an updated understanding of costs. It does not make clear to local authorities the scale of its financial contribution or the extent to which it is intended to enable parents to choose schools.
  - b** **Consider how its funding allocations reflect the places which local authorities already expect to deliver.** The Department needs to ensure that its chosen method is underpinned by robust data to support accurate funding allocations.
  - c** **Monitor the impact of reforms to the school system on the delivery of new places.** Local authorities increasingly have less direct control over the provision of new places, given the growth of Academies and Free Schools.
  - d** **Develop its assurance framework to better understand whether it is achieving value for money in its distribution of funding.** There is a lack of coverage of capital spending in the Department's Accountability Statement and the Department lacks information to support benchmarking of authorities' cost per place.

# Part One

## Achievement of the Department's objectives

**1.1** Parents have a legal duty to ensure their children receive a full-time education. In January 2012, there were 6.8 million 4- to 16-year-olds in state-funded schools in England, with 3.9 million in primary schools, 2.8 million in secondary schools and 78,000 in special schools.

**1.2** This part focuses on how far the Department for Education (the Department) is achieving its objectives for the provision of school places, including whether the overall system is delivering the places required. It describes the responsibilities for providing places and examines:

- the demand for new school places;
- the likelihood of the Department's objectives being met in the period to 2014-15; and
- future demand and challenges.

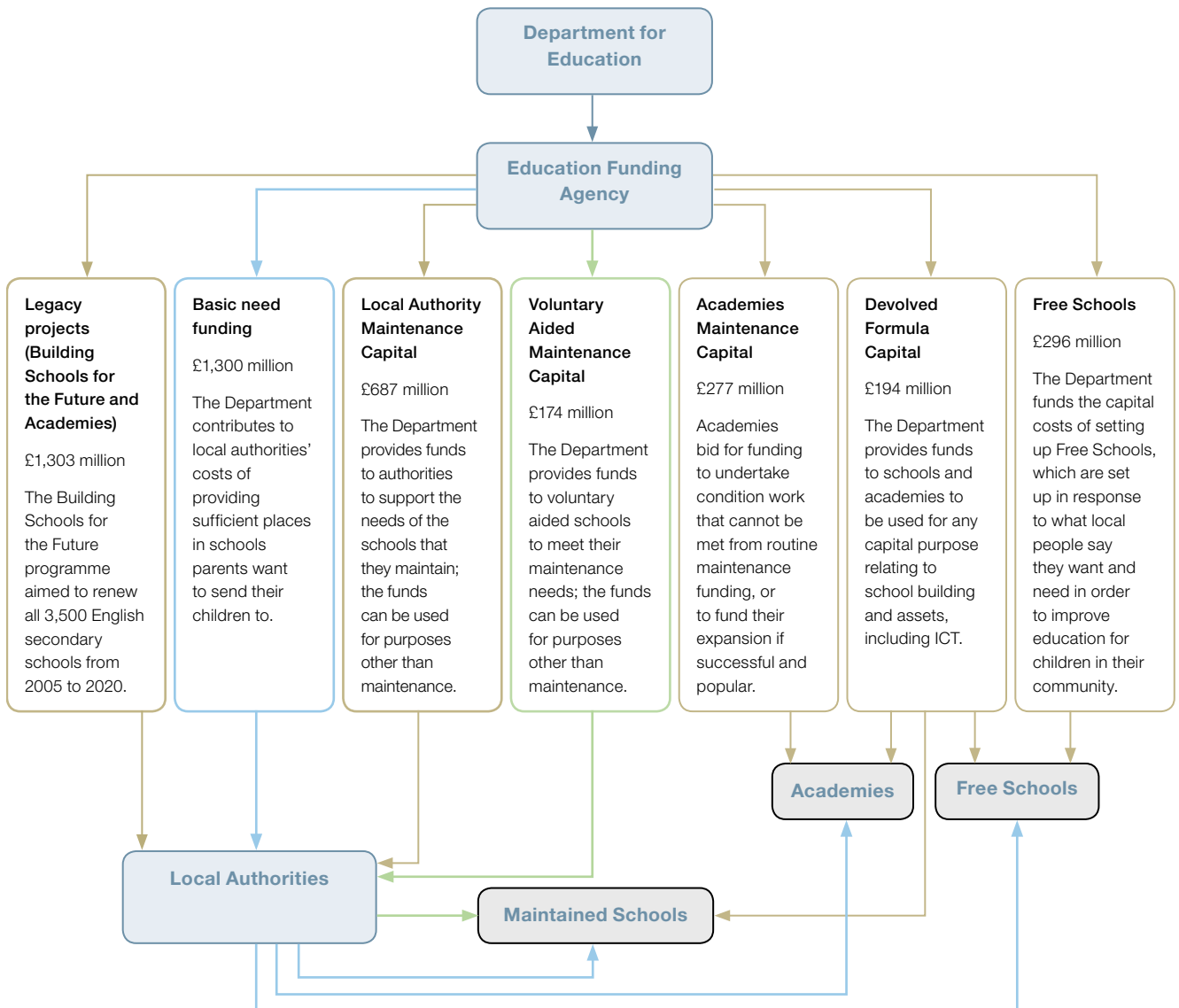
### Responsibilities for providing school places

**1.3** Responsibility for delivering value for money in new school places is shared between the Department, local authorities and schools. The Department is responsible for:

- setting the policy direction for school places, including the statutory framework;
- assessing overall demand and determining its overall funding to support creation of new places (Part Two of our report);
- allocating funding to authorities (£1.3 billion in 2012-13 (**Figure 2**)) to help meet the costs of providing new places (Part Three); and
- having assurance that, overall, the system is delivering value for money, through a robust accountability framework covering the resources it distributes (Part Three).

**Figure 2**  
The Department's capital funding 2012-13

The Department's capital funding of schools totalled £4,231 million<sup>1</sup>, of which £1,300 million was specifically for new places



□ Funding body    -□-▶ Funding stream

□ Funded School

#### NOTES

- 1 In October 2010, the Secretary of State announced that capital funding should focus on "ensuring that there are enough school places to meet demographic pressures and to address urgent maintenance needs".
- 2 The Department allocates Basic Need funding in the form of a capital grant to local authorities specifically for the creation of new school places. The grant is not ring-fenced and authorities are free to use it for any capital purpose.

Source: National Audit Office analysis of Department for Education Capital Allocations

**1.4** Local authorities have a statutory responsibility for ensuring there are sufficient schools, and therefore school places, for children.<sup>2</sup> To meet this responsibility, they need to:

- understand demographic patterns so that they can plan and fund new school places where the capacity of existing schools is projected to be insufficient to meet increased numbers of pupils; and
- determine and implement solutions to provide the places required, largely through their capital programmes.

**1.5** Local authorities may meet increased demand for places in several ways: using surplus places at existing schools and transporting children to these if necessary; expanding existing schools through converting existing spare accommodation or constructing a new extension; or facilitate the opening of new schools.

**1.6** Local authorities need to consider the following in seeking to meet their statutory duty:

- **Cooperation with the school community.** If individual schools are unwilling to take more pupils, an authority can direct their community and voluntary controlled schools to expand, but has no such powers to direct other types of school, such as voluntary aided schools, academies or free schools. Expansion of academies and free schools is a matter for the Secretary of State.
- **New schools.** Authorities cannot open new community schools.
- **Space to expand** on existing school sites may be limited, while alternative sites may not be available at an affordable price.
- There are **legal limits on class size** of no more than 30 children per teacher in infant classes in primary schools.<sup>3</sup> Regulations only allow a child to be admitted above these limits in certain, very limited circumstances.
- **Travelling distances for children.** Authorities must arrange transport at no charge to parents for children required to travel longer distances to their nearest suitable school than two miles for pupils aged up to eight, and three miles for those aged eight and over.<sup>4</sup>

<sup>2</sup> The Education Act 1996.

<sup>3</sup> The School Standards and Framework Act 1998 limits class sizes for Reception and Years 1 and 2 classes, for children reaching ages five to seven during the school year.

<sup>4</sup> The Education Act 1996.

## The demand for new school places

**1.7** Neither the Department nor local authorities have control over the number of children starting school each year. To meet their responsibilities, the Department and authorities need accurate forecasts of expected pupil numbers. The Department needs to understand demographic trends in order to determine what funding it requires over a spending period to support the provision of new places, and where to direct its funding. Authorities similarly need to identify the likely number of places required and how to fund them.

**1.8** The need for school places has increased in recent years, reversing previous trends. The number of children starting primary school is closely linked to the number of children born five years previously. Throughout the 1990s the birth rate declined, with fewer children starting school each year. However, between 2001 and 2011, the population of England and Wales showed the largest ten-year growth since the census began in 1801. In that period the number of live births in England rose by 22 per cent from 564,000 to 688,000, the largest ten-year increase since 1954 to 1964 (31 per cent). Reasons for this include a 6 per cent increase in the number of childbearing women since 2003 and women who postponed having children in their twenties in the 1990s having children in the 2000s. The effect of the increased births has been a 16 per cent increase in the number of children starting reception classes in primary school since 2006, with almost 606,000 starting in 2011/12, up from 523,000 (**Figure 3** overleaf). The number of births is projected to carry on increasing to levels last seen in the 1970s.

**1.9** Prior to the increased birth rates, the challenge facing the Department and local authorities was to remove excess capacity. Consequently, the number of primary places fell by almost 207,000 (5 per cent) between 2003/04 and 2009/10. The challenge now is making sure there are sufficient places.

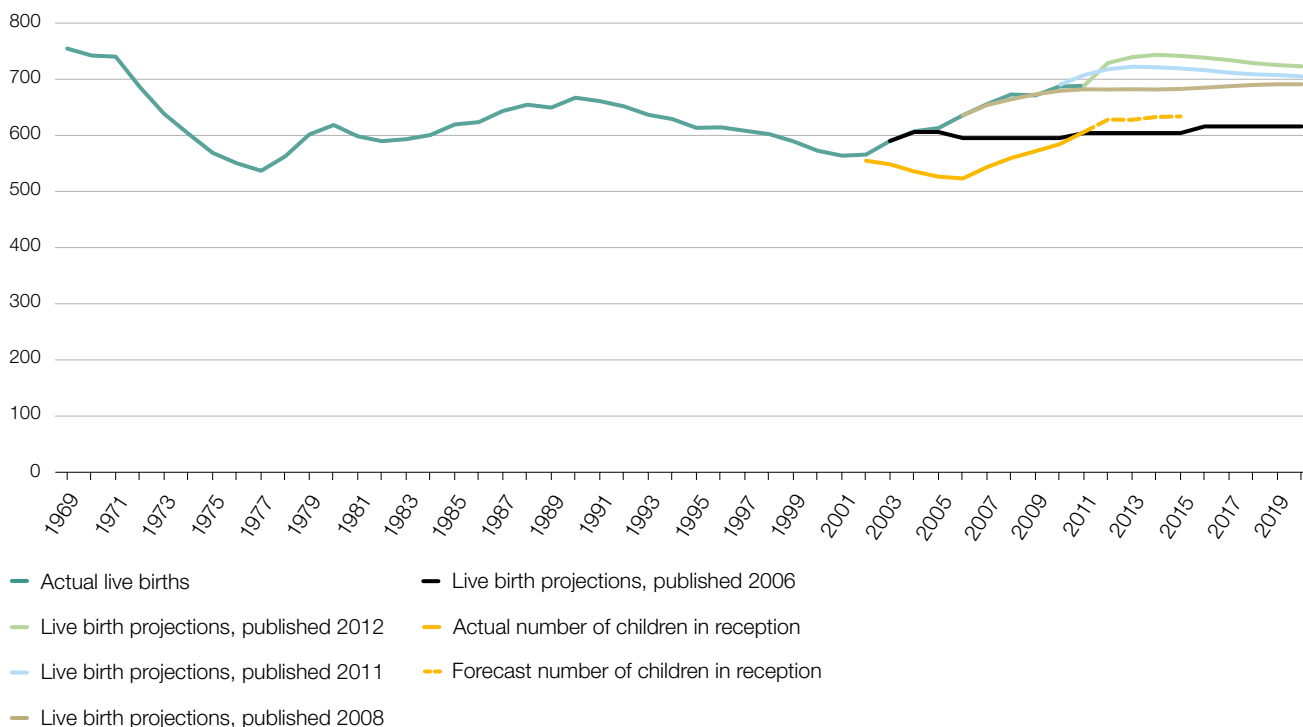
**1.10** Accurately forecasting demand has proved difficult. Both the Department and local authorities use Office for National Statistics (ONS) population projections, among other sources of evidence, to help forecast the school population. All forecasts are uncertain, and ONS projections have been subject to major revisions upwards to reflect the demographic changes.

**1.11** One component of population change that ONS projects is live births (Figure 3). Although the turnaround in the birth rate started from 2001, ONS did not factor this into its projections until those it published in March 2008 using mid-2006 data, as it wanted to be sure that this change represented a sustained trend. The changes it made then were its first revisions upwards to estimated fertility levels since the 1960s. Once ONS factored this effect into its calculations, its projections of the number of births to 2020 increased significantly from previous levels. Subsequent ONS projections have projected further increases in the number of live births, although ONS has cautioned that its 2012 projections may over-project future births.

**Figure 3**  
Live births and reception class children in England

Births have increased markedly in the past ten years

Annual live births (000)



Annual live births

Selected years	1970	1975	1980	1985	1990	1995	2000	2005	2010	2015	2020
Actual live births	742,000	569,000	618,000	619,000	667,000	613,000	573,000	613,000	687,000	-	-
Live birth projections:											
Published 2006	-	-	-	-	-	-	-	-	595,000	604,000	616,000
Published 2008	-	-	-	-	-	-	-	-	679,000	683,000	691,000
Published 2011	-	-	-	-	-	-	-	-	690,000	719,000	705,000
Published 2012	-	-	-	-	-	-	-	-	-	741,000	723,000
Reception children	-	-	-	-	-	-	-	526,000	584,000	634,000	-

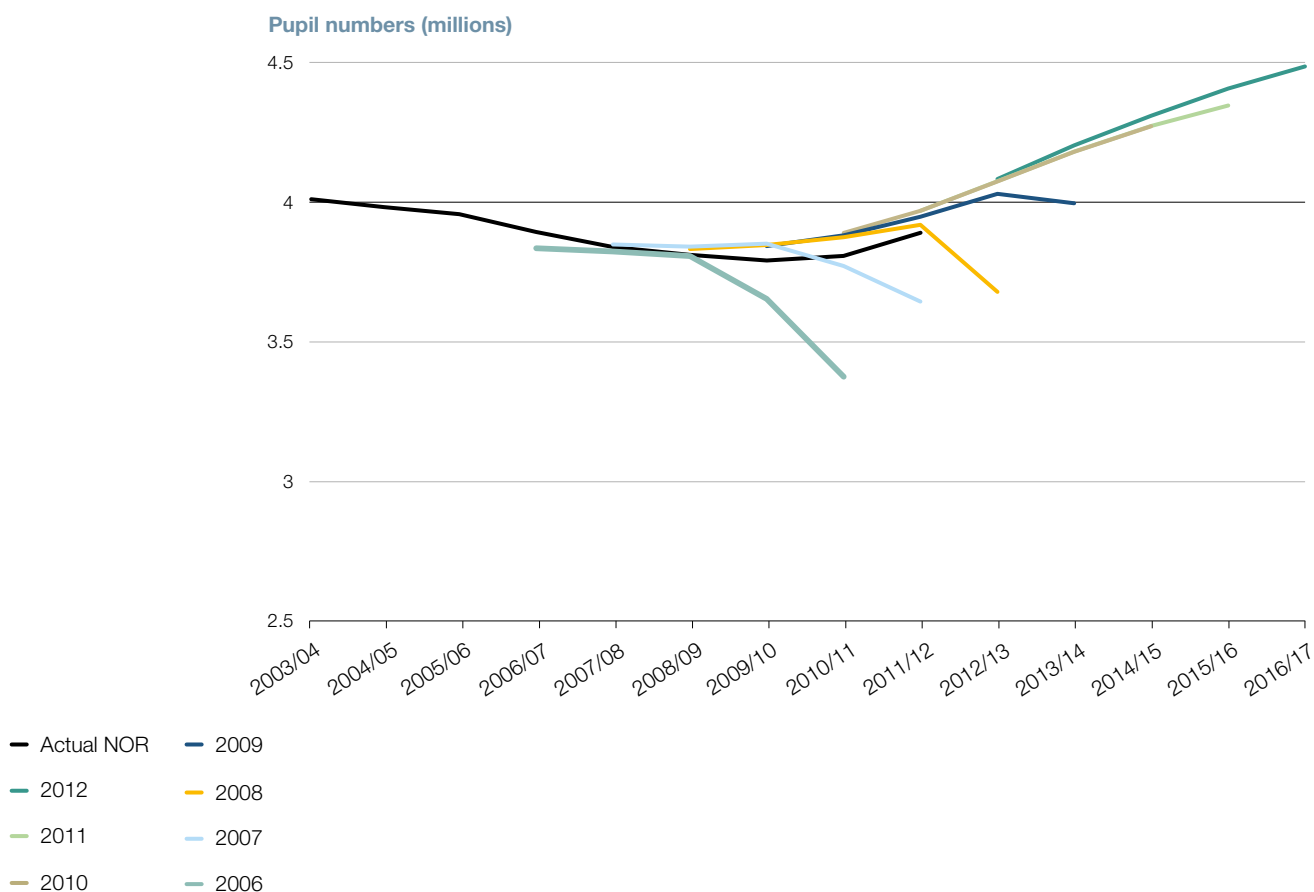
Source: National Audit Office analyses of Office for National Statistics Vital Statistics: Population and Health reference tables 2012 and National Population Projections, 2006, 2008, 2012 for Live Births, and of Department for Education School Census returns, 2003 to 2012 and School Capacity forecasts, 2011

**1.12** As increased ONS projections were first published in March 2008, it was not until their 2008 forecasts that local authorities began to forecast rises in pupil numbers (Figure 4). This change was significant as it is the authorities' projections that the Department uses to estimate future need for places. In June 2009, the Department confirmed a national increase of 3 per cent in reception class pupils for the year to January 2009, with 126 authorities experiencing an increase.

**Figure 4**

## Aggregated local authority forecasts of primary pupil numbers

It was not until 2008 that local authorities started to predict increased pupil numbers and their projections failed to predict the longer-term rise until 2010

**Pupil numbers (millions)**

Selected years	2003/04	2005/06	2007/08	2009/10	2011/12	2013/14	2015/16
2006 estimate	–	–	3.82	3.65	–	–	–
2007 estimate	–	–	3.85	3.85	3.64	–	–
2008 estimate	–	–	–	3.85	3.92	–	–
2009 estimate	–	–	–	3.84	3.95	4.00	–
2010 estimate	–	–	–	–	3.97	4.18	–
2011 estimate	–	–	–	–	3.97	4.18	4.35
2012 estimate	–	–	–	–	–	4.20	4.41
Actual NOR	4.01	3.96	3.84	3.79	3.89	–	–

**NOTE**

1 NOR - Number on roll.

Source: National Audit Office analysis of local authority aggregated forecasts, 2004–2012

## Meeting the Department's objectives

**1.13** The Department's objective in providing funding is to support local authorities in their statutory duty, in order to "ensure there are enough school places to meet demographic pressures" (Figure 2). It also aims "to use available capital funding to best effect to provide sufficient places in schools parents want to send their children to".<sup>5</sup> This aim is reflected in the Permanent Secretary's objectives, with a performance measure of the number of new places to be created by the end of the spending review period (2014/15).

### Meeting the overall need for school places

**1.14** In September 2010, the Department forecast a 330,000 rise in the number of children attending primary school between 2010/11 and 2014/15 to 4.2 million, and an increase in the number starting school from 584,000 to 633,000. It estimated that 260,000 new places would be needed in primary and 64,000 in secondary schools by September 2014 (a total of 324,000 new places).

**1.15** The places required were not evenly spread across England. Although all regions predicted need for more primary places, the greatest pressure was in London, which accounted for a third of places required.

**1.16** The Department compiled its estimate of places required by examining local authorities' forecast data for pupil numbers in 2014/15 and existing capacity in May 2010 in each authority, and, for county councils, for each district within that authority. It then calculated the number of extra places needed to achieve a surplus of places of at least 5 per cent in each authority or district. The Department adopted this planning assumption in the context of a challenging spending review when preparing its funding bid to HM Treasury. It considered that on average 5 per cent was the bare minimum needed for authorities to meet their statutory duty with operational flexibility, while enabling parents to have some choice of schools. As at September 2010, 37 of 152 authorities were forecasting a surplus of primary places of below 5 per cent by 2014/15 without any spending on new places, while another 62 would be in deficit, with fewer primary places than children.

**1.17** The Department's overall framework for supporting the delivery of new school places is not fully aligned with its twin objectives of ensuring that there is a place for each child and some spare capacity to facilitate parental choice. Local authorities' statutory duty to provide sufficient schools does not require them to maintain surplus capacity for parental choice. Although the Department issued guidance in June 2009 that it was reasonable for authorities to aim for between 5 and 10 per cent primary surplus to allow them some opportunity to respond to parental choice, it did not subsequently communicate to authorities its September 2010 figure of a minimum of 5 per cent surplus. This is because this was a planning assumption, rather than a target it expected authorities to meet. The Department recognises that it needs to undertake work to identify whether its assumption realistically enables parental choice.

<sup>5</sup> Department for Education, *Vision, Aims and Objectives* (September 2011).



**1.18** Nationally, in May 2012, there was a surplus of 10 per cent of primary places. However, 13 per cent of local authorities (19) had primary school surplus places of less than the Department's planning assumption of a minimum of 5 per cent. Of these 16 were in London and three in the North West. According to our survey, once their capital programmes to provide new places are complete, 41 per cent of authorities expected to have an operational surplus of less than 5 per cent in their primary schools. This percentage is likely to fall once authorities fully factor into their work programmes the funding announcements the Department made after our survey.

**1.19** According to the Department, by September 2012, no local authority had failed to meet its statutory duty to provide each child with a place. However, the Department has not established clear metrics to enable it to monitor authority compliance. Its ability to spot early warning signs of system failure, or identify authorities who could support others by sharing good practice, is therefore limited. It has also not set out the action it would take should an authority fail to provide sufficient places.

**1.20** It is not possible to identify how many new places local authorities have delivered. The Department does not currently collect these data in line with the government's policy of limiting the information it collects on authorities' use of non-ringfenced grants. Instead, it collects data on the number of places available each year. It is therefore only possible currently to calculate the net change in the number of places from one year to the next as additional places delivered in areas of need are netted off against place reductions in areas of unneeded spare capacity. Since the Department's September 2010 estimate, there has been a net increase of almost 81,500 in the number of primary places to May 2012. The Department estimated in February 2013 that 256,000 places, 240,000 primary and 16,000 secondary, are still required from May 2012 to 2014/15, reflecting the fact that local authorities have continued to forecast increasing numbers of pupils (Figure 4). In this latest estimate 37 per cent of the primary places are required in London (Figure 5 overleaf).

### Indications of pressure within the school system

**1.21** In addition to the increased demand, there are other indications of pressure on the school system:

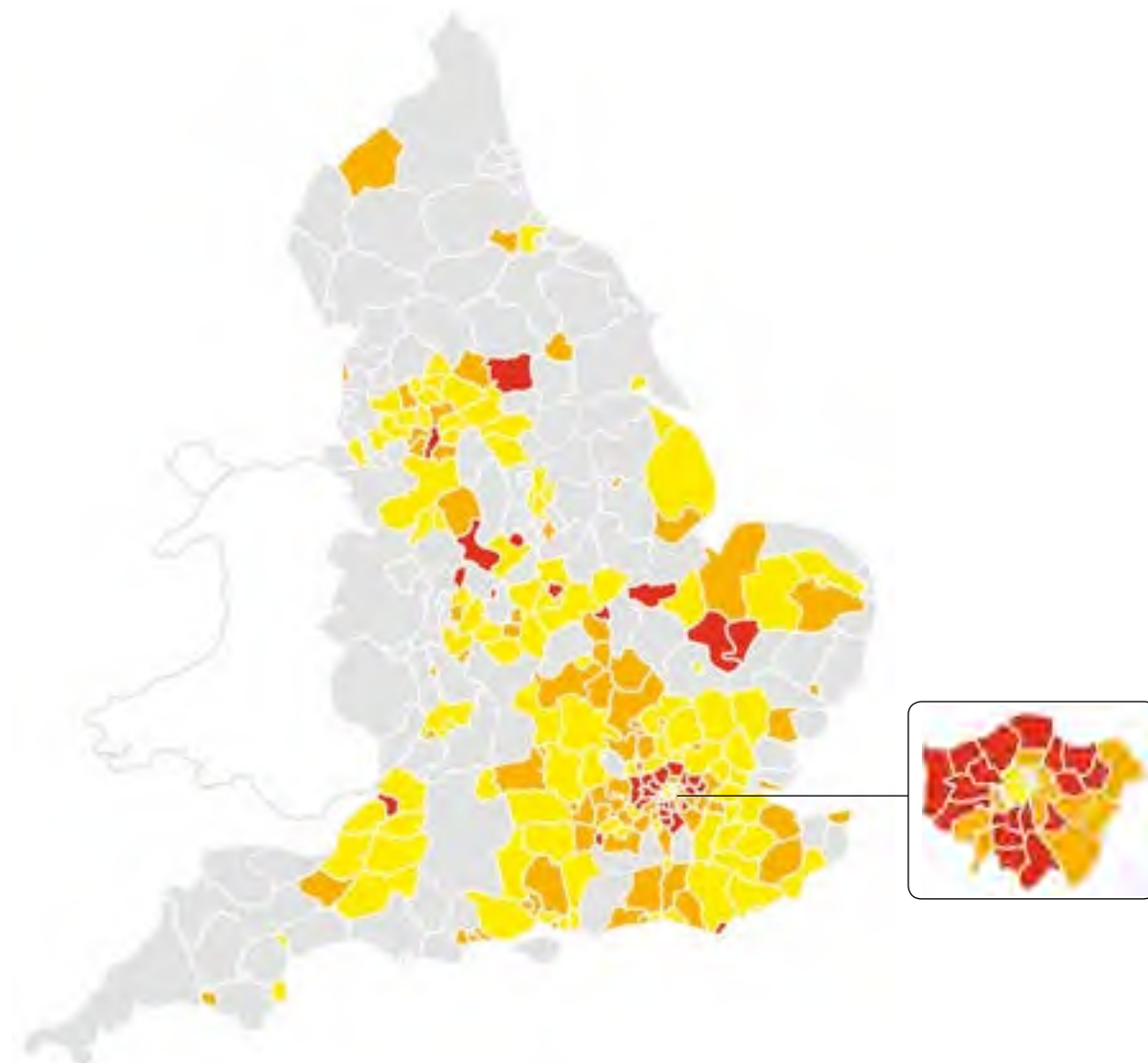
- Class sizes at Key Stage 1 in primary schools have been increasing and the number of infant classes of over 30 children has more than doubled since 2007 from 1.2 per cent of all such classes to 2.7 per cent (Figure 6 on page 21). Our analysis found that local authorities with greatest need were also those most likely to have larger average class sizes.
- As at May 2012, 20.4 per cent of primary schools were full or had pupils in excess of capacity, slightly higher than 20.3 per cent in May 2010.
- By September 2012, according to our survey of authorities, at least 81,900 children in 98 authorities were being taught in temporary accommodation, up from 74,000 in 69 authorities in 2010.
- According to our survey, 34 per cent of authorities said that rising demand for places has had a significant impact on average journey times to school.

---

**Figure 5**

Primary places required across England by 2014/15

Increasing pressure for primary school places will become severe in some parts of the country, in particular, in London



- None: district with a projected surplus of greater than 5 per cent
- Moderate: district with a projected surplus of less than 5 per cent
- High: district with a projected shortfall of less than 5 per cent
- Severe: district with a projected shortfall of greater than 5 per cent

**NOTE**

1 Need is defined as the number of additional pupils as a proportion of capacity. It is assumed each district needs a minimum of 5 per cent surplus to ensure some parental choice and to allow for operational flexibility.

## Figure 6

### Primary class sizes

#### Key Stage 1 class sizes and the number of oversize classes have risen since 2008

	2007	2008	2009	2010	2011	2012
<b>Average class size</b>						
Key Stage 1 (Years 1 and 2)	25.6	25.7	26.2	26.6	26.9	27.2
Key Stage 2 (Years 3 to 6)	27.2	27.0	26.8	26.8	27.0	27.0
Number of infant classes of 31 or more pupils <sup>1</sup>	660	720	830	1,000	1,370	1,510
As a percentage of all infant classes	1.2	1.4	1.6	1.8	2.5	2.7
Number of children in infant classes of 31 or more pupils	23,200	24,800	28,900	31,300	43,100	47,300
As a percentage of all children in infant classes	1.7	1.8	2.1	2.2	2.9	3.1

#### NOTE

<sup>1</sup> Class sizes for Reception and Years 1 and 2 classes are legally limited to 30 pupils per teacher. Schools are only permitted to breach these limits in certain circumstances – see paragraph 1.6.

Source: *Schools, Pupils & their characteristics 2011/12*, Department for Education, January 2012

**1.22** Rising pupil numbers appear to be having some impact on parental choice. Fifty-six per cent of local authorities in our survey reported that rising demand had had a significant impact on the percentage of children not offered a place at their first-choice school. We found no relationship between authorities with the highest pressure on places and the numbers of appeals by parents against the infant class place offered to their children in primary school in 2010/11. However, the Department's data show that, overall, increasing numbers of parents are unhappy with the place offered and have appealed (**Figure 7** overleaf). The proportion of successful appeals has also reduced.

**Figure 7**

Appeals by parents against primary schools not admitting their children into infant classes

**Admissions appeals have risen and the percentage decided in favour of parents has fallen**

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of admissions	594,700	590,200	592,000	610,400	621,900	633,000	644,000
<b>Appeals made by parents</b>							
Number	10,100	10,000	13,000	18,500	23,800	27,900	31,200
As a percentage of admissions	1.7	1.7	2.2	3.0	3.8	4.4	4.8
<b>Appeals decided in parents' favour</b>							
Number	1,300	1,300	1,600	2,100	2,600	3,100	3,000
As a percentage of appeals	12.9	13.4	12.3	11.1	10.9	11.1	9.6

**NOTES**

- 1 Infant classes include Reception class.
- 2 Numbers have been rounded to the nearest 100.

*Source: Admissions Appeals for Local Authority Maintained Primary and Secondary Schools in England 2010/11, Department for Education, October 2012*

**Future demand and challenges**

**1.23** In July 2012, the Department forecast that the numbers of pupils in state-maintained primary and nursery schools will continue to increase beyond the current Parliament. By 2020, they are estimated to be 18 per cent (736,000) higher than in 2012, reaching levels last seen in the 1970s (**Figure 8**). The number of secondary pupils is also forecast to increase from 2016 as the higher number of primary pupils starts to feed through. The Department's tentative estimates suggested that, in addition to the places required by 2014/15, a further 400,000 places could be needed between 2014/15 and 2018/19, 300,000 primary and 100,000 secondary. The Department is undertaking work to consider the uncertainty in these long-term estimates.

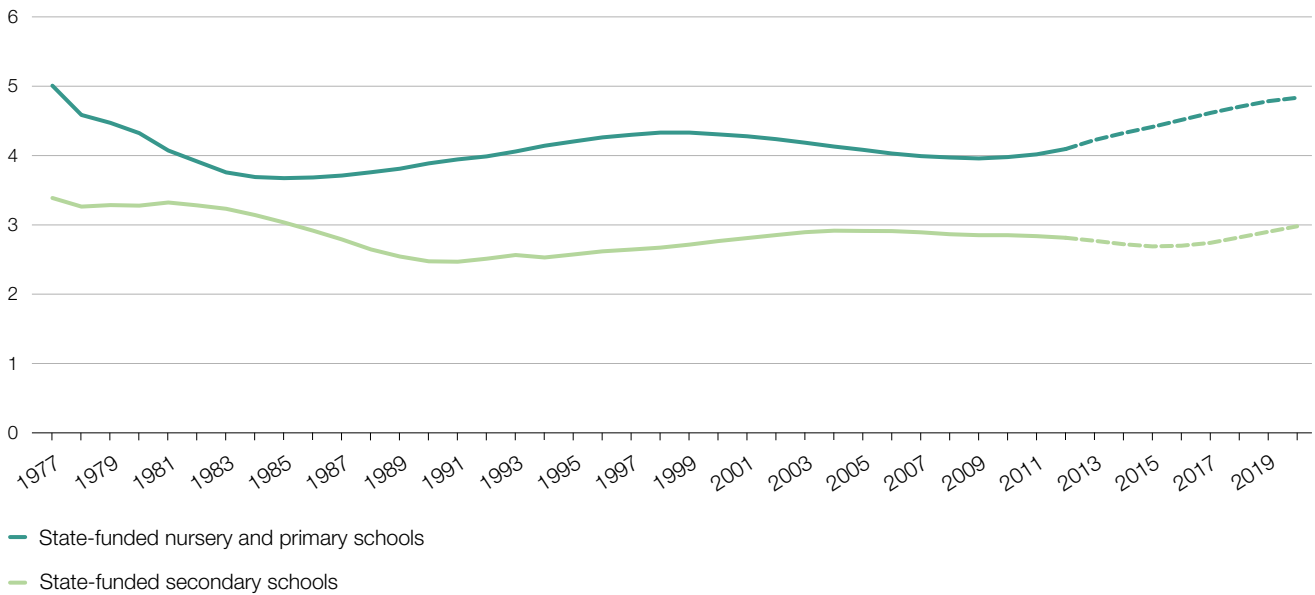
**1.24** Many local authorities also told us that increasing numbers of Academies and Free Schools may make providing new places more difficult as authorities have no powers to direct them to expand to take more pupils. Reviews by the Department in 2012 found examples of Academies which were keen to expand, but also examples of Academies not wishing to expand. The Department argues that schools have a range of very valid individual reasons for these decisions.

**Figure 8**

## The pupil population in England

Primary pupil numbers are predicted to rise to levels last seen in 1970s

## Total pupil numbers (millions)



## Total pupil numbers (millions)

Selected years	1977	1980	1985	1990	1995	2000	2005	2010	2015 (forecast)	2020 (forecast)
State-funded nursery and primary schools	5.01	4.32	3.67	3.89	4.20	4.31	4.08	3.98	4.43	4.85
State-funded secondary schools	3.39	3.28	3.04	2.47	2.57	2.77	2.91	2.85	2.69	2.98

**NOTE**

1 Full time equivalent (FTE) numbers count part-time pupils as 0.5.

Source: National Pupil Projections: Future trends in pupil numbers, July 2012 Update, Department for Education, July 2012.

## Part Two

### Funding new school places

**2.1** This part assesses how the Department determines the funding required to support the provision of school places by local authorities. It focuses on the information the Department used to determine the funding and how its information is being improved. Although the Department intends its funding to make a significant contribution to the cost of providing new places, it has always expected authorities to make a contribution from their own resources.

#### The Department's specific funding for new school places

**2.2** In the 2000s, the Department recognised that, although the overall need was for the removal of surplus places, local pockets of growth in school-age population could occur, particularly in larger local authorities. It therefore provided core capital funding to authorities totalling £400 million a year from 2007-08 to 2010-11, to help cover local growth in need for places.<sup>6</sup>

**2.3** The Department also operated an annual 'safety valve' whereby local authorities could apply for extra funding to address exceptional growth. Until 2009, very few authorities applied for this additional grant funding. In autumn 2009, in response to the first forecasts that substantial numbers of new places would be required, the Department ran a larger safety valve exercise, allocating an extra £266 million for 2010-11 to 36 authorities to provide primary places for September 2010 and September 2011.

**2.4** Under its 2010 Spending Review settlement in October 2010, the Department doubled its specific core funding for new places to £800 million a year from 2011-12 to 2014-15. In total £3.2 billion was expected to be paid over the period to local authorities through non-ringfenced capital grants (**Figure 9**). In parallel, it reduced planned spending on its other capital programmes to reflect the 60 per cent real-terms reduction in its overall capital budget under the settlement.

<sup>6</sup> The Department provided revenue support, via the Formula Grant administered by the Department for Communities and Local Government. This allowed authorities to take out additional capital borrowing totalling £400 million a year for providing new places. This was not ringfenced.

**2.5** The Department reduced Devolved Formula Capital funding for schools' maintenance, and cancelled the Primary Capital Programme and many Building Schools for the Future projects (**Figure 10** overleaf). The primary purpose of these two programmes was the refurbishment of existing schools, but some local authorities had started to consider how they could be used to expand schools to provide extra places in areas of need. The Department did not assess the impact of reducing these programmes on the provision of new places as it lacked the necessary data. Consequently, there is no complete evaluation of how total funding which may have contributed to new places changed across all the Department's capital funding streams.

## Figure 9

The Department's funding of new school places over the 2010 Spending Review period

The Department has increased its funding of new school places after the 2010 Spending Review

		Places to be delivered by 2014/15	Department's estimate of total cost of places (£m)	Departmental funds for extra places (£m)	Implied local authority contribution <sup>1</sup> (£m)	Implied local authority share of total costs <sup>1</sup> (%)	Departmental funding per place <sup>1</sup> (£)
Funding bid	September 2010	324,000 (2010 baseline)	5,000	4,000	1,000	20	12,345
Funding settlement	October 2010	324,000	5,000	3,200	1,800	36	9,875
Departmental revision to cost assumptions	May 2011	324,000	4,700	3,200	1,500	32	9,875
Departmental savings	July 2011	324,000	4,700	3,700	1,000	21	11,420
Extra Treasury funding	November 2011	324,000	4,700	4,300	400	9	13,270
Revised places forecast	February 2013	312,000 (2011 baseline)		4,300			13,780

### NOTE

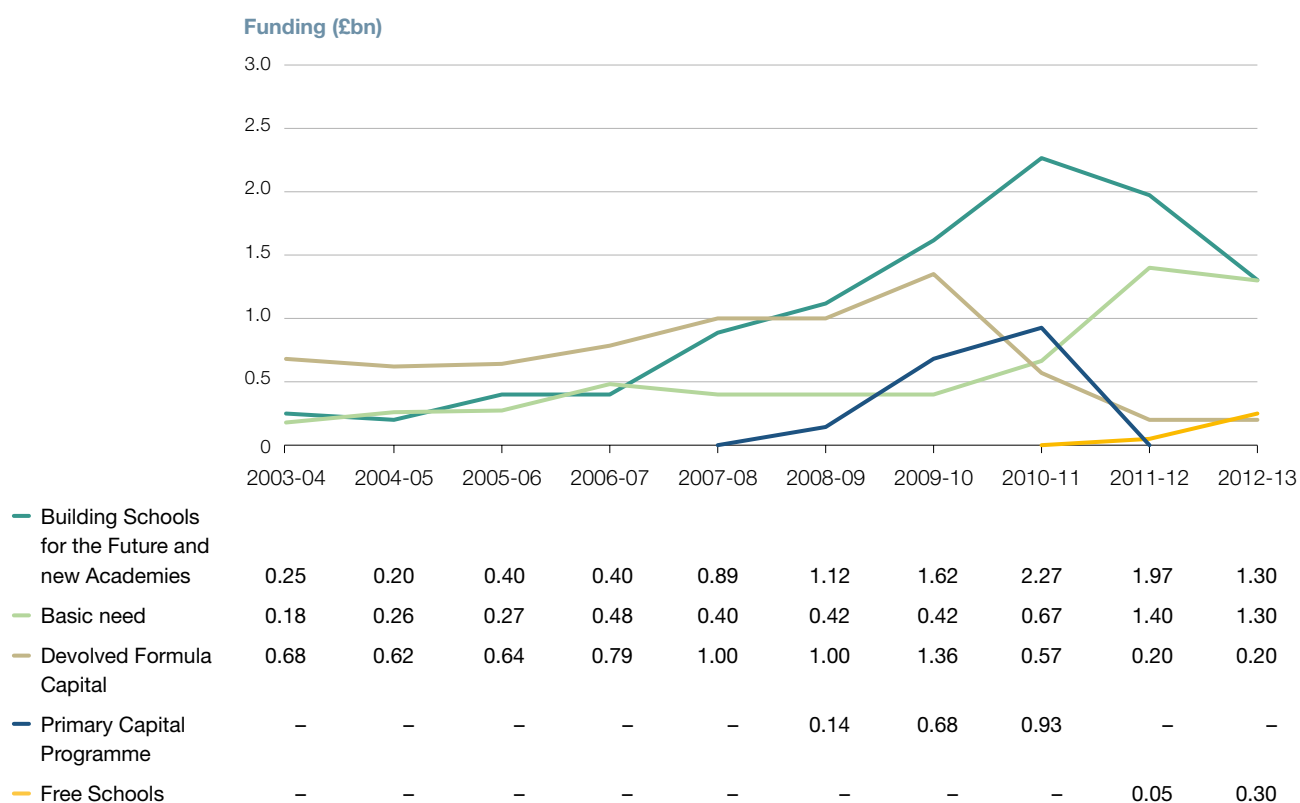
<sup>1</sup> The above figures take no account of the time lag between the allocation of funding and delivery of places or of the extra capital funding for schools of £982 million provided by the Treasury in December 2012. The Department has invited bids from local authorities which will determine how much of this funding is for the delivery of new places in 2014-15 and how much for 2015-16.

Sources: National Audit Office analysis of Department for Education Spending Review 2010 Capital Bids, subsequent Department for Education announcements and 2012 Autumn Statement, July 2010 – March 2013

**Figure 10**

The Department's capital expenditure on schools

Capital funding specifically for new places has increased threefold since 2009-10



Source: Department for Education Capital Allocations

**2.6** The Department's other new capital programmes will deliver some extra places. For example, the Department's Free Schools Programme will increase the number of places available, although it is not primarily intended by the Department to deliver places in areas of shortage. Geographical distribution is one factor that the Department considers in assessing applications to open Free Schools, along with others such as parental demand. Some Free Schools may therefore open in areas which already have a surplus of places. The Department has allocated capital funding of £1.7 billion to 2014-15 for Free Schools. Our analysis of the capacity of 45 Free Schools that opened in September 2012 suggests that they could provide up to 24,500 new places, around 10 per cent of the 256,000 places that need to be delivered between May 2012<sup>7</sup> and 2014/15 (paragraph 1.20). We estimate that 58 per cent of the places that could be offered by these schools are in local authorities with a shortage of places. However, only 8,800 of the 24,500 places are in primary schools and most Free Schools will not be operating at their full capacity by 2014/15. The establishment of Free Schools will be the subject of a separate National Audit Office review.

7 The Department's revised estimate of the number of places required by 2014/15 takes account of the capacity of Free Schools opened in September 2011.



**2.7** The Department has increased its specific funding for school places since the October 2010 Spending Review settlement to meet revised assessments of the funding required (Figure 9). Extra funding of £500 million in July 2011 came from further savings on its other capital programmes, and HM Treasury provided additional capital funds for new places in November 2011 of £600 million. The extra funding has effectively increased the average amount of the Department's funding per place from £9,875 in October 2010 to £13,780. The figure is higher than the £12,345 implied in its September 2010 funding bid. As the Department has not produced an updated estimate of the total cost of delivery, it is not clear whether this represents an accurate assessment of the resources required to meet forecast need.

**2.8** In December 2012, the Treasury announced additional capital funding of £982 million for schools. Subsequently in March 2013, the Department launched its Targeted Basic Need Programme. It invited local authorities to submit, by the end of April, bids for funding to deliver extra places in areas of need by September 2014 and September 2015. It is therefore not yet clear how much funding in total the Department will be providing for the delivery of places by 2014/15.

### **The Department's information base for determining funding**

**2.9** To support its funding bid in the 2010 Spending Review, the Department needed to have robust, up-to-date information on:

- the likely number of new places required, based on forecast population pressures within individual local authorities and data on how far local capacity could meet these pressures;
- the total cost of providing these places, given the mix of solutions authorities were likely to use; and
- the proportion of the costs authorities would meet from their own resources.

**2.10** Producing accurate estimates at a national level of the costs of local delivery is difficult. However, gaps in the Department's evidence for each of these areas meant that it could not present a fully robust bid for funding. The Department's decision was to allocate £3.2 billion for new places following the funding settlement, given competing priorities for its reduced total capital budget. This figure did not, however, reflect a robust revision of its original cost estimates.

### **The number of places required**

**2.11** The Department based its initial bids on high-level analyses of need, using national ONS projections to produce an estimate of 170,000 places required. These analyses underestimated the true extent of places required as they were insufficiently detailed to reflect localised demand. Once it received detailed local authority data, the Department carried out a more detailed analysis in September 2010, late in the Spending Review process, using local authorities' forecast pupil numbers in 2014/15 and existing capacity in May 2010 (paragraph 1.16) to identify the need for 260,000 new primary and 64,000 secondary places by September 2014.

**2.12** In compiling the estimate of 324,000, the Department used existing capacity in May 2010 as its baseline as it lacked data on the likely capacity in each local authority in April 2011, the start of the 2010 Spending Review period. Once it had the necessary May 2011 capacity data, it used this as its baseline to produce a more accurate estimate of 293,000 as the number of places required over the actual Spending Review period. In March 2013, it used May 2011 capacity data and local authorities' 2012 increased forecasts of expected pupil numbers in 2014/15 to increase its estimate of the number of places required to 312,000 (288,000 primary and 24,000 secondary).

**2.13** These estimates take no account of the time lag between the Department's allocation of funding and the delivery of places by local authorities. They therefore do not reflect that funding allocated in 2010-11 would help deliver some places in 2011/12 nor that 2014-15 funding would deliver some places in 2015/16.

### The total cost of providing the places required

**2.14** The Department estimated the cost of providing the 324,000 places required at £5 billion (approximately £15,430 per place), using cost data from Partnerships for Schools. These data dated from 2007 and the Department had to adjust for inflation to 2010 in its costings. The costings also included a 25 per cent uplift (from £4 billion to £5 billion) to reflect the cost of items, such as ICT and other equipment and furniture and fittings, which it expected local authorities to fund. While the Department's inflation of the cost data to 2010 values was reasonable in the absence of up-to-date data, more up-to-date cost information would have produced a more accurate cost estimate. The Department had no evidence to support the 25 per cent uplift.

**2.15** The Department based its costings on an assumption that all new places would be in permanent accommodation, with no use of temporary classes and no contribution from its other capital programmes. It assumed that building extensions would provide 75 per cent of places in existing schools and new schools would provide the remainder. It subsequently examined, both during and after the 2010 Spending Review, the impact of varying its assumptions about the solutions used by local authorities to deliver places. For example, in early 2011, it altered these assumptions to 85 per cent extensions and 15 per cent new schools, reducing the estimated cost to £4.7 billion (approximately £14,510 per place) (Figure 9). Our survey revealed that authorities have taken more varied approaches to providing places than the Department assumed, with some using non-accommodation solutions not involving capital expenditure (Figure 11).

**2.16** There are significant omissions from the Department's costings. They made no allowance for the costs of providing new places in voluntary aided schools, where some works can be subject to VAT, as the Department did not know the extent to which local authorities would fund extra places at such schools. The costings also omitted the cost of land acquisition. This cost is likely to become increasingly significant as local authorities reach the limits of existing school sites. Two-thirds of authorities in our survey said lack of space on existing sites was a major constraint on providing new primary places.

**Figure 11**  
Local authority solutions for providing primary places

**Local authorities use a broad range of solutions**

**Solution used**

**School organisation**

Increased numbers of Forms of Entry

Bulge classes

More pupils in existing classes

More mixed-age classes

Opening of a new school

Support for a new Free School proposal

**Accommodation solutions**

Construction of a new permanent extension

Installation of temporary accommodation

Conversion of non-classroom space

Reduction in playground space

Construction of a new school

Reopening 'mothballed' space

Reduction in space standards

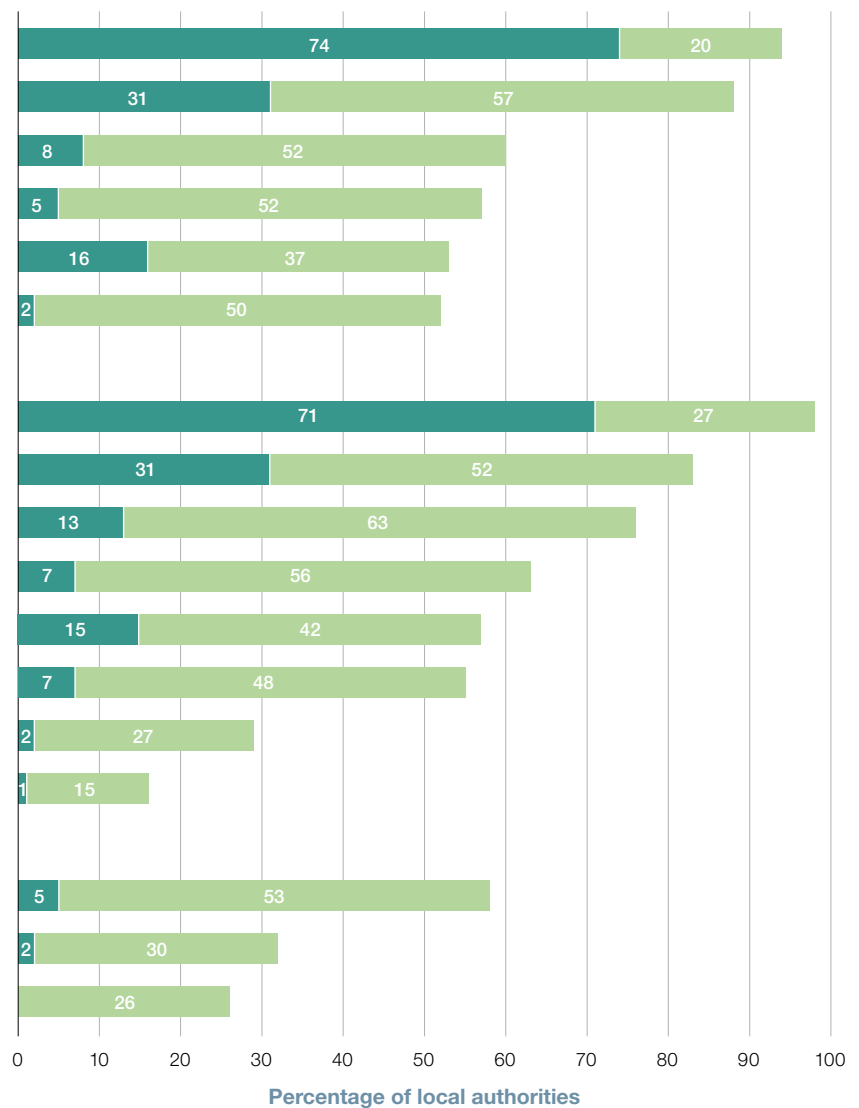
Use of non-school properties

**Non-accommodation solutions**

Acceptance of increased pupil travel times

Increased local authority funded bussing of children

Other local authority funded transport solutions  
(eg taxis)



■ Great extent

■ Some extent

**NOTES**

1 Base: 122–125 local authorities.

2 A 'bulge class' is an additional class within a particular year group, not involving a permanent expansion of the total number of forms of entry for a school as a whole.

Source: National Audit Office survey of local authorities

## The proportion of costs to be met by local authorities

**2.17** The contribution from local authorities implied by departmental funding has varied from 36 per cent to 9 per cent (Figure 9). In its September 2010 funding bid the Department assumed authorities would contribute 20 per cent of the total cost of providing new places (£1 billion – paragraph 2.14). It had no evidence to support this assumption or its impact on authorities as it does not collect data on the extent to which authorities finance new places from their own resources and the sources of their funding. Nor did it communicate to authorities its planning assumptions on the scale of their contributions. According to our survey the average contribution authorities were making in 2012-13 to the cost of delivering new places was 34 per cent.

**2.18** Our survey also found, in addition to the Department's specific funding for new places, local authorities are using a variety of funding sources to finance their programmes (Figure 12). Sixty-four per cent are spending some of the capital funds they receive from the Department for maintenance on places. This potentially stores up future costs by deferring repair work.

## Improvements to the Department's information

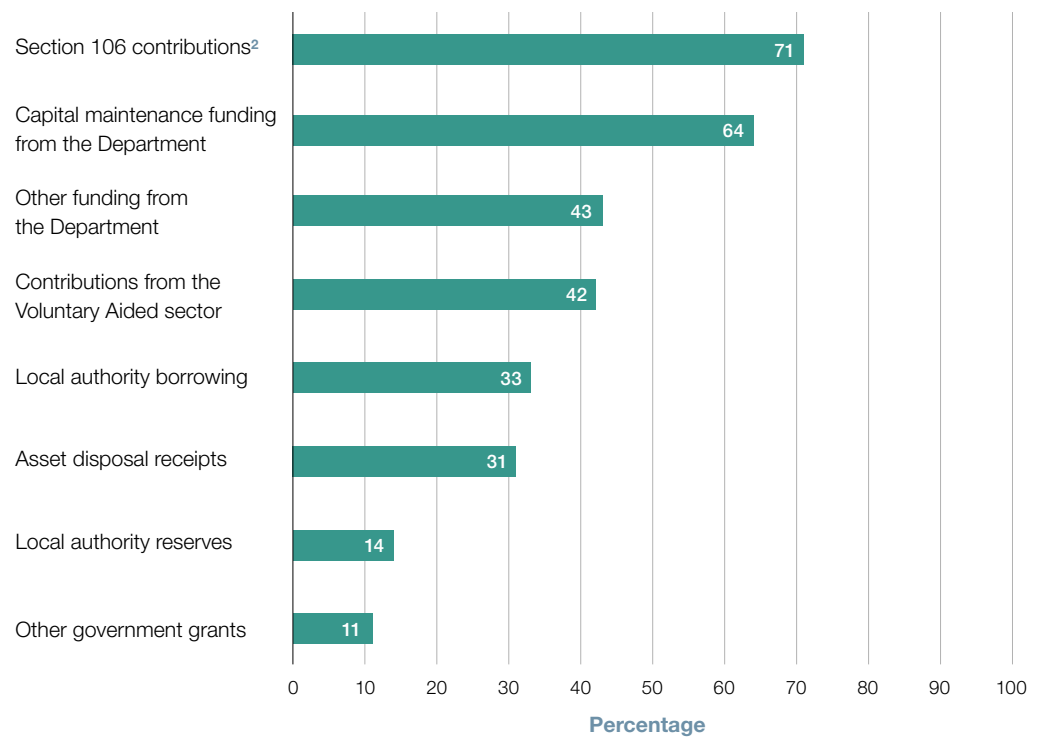
**2.19** The Department has taken steps to address the weaknesses in its information for the next Spending Review. However, the impact of these actions has yet to be fully felt:

- The Department recognised that, to produce a more accurate estimate of places, it required a more detailed understanding of local need than it had in September 2010, and data on future capacity. In 2012, it collected for the first time information on the forecast number of pupils and available school capacity at a more detailed level, by local planning area<sup>8</sup> within each local authority, and data on local authorities' forecast capacity in 12 months' time.
- The Department is currently revising its unit costs to ensure they are up-to-date. In doing this, it is considering the impact of its new standardised designs for schools announced in October 2012, which indicate the potential for reducing building costs for new schools by up to 30 per cent.
- In summer 2012, the Department examined how authorities were providing the places required and the mix of delivery solutions used. In March 2013, it announced that it would require authorities to provide data annually on the number of new places delivered and the schools providing them.
- The Department requires more evidence to support its judgement on the size and impact of the financial contribution from authorities. As part of its March 2013 announcement, it stated that it would also require authorities to provide annual data on the costs and sources of funding.

<sup>8</sup> Local authorities group their primary and secondary schools into 'planning areas' for the purposes of place planning. Authorities are free to determine the size and composition of these groupings.

**Figure 12**

Local authority sources of financing their share of costs for new places

**New places funding often comes from section 106 funds and maintenance funding****NOTES**

1 Base: 104 – 118 local authorities.

2 Section 106 contributions are contributions from developers under the planning system towards improving local infrastructure.

*Source: National Audit Office survey of local authorities*

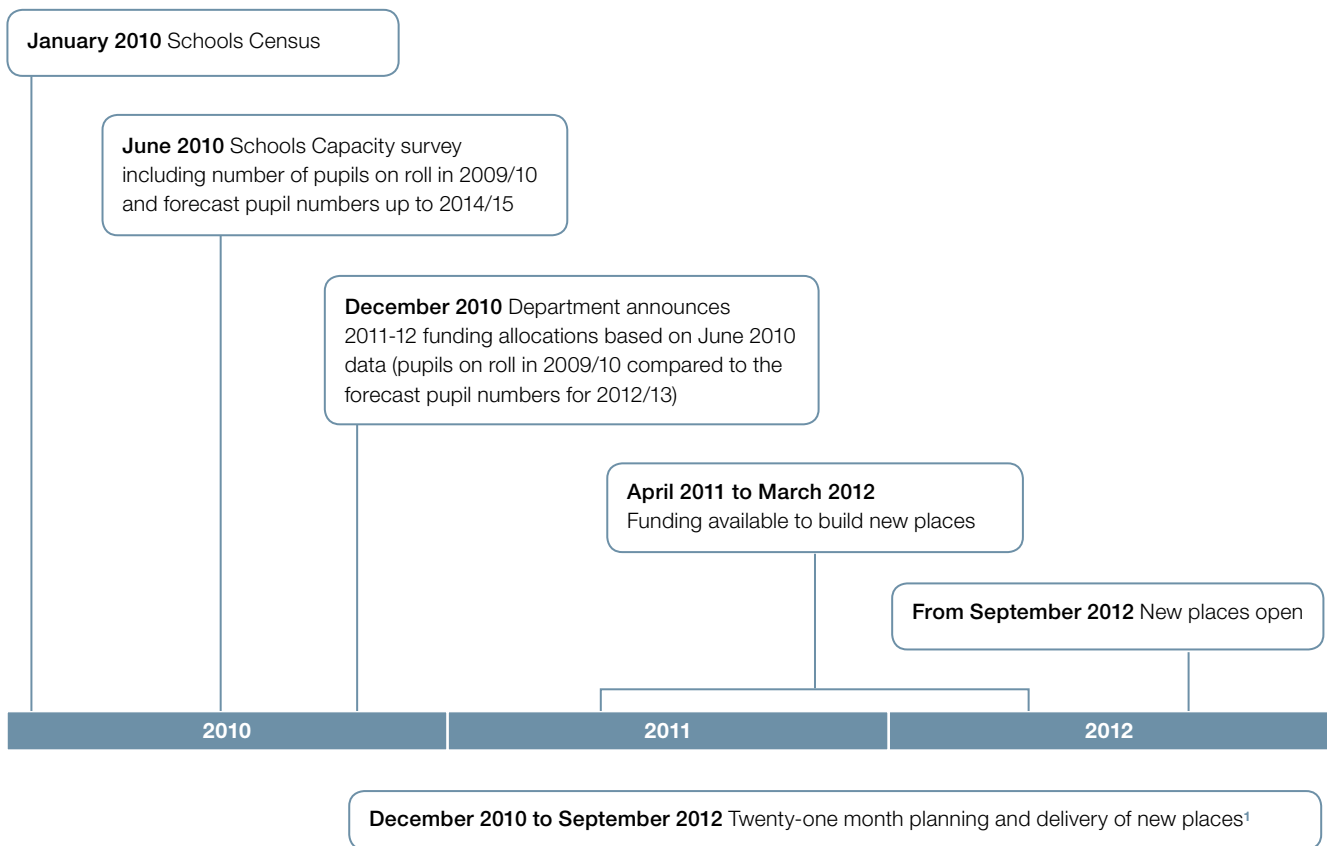
## Part Three

### The Department’s funding allocation

**3.1** This part of our report examines how the Department, once it has determined the scale of funding required (Part Two), allocates its funding contribution to help local authorities provide school places. **Figure 13** sets out the process for 2011-12.

**Figure 13**  
The funding allocation process for 2011-12

It takes around two years from identifying need to providing new places



**NOTE**

<sup>1</sup> Some places may be provided sooner, depending on the solutions local authorities use.

**3.2** We assessed the Department's allocation process for its funding by drawing on our review of local public service funding.<sup>9</sup> It set out criteria for effective formula funding, which are:

- set clear, precise objectives and design formulae which address these directly and are based on reliable data from appropriate data sources;
- distinguish between factors requiring political judgement and those which should be grounded in empirical evidence; and
- be transparent in operating the funding formulae.

### **The Department's objectives and indicators for allocating places funding**

**3.3** Clear objectives mean that allocations can better reflect priorities, and that the basis of funding, monitoring and value for money is also clear. The Department's objective in providing funding for places is to ensure that there are enough school places to meet demographic pressures (paragraph 1.13).

#### The Department's indicators for allocating funding







**3.4** The Department defines local authorities in demographic need as those with surplus places of less than 5 per cent in any district. An indicator most closely reflecting this definition would compare the forecast number of pupils against an estimate of the number of places anticipated to be available at that time. The resulting capacity surplus or shortfall would reflect the relative funding needs in each area. The Department used a 'capacity' indicator to allocate the supplementary funding of £500 million in 2011-12, and £600 million in 2012-13. In contrast, when allocating core annual funding, the Department has used four different methods since 2007 (**Figure 14** overleaf).

**3.5** The Department has moved gradually to using 'capacity' in allocating its core funding. It moved gradually to ensure that all local authorities received some funding to deliver extra places. Up to and including the core allocation for 2012-13, every authority received some funding for extra places. In contrast, use of the 'capacity' indicator for supplementary funding resulted in 41 authorities not receiving any funding. The Department knew that its data was insufficiently detailed to enable it to identify 'hotspots' of demand within individual authorities and that, consequently, there was a risk that, if it moved completely to allocation using 'capacity', an authority with a 'hotspot' might receive no funding in a year. Allocations for 2013-14 and 2014-15 are based fully on 'capacity', using the detailed planning area level data the Department collected from authorities for the first time in 2012 (paragraph 2.19). Seven authorities will receive none of the £1.6 billion funding allocated for these years.

<sup>9</sup> Comptroller and Auditor General, Cross-government landscape review: *Formula funding of local public services*, Session 2010-2012, HC 1090, National Audit Office, July 2011.

**Figure 14**  
Changes to the Department's allocation methodology

The Department has changed how it allocates funding four times since 2007

Financial year	Core annual funding				Supplementary funding			
	Funding available	Funding allocations announced	Allocation indicator <sup>1</sup>	Indicator fit with need definition <sup>2</sup>	Funding available	Funding allocations announced	Allocation indicator <sup>1</sup>	Indicator fit with need definition <sup>2</sup>
Previous Spending Review period, CSR07								
2008-09 to 2010-11	£400 million per year	October 2007	Pupil numbers and growth (40:60)		Safety valve exercises: Funds allocated to successful bids			
Current Spending Review period, SR10								
2011-12	£800 million	December 2010	Growth		£500 million	November 2011	Capacity shortfall	
2012-13	£800 million	December 2011	Growth and capacity shortfall (50:50) with stability mechanism		£600 million	April 2012	Capacity shortfall	
2013-14 and 2014-15	£800 million per year	March 2013	Capacity shortfall		Targeted Basic Need Programme: Funds allocated to successful funding bids			

#### NOTES

- 1 Funding allocation indicators: Pupil numbers = actual number of pupils attending school in local authority; Growth = forecast increase in pupil numbers within authority; Shortfall = level of capacity surplus or shortfall forecast by authorities
- 2 National Audit Office assessment of indicator fit: Red = Indicator used to allocate does not reflect basic need; Amber = Indicator used partly reflects basic need; Green = Indicator used closely reflects basic need

Source: National Audit Office review of Department for Education Capital Allocations, 2006 to 2013

## The impact of forecasting accuracy on allocations

**3.6** The Department relies on the accuracy of local authorities' forecasts of pupil numbers to allocate its funding accurately. Authorities make annual returns<sup>10</sup> to the Department which include forecasts of expected pupil numbers in primary schools for the next five years and the next seven years in secondary schools. The Department based its single-year funding allocations in 2011-12 and 2012-13 on the three-year forecasts, for example, allocating 2011-12 funding using authorities' forecasts for 2013, submitted in 2010 (Figure 13).

10 Schools Capacity survey.



**3.7** We compared local authorities' forecasts of pupil numbers with actual pupil numbers over several years and found that, overall, longer-term forecasts were less accurate than shorter-term forecasts (**Figure 15**). The use of longer-term forecasts when allocating funding therefore increases the risk of funding not being allocated to where it is most needed.

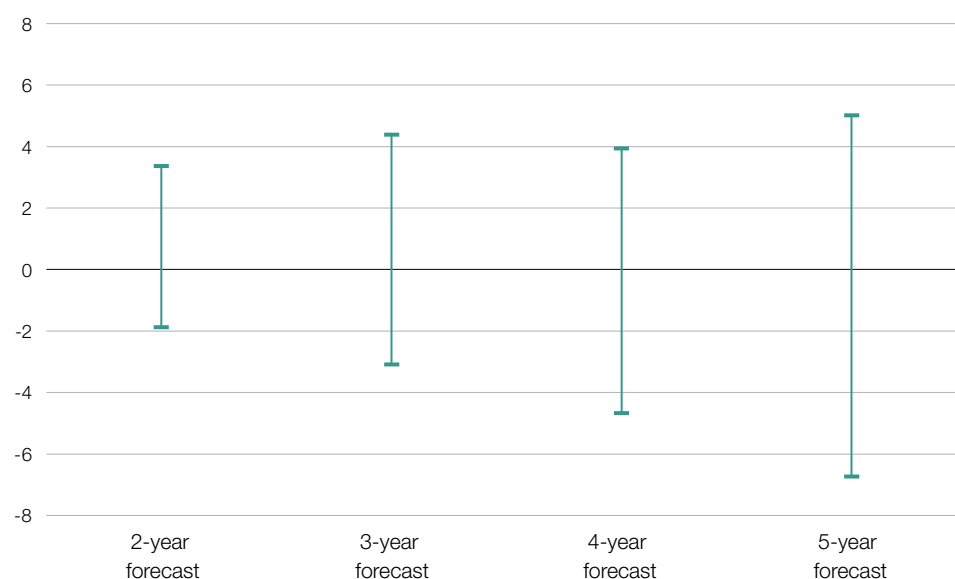
**3.8** To illustrate the impact of forecasting uncertainty on funding allocations, we analysed the accuracy of local authorities' 2007 forecasts of expected pupil numbers in 2012 compared to the actual numbers in 2012, as it was these forecasts that the Department used to allocate the annual funding of £400 million for 2008-09 to 2010-11 (Figure 14). We found that a quarter of authorities forecast within 1.3 per cent of actual primary numbers and 1.7 per cent for secondary, and that, if all authorities had achieved this level of accuracy, 29 per cent of the funding for this period, £350 million, would have been allocated differently.

### Figure 15

#### Accuracy of local authorities' forecasts of expected pupil numbers

The risk of inaccuracies increases as authorities forecast further into the future

##### Difference between forecast and outturn (%)



##### NOTE

1 Eighty per cent of forecasts fell within these bars.

Source: National Audit Office analysis of Department for Education data and local authority forecasts, 2006 to 2008

## The impact of two-year funding allocations

**3.9** The Department's 2013-14 and 2014-15 allocations were the first for more than one year since the 2007 Comprehensive Spending Review period. This two-year allocation of funding should improve planning certainty for local authorities. The effect of single-year allocations, changing allocation methods, and announcements of extra funding was to increase planning uncertainty for local authorities, as their income from allocations fluctuated unpredictably from year to year. In our survey, 94 per cent of authorities reported uncertainty over funding levels as a major constraint on their ability to deliver new primary places, and 62 per cent for secondary places.

**3.10** Local authorities' planning decisions are affected by the certainty they have over future funding levels, as some solutions require longer for planning and construction. For example, constructing a new one-form entry school can take up to 36 months, a one-form entry extension to an existing school up to 24 months and the purchase and installation of one-form entry temporary accommodation up to nine months. If the Department's funding mechanism is not to distort local choices in responding to need, it must consider the timescales of all significant options for creating new places.

**3.11** Although the switch to a two-year allocation for 2013-14 and 2014-15 should improve certainty for local authorities, there is a trade-off to be made between greater certainty and the accuracy of the Department's allocation. For this two-year allocation, the Department used forecasts of pupil numbers in four years' time, which are less accurate than forecasts for fewer years' ahead (Figure 15).

**3.12** If the Department continues to make funding allocations for more than a single year, improving local authority forecasting accuracy will be crucial if it is to allocate funding to the areas of greatest need. The Department's quality assurance of authorities' forecasts identifies authorities that have submitted incomplete information or forecasts that have changed by more than 5 per cent since the previous year's submission, and it contacts authorities which do not pass these checks. However, it does not routinely compare authorities' forecasts to actual outturn in pupil numbers in order to identify authorities that have repeatedly over- or under-forecast and thus received allocations not reflecting their true need. The Department intends to consult with authorities on how the accuracy of their forecasts can be taken into account in future allocations.

## The Department's use of stability funding

**3.13** Our review of formula funding found that departments have to balance allocations according to need with decisions about funding stability. They may build in stability measures to support financial planning and providing stable services, but these judgements should be based on objective analysis of the changes in income that organisations can absorb.

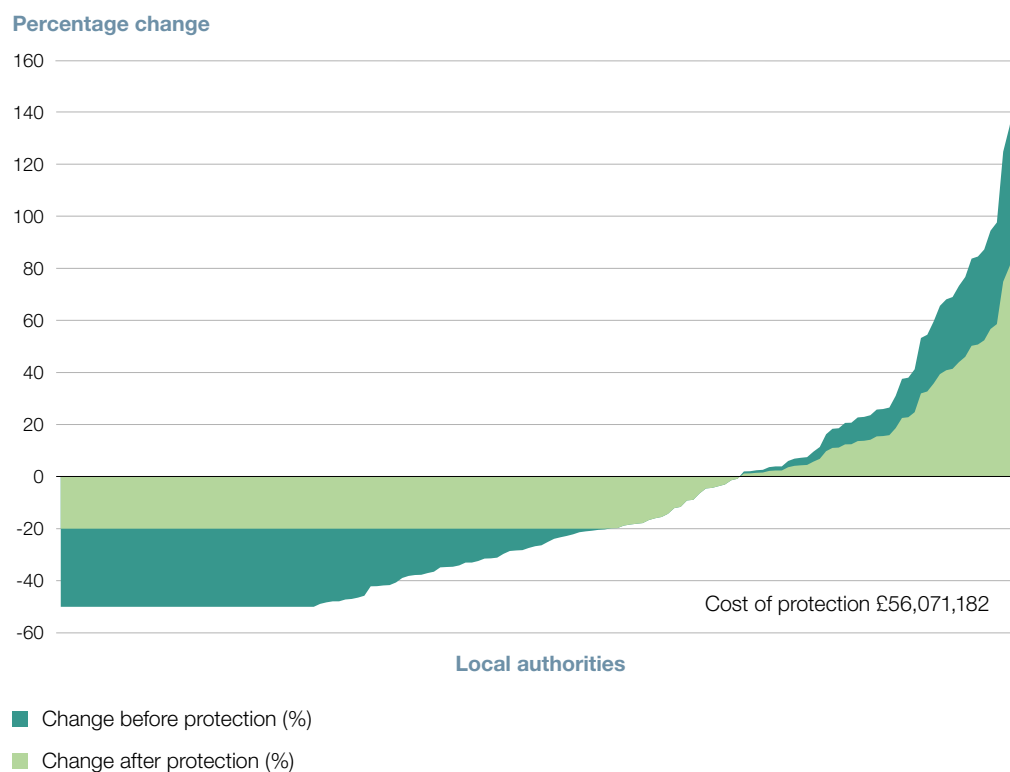
**3.14** For its school places funding, the Department decided to make a ‘protection’ adjustment to funding allocations for 2012-13. It aimed to provide stability by maintaining authorities’ 2012-13 core funding at a roughly similar level to 2011-12 despite a change in the allocation method (Figure 14). Consequently, in 2012-13, each local authority received at least 80 per cent of the funding it would have received had the methodology not changed. To achieve this, the Department reduced the funding allocated to those authorities who were most in need of places by £56 million (7 per cent of core funding) (**Figure 16**).

**3.15** The use of this stability mechanism resulted in 57 per cent of local authorities being funded more than the Department had assessed they needed using authorities’ own forecasts of pupil numbers, while 29 per cent were funded less. The authorities’ forecasts were not at a detailed enough level to identify ‘hotspots’ of demand (paragraph 3.5). The Department’s intention was that the use of a stability mechanism would be a transitional approach. For 2013-14 and 2014-15, funding allocations are fully based on ‘capacity’, which more closely reflects authorities’ needs, without any further stability mechanism.

### Figure 16

Impact of protection on allocations to local authorities for 2012-13

Protection reduced allocations to those authorities with the biggest need



Source: National Audit Office analysis of Department for Education allocations data

## **The Department's transparency in operating its funding formula, and its tracking of impacts**

**3.16** Our review considered that departments' operation of funding formulae should be transparent, to enable those receiving funding to check and, if necessary, challenge allocations. For capital funding for new school places, the Department's decision-making for allocations lacks transparency. According to our survey, 79 per cent of local authorities did not understand the link between their allocations from the Department and the data they submitted to the Department. The Department intends to improve the transparency of its funding by providing each authority with an explanation of how the data the authority provided resulted in its allocations for 2013-14 and 2014-15.

**3.17** The Department collected more detailed local information by planning area and on forecast capacity for the first time in 2012 (paragraph 2.19). These new data should enable the Department to develop a better understanding of hotspots of demand, changes in the number of current and future places within local authorities, and authorities' place planning and use of the Department's funding.

**3.18** There is also scope for the new data to inform funding allocations. When using the 'capacity' indicator to allocate funding, the Department has used as its baseline data on the number of places available at the time of the allocation. This baseline means that the allocation does not fully reflect the places local authorities expect to deliver using funding they have already received in the previous year owing to the time lag in delivery (paragraph 2.13 and Figure 13). To get a better idea of this time lag effect, the Department could use the new forecast capacity data from authorities. It was unable to use this forecast capacity data as the baseline for its calculation of the 2013-14 and 2014-15 allocations as it was concerned that the data it received was insufficiently robust and complete. It therefore intends to consult with authorities on options for reflecting expected place delivery in its funding allocations.

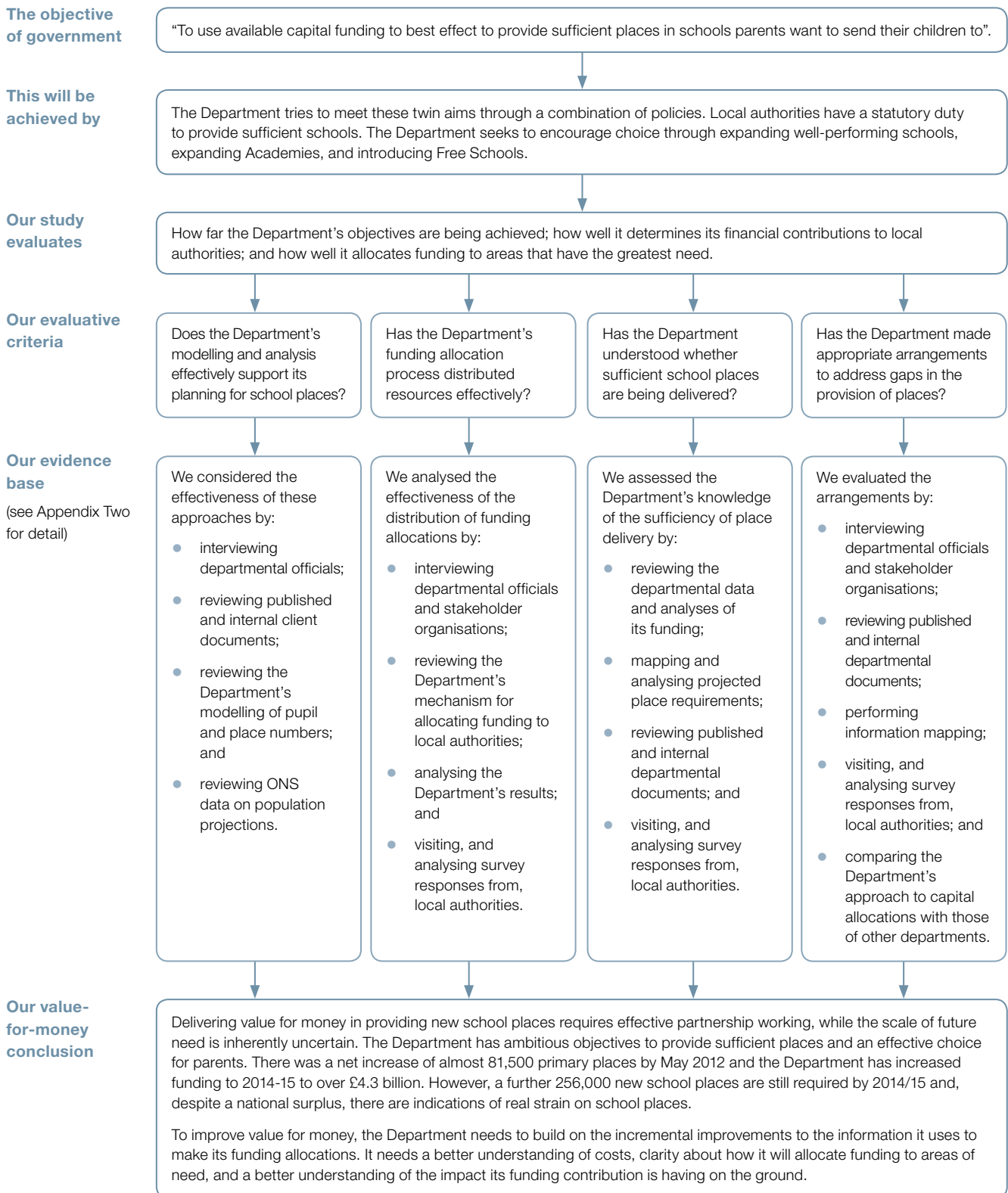
**3.19** The Department is currently analysing its new data, but is not planning to use it to analyse the relationship between the funding it allocates to local authorities and the places those authorities have delivered. It therefore has no basis to set benchmarks for authorities' cost per place. This omission is reflected more widely in the lack of coverage of capital spending in its Departmental Accountability Statement. It therefore needs to develop further its assurance framework to understand whether it is achieving value for money in its distribution of funding to authorities.

# Appendix One

## Our audit approach

- 1 We reviewed:
  - how far the Department's objectives are being achieved;
  - how well it determines its financial contributions to local authorities; and
  - how well it allocates funding to areas that have the greatest need.
- 2 We analysed what arrangements would have been optimal in terms of:
  - how the Department understands whether its objectives for new school places are being met;
  - how effective the Department's modelling and analysis was to support its planning for providing school places; and
  - how effectively the Department has distributed resources.
- 3 By 'optimal' we mean the most desirable possible, while acknowledging expressed or implied restrictions or constraints. Restrictions or constraints in this context are:
  - local authorities' duty to provide sufficient schools; and
  - the limitations imposed by a public spending settlement that must reconcile accountability for public funds with the policy aim of autonomy.
- 4 Our audit approach is summarised in **Figure 17** overleaf. Our evidence base is described in Appendix Two.

**Figure 17**  
Our audit approach



# Appendix Two

## Our evidence base

- 1** We reached our conclusion on value for money after analysing evidence we collected between April and September 2012.
- 2** We applied an analytical framework with evaluative criteria to consider what would be optimal, both in the system for providing school places, of allocating funding for new school places, and overseeing whether the Department is achieving its objectives. Our audit approach is outlined in Appendix One.
- 3 We examined the impact of increasing demand for school places on local authorities, schools and children.**
  - We conducted **semi-structured interviews** with 15 local authorities, including visits to schools.
  - We carried out a **census of local authorities** with questions about the planning and provision of school places, and the impact of demand for school places in local authorities. We achieved an 83 per cent response rate (126 local authorities). However, not all local authorities that responded answered each question, hence the base varies between questions.
  - We **analysed departmental data** about travel times to school, appeals, class sizes, and parental preferences in applications for schools for their children.
- 4 We examined the Department's Spending Review settlement and financing of new school places.**
  - We reviewed **internal departmental documents** and published evidence to establish the Department's assumptions in its 2010 Spending Review bid and settlement, and the historic data available to inform planning and funding for new school places.
  - We **interviewed departmental officials** to understand how the Department constructed bids for the 2007 and 2010 Spending Reviews, and the impact of the settlements on the Department's planning.

- We **analysed forecasting, pupil projections and other data** used to inform the Department's Spending Review bid.
- We reviewed the assumptions the Department and local authorities made about how the cost of funding new school places would be met.
- Our **census of local authorities** collected evidence on local authorities' funding programmes for delivery of new school places.

**5 We assessed how effective the Department was at allocating its financial contribution to local authorities for providing new school places.**

- We analysed data the Department collected from local authorities to inform its decision-making on allocating funding.
- We examined what feedback the Department gave local authorities about the data they had provided.
- We examined the information available to the Department to determine the impact of its funding locally.
- We reviewed evidence from investigations the Department had conducted in March 2011 and June 2012, examining the impact of its allocations on the capacity within local authorities to provide new school places.
- We carried out an **information mapping** exercise with departmental officials to examine the responsibilities, information flows, funding streams and the accountability framework for the system, and the action the Department took to track the likelihood of local authorities failing to provide sufficient school places.
- We interviewed 15 local authorities about their capital planning, financing and provision of new school places.
- We drew on **previous National Audit Office work on *Formula funding of local public services***<sup>11</sup> and ***Central government's communication and engagement with local government***.<sup>12</sup>

**6** We conducted **semi-structured interviews** with stakeholder organisations, including the Local Government Association and voluntary-aided organisations to triangulate our findings by investigating their experiences, insights and key issues.

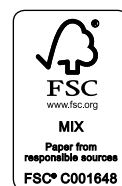
11 Comptroller and Auditor General, Cross-government landscape review: *Formula funding of local public services*, Session 2010-2012, HC 1090, National Audit Office, July 2011.

12 Comptroller and Auditor General, *Central government's communication and engagement with local government*, Session 2012-13, HC 187, National Audit Office, June 2012.









Design and Production by  
NAO Communications  
DP Ref: 10089-001

This report has been printed on Evolution Digital Satin and contains material sourced from responsibly managed and sustainable forests certified in accordance with the FSC (Forest Stewardship Council).

The wood pulp is totally recyclable and acid-free. Our printers also have full ISO 14001 environmental accreditation, which ensures that they have effective procedures in place to manage waste and practices that may affect the environment.



National Audit Office

Published by TSO (The Stationery Office) and available from:

Online

[www.tsoshop.co.uk](http://www.tsoshop.co.uk)

Mail, telephone, fax and email

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders/general enquiries: 0870 600 5522

Order through the Parliamentary Hotline

Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

Email: [customer.services@tso.co.uk](mailto:customer.services@tso.co.uk)

Textphone: 0870 240 3701

The Houses of Parliament Shop

12 Bridge Street, Parliament Square,

London SW1A 2JX

Telephone orders/general enquiries: 020 7219 3890

Fax orders: 020 7219 3866

Email: [shop@parliament.uk](mailto:shop@parliament.uk)

Internet: <http://www.shop.parliament.uk>

TSO@Blackwell and other accredited agents

£16.00

ISBN 978-0-10-298135-3

