

be provided.² Given that basic need allocations do not explicitly factor in funding for land acquisition, it is particularly important that education land required within larger development sites is provided at no cost to the local authority wherever possible, and pooled developer contributions (Section 106 and/or CIL) are secured for the purchase of standalone sites for new schools.

6. While basic need funding can be used for new school places that are required due to housing development, we would expect this to be the minimum amount necessary to maintain development viability, having taken into account all infrastructure requirements. Where you have a reasonable expectation of developer funding being received for certain school places,³ and you have declared this in your SCAP return (or plan to do so), then basic need funding should not be considered available for those school places other than as forward funding to be reimbursed by developer contributions later.

7. There are other options besides basic need grant for forward-funding school places, including the use of local authority borrowing powers where necessary. Where new schools or school expansion is necessary to mitigate the impacts of development, and those new facilities are to be forward funded (for example by local authorities borrowing money to fund school development prior to receiving Section 106 monies or by using capital reserves), it may be possible to secure developer contributions to recoup the monies spent, including interest, fees and expenses as well as the principal sum spent. Where this model is envisaged, we recommend that you engage with the local planning authority before forward funding occurs to ensure that the local planning authority supports this approach. The CIL Regulations prohibit borrowing against future CIL receipts, so this method of forward-funding only applies to planning obligations. Local authorities can bid for funding under government grant programmes such as the Housing Infrastructure Fund (HIF) as they become available, while developers delivering schools directly as an ‘in kind’ contribution may be eligible for loan funding from DfE or Homes England, allowing a new school to be delivered at an earlier stage in the development than would have been possible otherwise.⁴

Evidence of pupil yields from housing development

8. Pupil yield factors should be based on up-to-date evidence from recent local housing developments, so you can forecast the education needs for each phase and type of education provision arising from new development. As well as being useful for pupil place planning across your area, pupil yield factors allow you to estimate the number of

² [National Planning Practice Guidance](#). Construction costs include ICT and furniture and equipment required for the delivery of the school.

³ In accordance with a local plan’s viability assessment, policies and/or an infrastructure funding statement.

⁴ Guidance on the [Home Building Fund](#) and DfE [Developer Loans for Schools prospectus](#).

early years, school and post-16 places required as a direct result of development, underpinning the contributions agreed in planning obligations. We are working on a detailed methodology for calculating pupil yields from housing development (including assessment of available capacity in existing schools), to be published in due course. In the meantime, local approaches to calculating pupil yields remain valid.

9. While many early years settings fall within the private, voluntary and independent (PVI) sector, local authorities have a duty to ensure early years childcare provision within the terms set out in the Childcare Acts 2006 and 2016. DfE has scaled up state-funded early years places since 2010, including the introduction of funding for eligible 2 year olds and the 30 hours funded childcare offer for 3-4 year olds. The take-up has been high, increasing demand for early years provision. All new primary schools are now expected to include a nursery. Developer contributions have a role to play in helping to fund additional nursery places required as a result of housing growth, however they may be provided, in particular where these are proposed as part of school expansions or new schools.

10. You are also responsible for ensuring sufficient schools for pupils receiving primary and secondary education up to the age of 19. Furthermore, you must secure sufficient education and training provision for young people with an Education, Health and Care (EHC) plan, up to the age of 25.⁵ Pupil yield data should identify the number of students living in recent housing developments, aged 16-19 (without an EHC plan) and up to the age of 25 (with an EHC plan). We advise you to seek developer contributions for expansions required to sixth form and special educational needs and disabilities (SEN) provision, commensurate with the need arising from the development.

11. To determine the need for SEN provision, pupil yield data should identify the number of pupils/learners within recent local housing developments who attend special schools, pupil referral units or alternative provision, SEN units and resourced provision within mainstream schools. It is reasonable and fair to seek developer contributions for SEN provision in direct proportion to the needs arising from planned housing development, applying the same principle to SEN provision as to mainstream. There is no standard capacity assessment applicable to special schools and other types of non-mainstream education, as their ability to accommodate pupils depends on the specific needs of each child. However, an increase in housing will lead to an increase in SEN, and we advise you to seek developer contributions for all special school/SEN places generated by a development, where there is a need for additional SEN provision. Greater travel distances to special schools and alternative provision should not affect your

⁵ [Participation of young people: education, employment and training.](#)

consideration of whether a planning obligation meets the legal tests outlined in paragraph 1.

12. We advise you to identify a range of SEN or other non-mainstream projects and ensure that planning obligations allow you the flexibility to direct funds appropriately within a 10 year period. Non-mainstream provision does not conform to standard class sizes, these being determined according to need. While it may be appropriate to pool contributions towards a new classroom in a special school or SEN unit at a mainstream school, it is equally valid to seek contributions for school building alterations that increase a school's capacity to cater for children with SEN, such as additional space for sensory rooms, facilities to teach independent living skills or practical teaching space.

13. It is not necessary to disaggregate the SEN pupil yield factor according to different complex needs. All education contributions are based on an assessment of probability and averages, recognising that the precise mix of age groups and school choices cannot be known before a development is built. Site-specific factors will always need to be taken into account, but a robust local authority-wide pupil yield factor based on evidence of recent developments will often be sufficient to demonstrate that this need is reasonably related in scale and kind to the development.

Costs of provision

14. The amount of money that you seek to secure through developer contributions for education provision should reflect the cost of providing school places, linked to the policy requirements in an up-to-date emerging or adopted plan that has been informed by viability assessment.

15. We advise that you base the assumed cost of mainstream school places on national average costs published in the DfE school place scorecards.⁶ This allows you to differentiate between the average per pupil costs of a new school, permanent expansion or temporary expansion, ensuring developer contributions are fairly and reasonably related in scale and kind to the development. You should adjust the national average to reflect the costs in your region, using BCIS location factors.⁷ We recommend the use of index linking when developer contributions are discussed at planning application stage and in planning obligations, so that contributions are adjusted for inflation at the point they are negotiated and when payment is due.

⁶ [School places scorecards](#).

⁷ Further guidance on doing this is available with the school place scorecards (see the technical notes) for 2018 onwards.

16. Developer contributions for early years provision will usually be used to fund places at existing or new school sites, incorporated within primary or all-through schools. Therefore, we recommend that the per pupil cost of early years provision is assumed to be the same as for a primary school. Similarly, further education places provided within secondary school sixth forms will cost broadly the same as a secondary school place.

17. Special schools require more space per pupil than mainstream schools, and this should be reflected in the assumed costs of provision. We recommend that developer contributions for special or alternative school places are set at four times the cost of mainstream places, consistent with the space standards in Building Bulletin 104.⁸ You can also refer to the National School Delivery Cost Benchmarking report for the costs of delivering SEN school places.⁹

18. Where there is local evidence of higher costs for a particular project, such as a bespoke feasibility study or known site abnormalities, these can be used in preference to the adjusted national average.

Identifying education projects

19. Local plans and other planning policy documents should set out the expectations for contributions from development towards infrastructure, including education of all phases (age 0-19) and special educational needs.¹⁰ We advise local authorities with education responsibilities to work jointly with relevant local planning authorities as plans are prepared and planning applications determined, to ensure that all education needs are properly addressed, including temporary education needs where relevant, such as temporary school provision and any associated school transport costs before a permanent new school opens within a development site. This does not mean double funding the same school places, but allows development to be acceptable in planning terms when it is not possible to open a permanent new school at the point of need. When a permanent new school is delivered (or the relevant financial contribution is received), no further contributions to temporary provision should be required.

20. We recommend that you identify a preferred and 'contingency' school expansion project in a planning obligation, as long as both would comply with the Section 106 tests. This will help you respond to changing circumstances and new information, such as detailed feasibility work leading you to abandon a preferred expansion project.

⁸ [Primary and secondary school design guidance.](#)

⁹ [National School Delivery Cost Benchmarking: Primary, Secondary and SEN Schools](#)

¹⁰ [National Planning Practice Guidance](#)

21. We advise you to consider the realistic potential for schools in your area to expand or increase capacity through other alterations, in discussion with academy trusts, and identify site options for any new schools (within proposed housing developments or on standalone sites). Including suitable projects in the local planning authority's infrastructure funding statement will ensure that developer contributions are clearly identified as the funding source where new schools, expansions or alterations are required due to housing growth. This background work will also minimise the risk of a specified school project in a planning obligation proving undeliverable. Planned expansions to academies may require an agreement between the local authority and academy trust to ensure that school places provided by developer contributions are commissioned/delivered appropriately.

Safeguarding land for schools

22. National Planning Practice Guidance advises on how local planning authorities should prepare plans and take account of education requirements. We advise you to work with local planning authorities and developers to ensure your long-term pupil place planning objectives are reflected in the development plan (and supplementary planning documents which do not form part of the development plan, but which are material planning considerations).¹¹ Precise policies can aid decision-making later, setting out the total amount of land required for education, and the approach to securing equitable developer contributions when one developer provides the land for a new school, though the need for the school is generated by more than one development or phase.

23. You may wish to safeguard additional land when new schools within development sites are being planned, to allow for anticipated future expansion or the reconfiguration of schools to create a single site. 'Future-proofing' can sometimes be achieved informally through a site layout that places open space adjacent to a school site. Where there is a forecast need for new school places that is not linked exclusively to a particular development, the development plan can allocate specific areas of land for new schools or school expansion, and safeguard specific parcels of land within wider development sites for education use. Safeguarded land within larger site allocations can be made available for purchase by the local authority within an agreed timescale, after which the land may be developed for other uses.

24. While developers can only be expected to provide free land to meet the education need from their development, the allocation of additional land for education use within a development plan will make it more difficult for land owners to secure planning consent

¹¹ The development plan is defined in Section 38 of the [Planning and Compulsory Purchase Act 2004](#), and comprises the spatial development strategy, development plan documents and neighbourhood development plans.

for alternative uses on that land, enabling you to acquire the site at an appropriate cost that reflects the site allocation. This ensures that land is reserved for education uses, and prevents such land being usurped by uses with a higher development value. Land equalisation approaches can be used in multi-phase developments to ensure the development ‘hosting’ a new school (and any additional safeguarded land) is not disadvantaged. Nevertheless, the market price for the land will depend on its permissible uses. Land allocated for educational use in a local plan would usually have limited prospect of achieving planning permission for any other uses. Independent land valuation may be required to establish an acquisition cost. National Planning Practice Guidance provides advice on land valuation for the purposes of viability assessment.

25. Compulsory purchase may have a potential role in supporting the delivery of new education facilities. However, it is a tool of last resort and compulsory purchase orders (CPOs) will only be confirmed (i.e. approved) if there is a compelling case in the public interest. Where an acquiring authority seeks to acquire land for the purposes of providing education facilities, its justification for doing so may be strengthened if the site is allocated for such a use in an up-to-date development plan. Planning policy is also taken into account for the purposes of assessing compensation payable to affected landowners.

26. Where new schools are planned within housing developments, we advise you to consider whether direct delivery by the developer would represent the best value for money, subject to an appropriate specification and pre-application support from the local planning authority. Advice on complying with state aid and public procurement legislation is provided in the Annex.

Strategic developments and new settlements

27. Garden communities are an increasingly popular way of planning for housing growth at the scale required to meet the country’s housing needs. The government is supporting a number of garden communities under the Garden Communities Programme. We have published guidance on education provision in garden communities, to assist local planning authorities and Homes England in delivering schools as part of garden communities.¹² We advise you to consider this in conjunction with this guidance on securing developer contributions for education.

28. Strategic planning of urban extensions and new settlements often includes place-making objectives about the early provision of infrastructure, to establish a sense of community and make the place attractive to residents. Early delivery of a school can be problematic if it precedes new housing and draws pupils from existing schools,

¹² [Education Provision in Garden Communities](#)

threatening their viability and resulting in unsustainable travel-to-school patterns. We advise local authorities with education responsibilities to work jointly with local planning authorities and other partners to agree the timing of new school provision, striking an appropriate balance between place-making objectives, education needs and parental preference.

29. Schools can be delivered in single or multiple phases; the best approach will depend on local circumstances and characteristics of the development. Where appropriate, for instance in the early stages of development while the need for school places is growing, developer contributions can be secured for temporary expansions to existing schools if these are required, and transport costs for pupils travelling further than the statutory walking distance.¹³ This will allow a permanent new school to be provided in a single construction phase once the development has generated sufficient pupil numbers, rather than phased construction over a longer period. While the existing pupil cohort may not switch schools initially, children living in the development will usually have priority for admission to the new school and will take up these school places over time.

30. As far as possible (and often in relation to primary schools only), new settlements and urban extensions should be expected to meet their full education requirement. Where an onsite school is required, it should be large enough to meet the need generated by the development. As a general rule, the capacity of existing primary schools beyond the statutory walking distance does not need to be taken into account when calculating developer contributions for permanent onsite schools in new settlements and urban extensions. This promotes sustainable and healthy travel patterns for young people.

31. When a permanent new school is proposed to be built early in the development of an urban extension or new settlement, you will naturally consider the effect this might have on parental demand and the viability of existing schools. To minimise detrimental impacts on existing schools while supporting local planning authorities to plan new communities, you should work with school providers and the relevant Regional Schools Commissioner to promote Admission Arrangements and opening strategies that will maintain equilibrium in school populations across your area. This can include phased delivery, with the initial phase future-proofed for future expansion (such as an oversized assembly hall and dining area) and land safeguarded for the school's expansion when need builds up over a long period, though it is important to secure commitment to the delivery of later phases.

32. You should also work with local planning authorities to ensure that planning policies and planning obligations require a suitable school site to be made available at

¹³ The statutory walking distances are set out in the [Home to School Transport guidance](#)

the appropriate time. If early school delivery is required, the school site must be identified and agreed at an early stage, giving consideration to its accessibility and condition at the point of transfer.

33. If a new school opens in a single phase below its full capacity while it awaits pupils moving to the development, this does not represent an available surplus for other developments assessing their own impact and mitigation, unless the development delivering the new school will not be completed or generate enough pupils to fill the school. Complementary uses that share the school site can be considered for a temporary period while a new school fills. In practice, you may prefer to deliver the school in phases using modular construction methods, linking capacity more closely to emerging need, though the initial phase must still provide a viable sized school.

34. New housing tends to attract more young families than older housing, yielding higher numbers of pupils particularly in the pre-school and primary age groups, though this stabilises over time until the development resembles the mature housing stock.¹⁴ We advise you to respond to initial peaks in demand, such as planning for modular or temporary classrooms, securing a large enough site to meet the maximum need generated by the development. Where new settlements are planned, you may wish to carry out demographic modelling to understand education requirements in more detail, taking account of similar developments and different scenarios such as an accelerated build rate.

35. Where a requirement for both primary and secondary schools has been identified, we recommend you consider if there would be cost efficiency, space saving and educational benefits in providing an all-through school.

36. There may also be sustainability, efficiency and educational benefits in relocating an existing school, for example where a development is large enough to require a new secondary school but it would be too close to an existing secondary school, both of which would be relatively small. Such reorganisation of the school estate, relocating and expanding an existing school on a development site, may be necessary to make the development acceptable in planning terms, if the alternative distribution, size or condition of schools would be unsustainable. Proposed changes are subject to following the relevant process, depending on the category of the school.¹⁵ We advise that you work collaboratively with local planning authorities to ensure your objectives for the school estate are reflected in planning policies and decisions.

¹⁴ This phenomenon is widely reported in local authority evidence, such as for [Central Bedfordshire](#) and [North Essex Garden Communities](#).

¹⁵ [School organisation guidance and transparency data](#).

37. There is often a degree of uncertainty around the delivery of urban extensions and new settlements, in view of the long timescales involved, multiple developers and changeable market conditions. The build rate of development may be slower than anticipated, while land provided for a school may need to be returned to a developer if it is not used within an agreed period. Therefore, it is important to consider carefully the clauses within planning obligations if they impose any time restriction on the use of transferred education land, and the potential for the overall phasing of developer contributions to cause delays. Where land has to be returned to a developer, this should be on the same terms as it was given; land provided by free transfer should be returned as such.

38. We also advise you to consider any potential uplift in the value of a development following the grant of planning permission and before all housing units are sold or let. It may be possible to secure the full education contribution, where this had previously been reduced on viability grounds, using planning obligation review mechanisms. National Planning Practice Guidance advises further on how viability should be assessed during the lifetime of a project. We recommend that you work with local planning authorities to set out in plans the circumstances where review mechanisms in planning obligations may be appropriate, allowing you to maintain policy compliance on education contributions when circumstances have changed.

39. To support the delivery of strategic development at pace, you may need to forward-fund school provision within an urban extension or new settlement, using basic need funding or local authority borrowing if necessary and recouping these costs later through developer contributions secured by a planning obligation. While we recognise there are some inherent risks to this, our position on the use of basic need funding and other forward-funding options is set out in paragraphs 5-7 above.

Annex

Developer delivery of new schools

1. Direct delivery of new schools by housing developers may represent good value for money. This model of delivery should not contravene state aid or public procurement rules. While we advise you to seek your own project-specific legal advice when necessary, this annex sets out the department's view on the legal position at the time of publication. Local authorities should keep abreast of emerging case law that may have a bearing on this advice, and any legislative changes following the UK's exit from the European Union.¹⁶
2. While the department supports developer delivery of schools in principle, we recognise that local circumstances vary and it will not always be the preferred option. Nevertheless, high quality design and performance for developer-built schools are achievable through the planning and building control process, and compliance with national standards such as the DfE building bulletins, output specification and other design standards and guidance.¹⁷
3. When developer delivery is proposed, we recommend a partnership approach between the local authority, academy trust (where relevant) and developer to negotiate a brief and design specification (see further advice below regarding procurement); such collaboration is good practice and helps to avoid disputes.
4. We recommend that planning obligations or other mechanisms provide detail on how local authorities intend to step in and deliver the school if developer delivery falls through but the school is still required. Longstop clauses should ensure that the land for the school is transferred early enough for the local authority to intervene and provide the school at the right time. In these situations, the planning obligation should also require financial contributions to be made in lieu of the 'in kind' provision of the school by the developer, making use of review mechanisms where necessary to respond to changing circumstances. Even in cases where a planning obligation is silent on this subject, Section 106(6) of The Town and Country Planning Act 1990 provides that the local authority may enter land to carry out works required by a Section 106 agreement where the developer is in default, although where a risk of non-delivery is identified, we

¹⁶ At the time of publication, current rules are expected to be preserved in domestic law. See [The State Aid \(EU Exit\) Regulations 2019](#) (draft) and [EU Exit guidance on public-sector procurement](#).

¹⁷ [School design and construction guidance](#).

recommend that specific planning obligations are secured to mitigate that risk (for example through performance bonds).

State Aid

5. In some cases, all relevant parties will support developer delivery of a new school, but the local authority accepts that the developer cannot fully fund the new school and its delivery would need a degree of public subsidy. It is important this this does not constitute unlawful state aid to the developer.¹⁸

6. The question is whether a contribution by a local authority to the cost of the school (otherwise being funded by the developer under a planning obligation) is a grant of incompatible state aid to that developer. The answer depends on the circumstances that give rise to the local authority's contribution. There are two principal questions. Has the public contribution arisen:

- (a) Because planning law/policy only requires the developer to make a partial contribution; or
- (b) Because the local authority has otherwise volunteered to make this contribution?

Planning law/policy only requires the developer to make a partial contribution

7. This is unlikely to give rise to incompatible state aid (unlawful). If planning law/policy only requires the developer to make a partial contribution then no incompatible state aid should arise merely because the local authority (or another public sector body) funds the balance of those costs. This is subject to the relevant public sector body satisfying itself (through benchmarking and/or a cost consultant's report) that the developer's costs of building the school are not more than market costs. This would apply even if the initial application of planning policy dictated that the developer makes a full contribution but after applying planning viability principles (taking account of the total infrastructure burden on the development) the developer's contribution was reduced.

8. National Planning Practice Guidance says that for the purpose of plan making, an assumption of 15-20% of gross development value may be considered a suitable return to developers, in order to establish the viability of plan policies. A local authority's contribution to school delivery which supports a higher profit margin for a particular developer may be considered a voluntary contribution (see below) and a selective benefit to one developer, which may amount to unlawful state aid.

¹⁸ Guidance relating to [state aid](#) and [CIL](#), and [The State Aid \(EU Exit\) Regulations 2019 \(draft\)](#).

9. The rationale for this assessment is that the key state aid test to be applied to the developer is whether it has selectively benefitted from the local authority's contribution. For example, if under planning law/policy it (or any other developer) would have only been required to fund 60% of the school's costs then it has not selectively benefitted as another developer (in identical circumstances) would also only be required to make the same 60% contribution. The extent of the local authority's contribution (if required) will usually be determined through viability assessment.

The local authority has otherwise volunteered to make this contribution

10. A voluntary contribution by the local authority would raise an issue that its funding may grant a selective benefit to the developer and could amount to incompatible state aid (unlawful).

11. The local authority may require a larger school than the development must provide, such as an increase to two forms of entry (2FE) when the development generates a need for a 1.5FE school. This may constitute a voluntary contribution but would not provide a selective benefit to the developer, provided any other developer in identical circumstances would receive the same contribution for additional school places, so in such circumstances the risk that this would amount to incompatible state aid is considered low.

Public contracts and OJEU procurement

12. Under the Public Contracts Regulations 2015 (PCR), a contract for a pecuniary interest may be considered a 'public contract'. If there is consideration being provided by the contracting authority, either directly or indirectly, then the contract will be subject to the PCR.

13. UK Case law makes a distinction between planning obligations and other contracts, recognising that the public body is exercising its planning powers in order to regulate the development of land, rather than procuring an economic benefit.¹⁹ Therefore, where a Section 106 agreement places an obligation on a developer to provide land/or buildings for a new school because this is necessary to make the development acceptable in planning terms (a prerequisite for a planning obligation), that Section 106 agreement does not constitute a public contract.

14. A separate development agreement with a developer may constitute a public contract, specifically a public works contract, which would require the local authority to undertake procurement under the Official Journal of the European Union (OJEU) or the

¹⁹ *Faraday Development Ltd. and West Berkshire Council and St Modwen Developments Ltd. [2018] EWCA Civ 2532 and Helmut Muller GmbH v Bundesanstalt für Immobilienaufgaben (C-451/08)*

equivalent following the UK's exit from the EU. it is important that a number of principles contained in relevant case law²⁰ are complied with:

- a) there is no positive works obligation on the developer (either immediate or contingent) to build the school in any event (meaning could the public authority force the developer to build the school even if that developer never implemented its planning permission); and/or
- b) The public body has no 'decisive influence' on the design of the school. (The public authority is entitled to contribute to discussions about, be consulted on and set parameters about the building (e.g. compliance with national standards) but not have the ultimate decision about the works specification). Ultimately, it is for the courts (and the European Court of Justice) to rule upon the lawfulness of any public works funding.

15. As set out above, where a Section 106 agreement secures the provision of a school as a planning requirement and no consideration arises, it is not likely to be a public contract so is unaffected by considerations around positive works obligations and decisive influence over design. If a local authority then enters into a separate contract with a developer in addition to the planning obligation, it is important that the developer would not be legally obligated to perform the works and could walk away from them at any time, until the development commenced.

16. The extent to which a contracting authority can become involved in the design of works before it is deemed to be "specifying" such works has been explored in case law and guidance.²¹

17. A contract would only be deemed a public works contract if the contracting authority took measures to define the type of work to be undertaken by the developer partner or at the very least had a "decisive influence" on its design. "Requirements specified by the contracting authority" has been taken to exclude the exercise of a public authority's urban planning powers in examining building plans presented to it, or the decision to apply its planning powers in relation to a particular project.

18. The former Office of Government Commerce (OGC) provided further interpretation of the land exemption. In particular they were of the view that:

- (a) national or local land-use planning policies, requirements or restrictions for a site would not in themselves comprise a requirement specified by the contracting authority;

²⁰ The Queen (on the application of Midlands Co-operative Society Limited) and Birmingham City Council [2012] EWHC 620 (admin); Helmut Muller GmbH v Bundesanstalt für Immobilienaufgaben (C-451/08); Faraday Development Ltd. and West Berkshire Council and St Modwen Developments Ltd. [2018] EWCA Civ 2532

²¹ Helmut Muller GmbH v Bundesanstalt für Immobilienaufgaben (C-451/08) and Office of Government Commerce (OGC) Information Note 12/10 (30 June 2010).

- (b) a broad invitation that a site should be developed in accordance with applicable or national local land-use planning policies but with the developer free to put forward its own intentions, proposals and specifications within these parameters is unlikely to trigger a requirement specified by the contracting authority.

19. Although the OGC no longer exists as a distinct government department, their guidance note has been referenced by the domestic Courts and it is still considered useful guidance in the UK. However, reliance on OGC views may need to be reviewed if their position is overruled by the European Courts or the Commission, or by domestic Courts following the UK's exit from the EU.

20. When school construction is complete, an academy trust takes on responsibility for the building and its operation. In terms of procurement law, it is the entrustment by the contracting authority of the obligation to undertake the works that is relevant, not the reasons for doing so, or the beneficiary of the works.²² The fact that a school is to be transferred to an academy trust post-construction does not affect consideration of whether the procurement amounts to a public works contract.

²² Jean Auroux v Roanne (C-220/05).



Department
for Education

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APPENDIX 5

Population Forecasting Study

Population Forecasts for New Dwellings in
Gloucestershire



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Appendix 1 – Data Tables

1 Introduction

In May 2019 Rapleys, in association with Gloucestershire County Council and on behalf of Crest Nicholson, Taylor Wimpey and Redrow (the commissioning partners) commissioned a research project to conduct a population forecasting study across five settlements in the County; Hunts Grove, Kingshill Meadow, Upper Rissington, Coopers Edge and Deans Farm. These sites were selected to supplement the data originally collected in 2018 at the GCHQ and Kingsway developments. The primary purpose of the study was to establish Pupil Product Ratios (PPR). The PPR is the number of children typically generated by a new housing development and is used to support proposed levels of developer contributions required under Section 106 of the Town and Country Planning Act 1990. PPRs are also used to assist with the production of pupil forecasts.

This report sets out the results of the Gloucestershire Council population study. Section 2 of this report details the methodology that was used to conduct the research and identify the PPRs. Section 3 sets out the overall Child Product Ratio. Section 4 looks specifically at the PPR results and section 5 sets out the ratios by age.

Appendix 1 contains additional data tables created as part of this study.

For the purposes of consistency in this report the following phrases are defined as follows:

Child – a household member aged between 0-19.

Resident – a household member living at the address during school term time.

2 Methodology

2.1 Questionnaire Design

The questionnaire was paper based and designed so that it could be completed with or without the assistance of an interviewer. It was developed in co-operation with Gloucestershire Council, in order to establish pupil numbers.

2.2 Population

Gloucestershire Council's Planning Service and Rapleys produced address data for each of the seven settlements, totalling 8690 dwellings. The number of dwellings in each settlement is shown in table 1, below.

Table 1 – Population Data by Settlement

Settlement	No. of Dwellings	% of Population
Coopers Edge	1808	21%
Deans Farm	520	6%
GCHQ	858	10%
Hunts Grove	1089	13%
Kingshill Meadow	676	8%
Kingsway	3371	39%
Upper Rissington	368	4%
Total	8690	

2.3 Sample

Having collected 525 interviews from the 2018 study of GCHQ and Kingsway, Cognisant conducted a census of the other five development sites.

2.4 Fieldwork

Four research assistants, supervised by a research director, conducted interviews across the two settlements during the period July to August 2019. The fieldworkers used for this study operated according to the Market Research Society Code of Conduct.

Face-to-face interviews were conducted with residents who agreed to participate. When residents were unavailable at the second visit, a questionnaire, covering letter and reply-paid envelope were posted through the letterbox. The covering letter explained to respondents why the research was taking place and provided basic instructions on how to complete and return the questionnaire. This mixed method approach of using face-to-face interviews and postal surveys was chosen because it was the most effective way of maximising participation whilst minimising fieldwork costs.

2.5 Data Validation

Prior to data entry Cognisant conducted a back check by telephone of 5% of all completed questionnaires. The back check included confirmation that the interview had taken place and confirmed the response of at least one question. The respondents chosen for back checking were randomly selected.

Completed questionnaires were entered for analysis using specialist software. The software enables rules to be created ensuring that keystrokes used for data entry relate to a value appropriate to the question concerned. Rules were also established to ensure that only appropriate questions were served up for data entry (e.g. it would not be possible to enter data related to the age of a child, or the type of school a child attended or if the respondent indicated that they had no children). Using data entry rules in this way greatly reduces the potential for error during the process of data entry.

2.6 Weighting

Participation data shows there to have been differential response rates from respondents in dwellings of different sizes. Rapleys provided completion data for the population of new dwellings, setting out the proportion of dwellings present, broken down by size of dwelling.

In an ideal study the dwellings participating would perfectly resemble the overall make-up of the development. However, we can see that this is not the case. Table 2a shows that 41% of the dwellings that participated in this study had four bedrooms or more. In reality, this proportion should have been 30%. Cognisant weighted the results of the study by dwelling size to make the overall results more representative of the true make-up of our target population.

Table 2a – Gloucestershire Dwellings, Study Participation Totals and Weight

		Study	Target	Weight
How many bedrooms in this property?	1	1%	3%	1.9
	2	19%	25%	1.3
	3	39%	42%	1.1
	4+	41%	25%	0.6

The collective yields published later in this report have been weighted by both the size of participating dwellings, identified above and by the proportion of participating development sites, identified in table 2.

The data shown in Table 2b below provides weighting information for the GCHQ site and shows that just over half (59%) of the dwellings participated in this study at GCHQ, had 4 bedrooms or more. In reality, this proportion should have been just under half (49%).

Table 2b – GCHQ Dwellings, Study Participation Totals and Weight

	Study	Target	Weight
How many bedrooms in this property?	1	1%	0%
	2	15%	21%
	3	25%	29%
	4+	59%	49%
			0.8

The data shown in Table 2c provides weighting information for the Kingsway site. The table shows that 38% of the dwellings that participated in this study had 3 bedrooms. In reality, this proportion should have been 45%.

Table 2c – Kingsway Dwellings, Study Participation Totals and Weight

	Study	Target	Weight
How many bedrooms in this property?	1	2%	2%
	2	26%	26%
	3	38%	45%
	4+	34%	28%
			0.8

The data shown in Table 2d provides weighting information for the Hunts Grove site. The table shows that 38% of the dwellings that participated in this study had 3 bedrooms. In reality, this proportion should have been 53%.

Table 2d – Hunts Grove Dwellings, Study Participation Totals and Weight

	Study	Target	Weight
How many bedrooms in this property?	1	0%	0%
	2	14%	20%
	3	38%	53%
	4+	48%	27%
			0.6

The data shown in Table 2e provides weighting information for the Kingshill Meadow site. The table shows that 37% of the dwellings that participated in this study had 4 bedrooms. In reality, this proportion should have been 25%.

Table 2e – Kingshill Meadow Dwellings, Study Participation Totals and Weight

	Study	Target	Weight
How many bedrooms in this property?	1	3%	9%
	2	27%	33%
	3	32%	33%
	4+	37%	25%
			0.7

The data shown in Table 2f provides weighting information for the Upper Rissington site. The table shows that 34% of the dwellings that participated in this study had 3 bedrooms. In reality, this proportion should have been 27%.

Table 2f – Upper Rissington Dwellings, Study Participation Totals and Weight

	Study	Target	Weight
How many bedrooms in this property?	1	0%	6%
	2	3%	7%
	3	34%	27%
	4+	64%	60%
			0.9

The data shown in Table 2g provides weighting information for the Coopers Edge site. The table shows that 36% of the dwellings that participated in this study had 4 bedrooms or more. In reality, this proportion should have been 26%.

Table 2g – Coopers Edge Dwellings, Study Participation Totals and Weight

		Study	Target	Weight
How many bedrooms in this property?	1	1%	4%	4.2
	2	17%	26%	1.5
	3	46%	44%	1.0
	4+	36%	26%	0.7

The data shown in Table 2h provides weighting information for the Deans Farm site. The table shows that 52% of the dwellings that participated in this study had 3 bedrooms. In reality, this proportion should have been 37%.

Table 2h – Deans Farm Dwellings, Study Participation Totals and Weight

		Study	Target	Weight
How many bedrooms in this property?	1	2%	5%	2.6
	2	16%	35%	2.2
	3	52%	37%	0.7
	4+	30%	23%	0.8

3 Child Product Ratios

This section of the report identifies how many children are produced by the dwellings in the seven Gloucestershire settlements. All statistics have been rounded up to two decimal places. Where Cognisant believes that statistics should be treated with caution this important information is highlighted in the tables and footnotes below.

Table 3, below, shows the weighted and unweighted CPR for the average dwelling across all the Gloucestershire settlements. The weighted Sample Mean CPR shows that one dwelling from the sample will produce, on average, 1.02 children. The weighted sample mean has a confidence interval of ± 0.05 . This means that, if more samples were to be taken from the seven settlements, the CPR mean from these samples will lie between 0.97 and 1.07, 95% of the time.

Table 3 – Top Level CPR Statistics

	Un-weighted	Weighted by Dwelling Size
Sample Mean CPR	1.06	1.02
Sample Standard Deviation	1.16	1.07
95% Confidence Interval	± 0.06	± 0.05
	1.00	0.97
	1.12	1.07

Looking at the CPR's for each of the seven settlements in Table 4 below, the weighted CPR at GCHQ is 0.74, meaning that for every 100 dwellings there are 74 children aged 0 to 10, resident. The CPR of 0.74 has a 95% Confidence Interval of ± 0.21 . If the same study were undertaken 100 times, on 95 occasions the CPR value would be between 0.53 and 0.96. It is also interesting to note that the act of weighting the Kingsway responses has resulted in the sample mean CPR changing by only 0.01, in comparison to the sample mean CPR in GCHQ differing by a more significant 0.06.

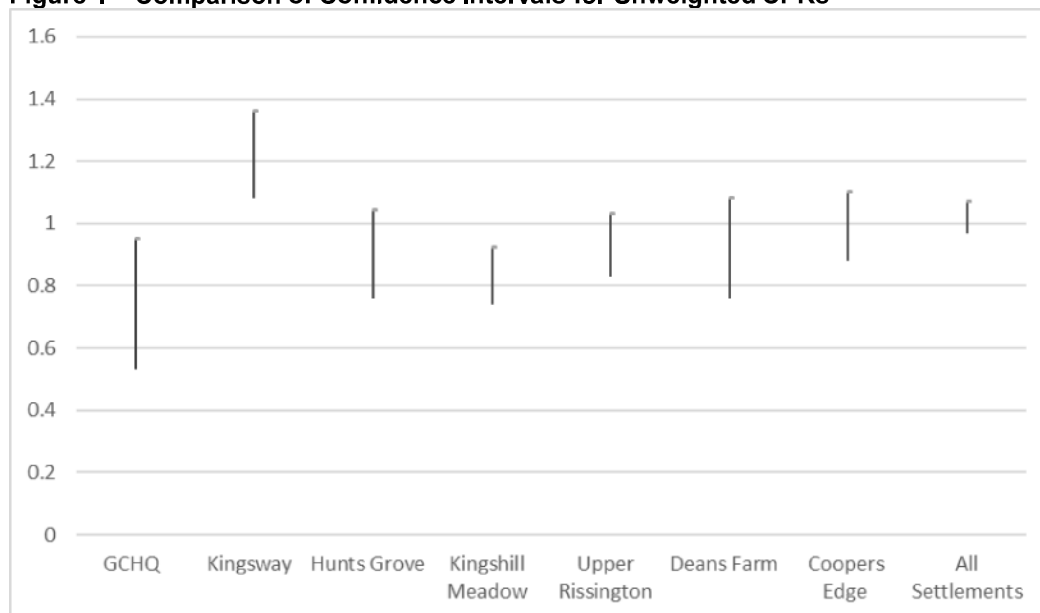
Table 4 – Top Level CPR Statistics

	Sample CPR	Mean	Sample Standard Deviation	95% Confidence Interval
GCHQ Un-weighted	0.80		1.23	±0.23
GCHQ Weighted	0.74		1.13	±0.21
Kingsway Un-weighted	1.23		1.24	±0.11
Kingsway Weighted	1.22		1.50	±0.14
Hunts Grove Un-weighted	0.96		1.02	±0.16

	Sample CPR	Mean	Sample Standard Deviation	95% Confidence Interval
Hunts Grove Weighted	0.90		0.86	± 0.14
Kingshill Meadow Un-weighted	0.83		1.03	± 0.15
Kingshill Meadow Weighted	0.73		0.60	± 0.09
Upper Rissington Un-weighted	1.03		1.03	± 0.17
Upper Rissington Weighted	0.93		0.64	± 0.10
Coopers Edge Un-weighted	1.09		1.18	± 0.13
Coopers Edge Weighted	0.99		1.03	± 0.11
Deans Farm Un-weighted	1.03		1.14	± 0.22
Deans Farm Weighted	0.92		0.83	± 0.16

Figure 1 below shows the mean sample CPRs for all settlements. The 95% confidence intervals for these means has been included, to highlight the comparative differences in width of the three cases.

Figure 1 – Comparison of Confidence Intervals for Unweighted CPRs



3.1 Dwelling Size

Table 5, below, shows how many children are produced when a new dwelling is built on the seven Gloucestershire sites, broken down by the size of the dwelling as defined by the number of bedrooms. The data in this table has been weighted to take into account participation across dwelling size. Participation data for size categories can be found in Table A of Appendix 1. The results show that a 2-bedroom dwelling typically generates 0.62 children, whilst a dwelling of 4-bedrooms or more generates 1.33 children.

Table 5 – CPR Across all Sizes of Dwelling

How many bedrooms in this property?	CPR
1	0.03
2	0.62
3	1.10
4+	1.33

Table 6, below, shows the CPR's for each of the two settlements in Gloucestershire broken down by size of dwelling. The table shows that Kingsway produces the largest number of children from a single dwelling, at 1.56 from dwellings of 4 beds or more.

Table 6 – CPR Across all Sizes of Dwelling by Settlement

How many bedrooms in this property?	1	2	3	4+
GCHQ	0.00 ¹	0.12 ²	0.74	1.02
Kingsway	0.10	0.69	1.37	1.56
Hunts Grove	n/a	0.52	0.95	1.10
Kingshill Meadow	0.00 ³	0.53	0.82	1.14
Upper Rissington	0.00	0.00 ⁴	0.98	1.11
Coopers Edge	0.00 ⁵	0.79	0.92	1.48
Deans Farm	0.00 ⁶	0.69 ⁷	1.00	1.32

¹ Appendix 1, Table B, indicates that only 1 completed interviews was conducted in a 1-bed dwelling at GCHQ. This small sample size may make estimates unreliable.

² Appendix 1, Table B, indicates that only 17 completed interviews were conducted in 2-bed dwellings at GCHQ. This small sample size may make estimates unreliable.

³ Appendix 1, Table E, indicates that only 6 completed interviews were conducted in 1-bed dwellings at Kingshill Meadow. This small sample size may make estimates unreliable.

⁴ Appendix 1, Table F, indicates that only 4 completed interviews were conducted in 2-bed dwellings at Upper Rissington. This small sample size may make estimates unreliable.

⁵ Appendix 1, Table G, indicates that only 3 completed interviews were conducted in 1-bed dwellings at Coopers Edge. This small sample size may make estimates unreliable.

⁶ Appendix 1, Table H, indicates that only 2 completed interviews were conducted in 1-bed dwellings at Deans Farm. This small sample size may make estimates unreliable.

⁷ Appendix 1, Table H, indicates that only 16 completed interviews were conducted in 2-bed dwellings at Deans Farm. This small sample size may make estimates unreliable.

3.2 Dwelling Type

Table 7, below, shows how many children are produced when a new dwelling is built on each of the seven Gloucestershire sites, broken down by the type of dwelling. Table 7 shows that the average number of children produced by one Detached house is 1.15, whilst only 0.45 children are created for every one Flat/Apartment. Participation data for dwelling type categories can be found in Table B of Appendix 1.

Table 7: No. of Children Produced by One New Dwelling Broken Down by Dwelling Type

What type of dwelling do you live in?	CPR
Detached	1.15
Semi detached	1.08
Flat/Apartment	0.45
Terrace/End terrace	1.03

Table 8, below, shows how many children are produced when a new dwelling is built on each of the seven Gloucestershire sites, broken down by the type of dwelling. Table 8 shows that Kingsway produces the largest number of children across all settlements from a Terrace/End terrace, with a CPR of 1.33.

Table 8: No. of Children Produced by One New Dwelling Broken Down by Dwelling Type across the two Settlements

What type of dwelling do you live in?	Detached	Semi detached	Flat/Apartment	Terrace/End terrace
GCHQ	0.73	0.52	0.15 ⁸	1.10
Kingsway	1.32	1.31	0.61	1.33
Hunts Grove	1.07	0.97	0.56 ⁹	0.78
Kingshill Meadow	0.88	0.80	0.23	0.84
Upper Rissington	1.03	0.73	n/a	0.73
Coopers Edge	1.28	1.03	0.46 ¹⁰	0.95
Deans Farm	0.91	1.07	0.00 ¹¹	0.78 ¹²

⁸ Appendix 1, Table B, indicates that only 12 completed interviews were conducted in Flat/Apartments at GCHQ. This small sample size may make estimates unreliable.

⁹ Appendix 1, Table D, indicates that only 4 completed interviews were conducted in Flat/Apartments at Hunts Grove. This small sample size may make estimates unreliable.

¹⁰ Appendix 1, Table G, indicates that only 13 completed interviews were conducted in Flat/Apartments at Coopers Edge. This small sample size may make estimates unreliable.

¹¹ Appendix 1, Table H, indicates that only 2 completed interviews were conducted in Flat/Apartments at Deans Farm. This small sample size may make estimates unreliable.

¹² Appendix 1, Table H, indicates that only 11 completed interviews were conducted in Terrace/End terrace at Deans Farm. This small sample size may make estimates unreliable.

3.3 Tenure

Table 9, below, sets out the CPR for different dwelling tenures across the two Gloucestershire sites. Table 9 shows that the average number of children produced by one Owned (inc. mortgaged) dwelling is 0.83, whilst 1.11 children are created for every privately rented dwelling. Participation data for tenure categories can be found in Table C of Appendix 1.

Table 9: No. of Children Produced by 1 New Dwelling Broken Down by Tenure

What is the tenure of this property?	Unweighted
Owned (inc. mortgaged)	0.83
Privately rented	1.11
Shared ownership (part own/part rent)	0.72
Housing Association/Council	1.76

Table 10, below, sets out the CPR for different dwelling tenures across each of the seven Gloucestershire sites. Table 10 shows that Kingsway produces the largest number of children from a single dwelling, at 2.06 from Housing Association / Council housing. The second largest number of children from a single dwelling, at 1.88 from Housing Association / Council housing at Hunts Grove.

Table 10: No. of Children Produced by 1 New Dwelling Broken Down by Tenure

What is the tenure of this property?	Owned (inc. mortgaged)	Privately rented	Shared ownership (part own/part rent)	Housing Association/Council
GCHQ	0.51	1.56	0.00 ¹³	n/a
Kingsway	0.94	1.32	0.80	2.06
Hunts Grove	0.82	0.51 ¹⁴	1.50 ¹⁵	1.88 ¹⁶
Kingshill Meadow	0.66	0.52	0.42 ¹⁷	1.30
Upper Rissington	0.90	1.01 ¹⁸	0.61 ¹⁹	1.44 ²⁰

¹³ Appendix 1, Table J, indicates that only 2 completed interviews were conducted in Shared ownership at GCHQ. This small sample size may make estimates unreliable.

¹⁴ Appendix 1, Table L, indicates that only 9 completed interviews were conducted in privately rented dwellings at Hunts Grove. This small sample size may make estimates unreliable.

¹⁵ Appendix 1, Table L, indicates that only 4 completed interviews were conducted in shared ownership dwellings at Hunts Grove. This small sample size may make estimates unreliable.

¹⁶ Appendix 1, Table L, indicates that only 9 completed interviews were conducted in housing association dwellings at Hunts Grove. This small sample size may make estimates unreliable.

¹⁷ Appendix 1, Table M, indicates that only 15 completed interviews were conducted in shared ownership dwellings at Kingshill Meadow. This small sample size may make estimates unreliable.

¹⁸ Appendix 1, Table N, indicates that only 11 completed interviews were conducted in privately rented dwellings at Upper Rissington. This small sample size may make estimates unreliable.

¹⁹ Appendix 1, Table N, indicates that only 6 completed interviews were conducted in shared ownership dwellings at Upper Rissington. This small sample size may make estimates unreliable.

²⁰ Appendix 1, Table N, indicates that only 11 completed interviews were conducted in housing association dwellings at Hunts Grove. This small sample size may make estimates unreliable.

What is the tenure of this property?	Owned (inc. mortgaged)	Privately rented	Shared ownership (part own/part rent)	Housing Association/Council
Coopers Edge	0.87	0.90	0.75 ²¹	1.49
Deans Farm	0.86	0.00 ²²	0.63 ²³	1.38 ²⁴

²¹ Appendix 1, Table O, indicates that only 9 completed interviews were conducted in shared ownership dwellings at Coopers Edge. This small sample size may make estimates unreliable.

²² Appendix 1, Table P, indicates that only 1 completed interviews were conducted in privately rented dwellings at Deans Farm. This small sample size may make estimates unreliable.

²³ Appendix 1, Table P, indicates that only 15 completed interviews were conducted in shared ownership dwellings at Deans Farm. This small sample size may make estimates unreliable.

²⁴ Appendix 1, Table P, indicates that only 19 completed interviews were conducted in housing association dwellings at Hunts Grove. This small sample size may make estimates unreliable.

4 Pupil Product Ratio

This section of the report identifies how many children, broken down across the different schooling classifications, including pre-school and those eligible for post-16 education, are produced by the dwellings across the two Gloucestershire settlements. All statistics have been rounded up to two decimal places.

Where a respondent indicated that a child was resident, they were required to indicate which type of schooling, if any, the child attends. Respondents could choose from a variety of categories covering pre-school, primary, secondary and post-16 education. Categories covered independents and state education as well as home educated.

The data presented in Table 3, in the previous section, showed that the weighted CPR for the average settlement dwelling is 1.02. Table 11, below, breaks this figure down across each category of schooling. The results show that the weighted PPR for Primary School children in Gloucestershire is 0.41.

Table 11 - Top Level PPR Statistics

	Un-weighted	Weighted
Total Number of Pre School Children	0.30	0.30
Total Number of Primary School Children	0.43	0.41
Total Number of Secondary School Children	0.21	0.20
Total Number of Post 16 Children	0.07	0.11

Broken down by type of dwelling, the PPR's for each of the seven settlements show that Kingsway produces the largest number of primary school pupils from a single dwelling, at 0.49.

Table 12 - Top Level PPR Statistics

What is the tenure of this property?	Total Number of Pre School Children	Total Number of Primary School Children	Total Number of Secondary School Children	Total Number of Post 16 Children
GCHQ	0.20	0.26	0.17	0.11
Kingsway	0.33	0.49	0.26	0.15
Hunts Grove	0.31	0.40	0.11	0.08
Kingshill Meadow	0.18	0.28	0.18	0.09
Upper Rissington	0.24	0.41	0.22	0.07
Coopers Edge	0.34	0.43	0.16	0.06
Deans Farm	0.38	0.31	0.15	0.07

4.1 PPR by Dwelling Size

Table 13a, below, shows how many pupils are produced by new dwellings built across the two Gloucestershire settlements, broken down by the size of the dwelling as defined by the number of bedrooms. The results show that a 2-bedroom dwelling typically generates 0.24 primary school pupils, whilst a dwelling of 4-bedrooms or more generates 0.54 primary school pupils.

Table 13a – PPR Across all Sizes of Dwelling

	No. of Bedrooms in Dwelling			
	1	2	3	4+
Total Number of Pre School Children	0.03	0.28	0.33	0.31
Total Number of Primary School Children	0.00	0.24	0.44	0.54
Total Number of Secondary School Children	0.00	0.07	0.20	0.32
Total Number of Post 16 Children	0.00	0.02	0.12	0.17

Table 13b, below, shows how many pupils are produced by new dwellings built across GCHQ, broken down by the size of the dwelling as defined by the number of bedrooms. The results show that a 3-bedroom dwelling typically generates 0.26 primary school pupils, whilst a dwelling of 4-bedrooms or more generates 0.34 primary school pupils.

Table 13b – PPR Across all Sizes of Dwelling in GCHQ

	No. of Bedrooms in Dwelling			
	1 ²⁵	2 ²⁶	3	4+
Total Number of Pre School Children	0.00	0.06	0.26	0.23
Total Number of Primary School Children	0.00	0.06	0.26	0.34
Total Number of Secondary School Children	0.00	0.00	0.07	0.31
Total Number of Post 16 Children	0.00	0.00	0.15	0.14

Table 13c, below, shows how many pupils are produced by new dwellings built across Kingsway, broken down by the size of the dwelling as defined by the number of bedrooms. The results show that a 2-bedroom dwelling typically generates 0.26 primary school pupils, whilst a dwelling of 4-bedrooms or more generates 0.63 primary school pupils.

²⁵ Appendix 1, Table B, indicates that only 1 completed interviews was conducted in a 1-bed dwelling at GCHQ. This small sample size may make estimates unreliable.

²⁶ Appendix 1, Table B, indicates that only 17 completed interviews were conducted in 2-bed dwellings at GCHQ. This small sample size may make estimates unreliable.

Table 13c – PPR Across all Sizes of Dwelling in Kingsway

	No. of Bedrooms in Dwelling			
	1²⁷	2	3	4+
Total Number of Pre School Children	0.10	0.32	0.36	0.29
Total Number of Primary School Children	0.00	0.26	0.55	0.63
Total Number of Secondary School Children	0.00	0.08	0.28	0.43
Total Number of Post 16 Children	0.00	0.04	0.17	0.22

Table 13d, below, shows how many pupils are produced by new dwellings built across Hunts Grove, broken down by the size of the dwelling as defined by the number of bedrooms. The results show that a 2-bedroom dwelling typically generates 0.29 primary school pupils, whilst a dwelling of 4-bedrooms or more generates 0.58 primary school pupils.

Table 13d – PPR Across all Sizes of Dwelling in Hunts Grove

	No. of Bedrooms in Dwelling			
	1	2	3	4+
Total Number of Pre School Children	n/a	0.19	0.40	0.25
Total Number of Primary School Children	n/a	0.29	0.34	0.58
Total Number of Secondary School Children	n/a	0.05	0.14	0.11
Total Number of Post 16 Children	n/a	0.00	0.07	0.16

Table 13e, below, shows how many pupils are produced by new dwellings built across Kingshill Meadow, broken down by the size of the dwelling as defined by the number of bedrooms. The results show that a 2-bedroom dwelling typically generates 0.22 primary school pupils, whilst a dwelling of 4-bedrooms or more generates 0.43 primary school pupils.

²⁷ Appendix 1, Table C, indicates that only 10 completed interviews was conducted in 1-bed dwellings at Kingsway. This small sample size may make estimates unreliable

Table 13e – PPR Across all Sizes of Dwelling in Kingshill Meadow

	No. of Bedrooms in Dwelling			
	1²⁸	2	3	4+
Total Number of Pre School Children	0.00	0.18	0.12	0.33
Total Number of Primary School Children	0.00	0.22	0.30	0.43
Total Number of Secondary School Children	0.00	0.12	0.23	0.26
Total Number of Post 16 Children	0.00	0.02	0.17	0.12

Table 13f, below, shows how many pupils are produced by new dwellings built across Upper Rissington, broken down by the size of the dwelling as defined by the number of bedrooms. The results show that a 2-bedroom dwelling typically generates 0.00 primary school pupils, whilst a dwelling of 4-bedrooms or more generates 0.47 primary school pupils.

Table 13f – PPR Across all Sizes of Dwelling in Upper Rissington

	No. of Bedrooms in Dwelling			
	1	2²⁹	3	4+
Total Number of Pre School Children	0.00	0.00	0.14	0.33
Total Number of Primary School Children	0.00	0.00	0.48	0.47
Total Number of Secondary School Children	0.00	0.00	0.26	0.24
Total Number of Post 16 Children	0.00	0.00	0.10	0.06

Table 13g, below, shows how many pupils are produced by new dwellings built across Coopers Edge, broken down by the size of the dwelling as defined by the number of bedrooms. The results show that a 2-bedroom dwelling typically generates 0.34 primary school pupils, whilst a dwelling of 4-bedrooms or more generates 0.61 primary school pupils.

²⁸ Appendix 1, Table E, indicates that only 6 completed interviews was conducted in 1-bed dwellings at Kingshill Meadow. This small sample size may make estimates unreliable

²⁹ Appendix 1, Table F, indicates that only 4 completed interviews was conducted in 2-bed dwellings at Upper Rissington. This small sample size may make estimates unreliable

Table 13g – PPR Across all Sizes of Dwelling in Coopers Edge

	No. of Bedrooms in Dwelling			
	1³⁰	2	3	4+
Total Number of Pre School Children	0.00	0.36	0.32	0.40
Total Number of Primary School Children	0.00	0.34	0.43	0.61
Total Number of Secondary School Children	0.00	0.09	0.12	0.31
Total Number of Post 16 Children	0.00	0.00	0.05	0.16

Table 13h, below, shows how many pupils are produced by new dwellings built across Deans Farm, broken down by the size of the dwelling as defined by the number of bedrooms. The results show that a 2-bedroom dwelling typically generates 0.13 primary school pupils, whilst a dwelling of 4-bedrooms or more generates 0.58 primary school pupils.

Table 13h – PPR Across all Sizes of Dwelling in Deans Farm

	No. of Bedrooms in Dwelling			
	1³¹	2³²	3	4+
Total Number of Pre School Children	0.00	0.44	0.38	0.39
Total Number of Primary School Children	0.00	0.13	0.36	0.58
Total Number of Secondary School Children	0.00	0.06	0.23	0.19
Total Number of Post 16 Children	0.00	0.06	0.04	0.16

³⁰ Appendix 1, Table G, indicates that only 3 completed interviews was conducted in 1-bed dwellings at Coopers Edge. This small sample size may make estimates unreliable

³¹ Appendix 1, Table H, indicates that only 2 completed interviews was conducted in 1-bed dwellings at Deans Farm. This small sample size may make estimates unreliable

³² Appendix 1, Table C, indicates that only 16 completed interviews was conducted in 2-bed dwellings at Deans Farm. This small sample size may make estimates unreliable

4.2 PPR by Dwelling Type

Table 14a, below, shows how many pupils are produced when a new dwelling is built across the seven Gloucestershire settlements, broken down by the type of dwelling. The results show that a detached house generates 0.45 primary school pupils, whilst a flat/apartment generates 0.17 primary school pupils.

Table 14a – PPR Across all Sizes of Dwelling Type

	Type of Dwelling			
	Detached	Semi detached	Flat / Apartment	Terrace / End terrace
Pre School Children	0.32	0.33	0.19	0.30
Primary School Children	0.49	0.44	0.19	0.40
Secondary School Children	0.23	0.21	0.06	0.21
Post 16 Children	0.12	0.11	0.02	0.12

Table 14b, below, shows how many pupils are produced when a new dwelling is built in GCHQ, broken down by the type of dwelling. The results show that a detached house generates 0.20 primary school pupils, whilst a flat/apartment generates 0.08 primary school pupils.

Table 14b – PPR Across all Types of Dwelling in GCHQ

	Type of Dwelling			
	Detached	Semi detached	Flat / Apartment ³³	Terrace / End terrace
Pre School Children	0.23	0.21	0.08	0.23
Primary School Children	0.20	0.16	0.08	0.40
Secondary School Children	0.21	0.11	0.00	0.26
Post 16 Children	0.09	0.05	0.00	0.20

Table 14c, below, shows how many pupils are produced when a new dwelling is built in Kingsway, broken down by the type of dwelling. The results show that a detached house generates 0.56 primary school pupils, whilst a flat/apartment generates 0.23 primary school pupils.

³³ Appendix 1, Table B, indicates that only 12 completed interviews were conducted in a Flat/Apartment dwelling in GCHQ. This small sample size may make estimates unreliable

Table 14c – PPR Across all Types of Dwelling in Kingsway

	Type of Dwelling			
	Detached	Semi detached	Flat / Apartment	Terrace / End terrace
Pre School Children	0.33	0.34	0.28	0.32
Primary School Children	0.56	0.51	0.23	0.52
Secondary School Children	0.28	0.29	0.06	0.30
Post 16 Children	0.14	0.17	0.04	0.19

Table 14d, below, shows how many pupils are produced when a new dwelling is built in Hunts Grove, broken down by the type of dwelling. The results show that a detached house generates 0.53 primary school pupils, whilst a flat/apartment generates 0.45 primary school pupils.

Table 14d – PPR Across all Types of Dwelling in Hunts Grove

	Type of Dwelling			
	Detached	Semi detached	Flat / Apartment³⁴	Terrace / End terrace
Pre School Children	0.26	0.31	0.03	0.37
Primary School Children	0.53	0.48	0.45	0.24
Secondary School Children	0.12	0.11	0.08	0.11
Post 16 Children	0.16	0.06	0.00	0.06

Table 14e, below, shows how many pupils are produced when a new dwelling is built in Kingshill Meadow, broken down by the type of dwelling. The results show that a detached house generates 0.34 primary school pupils, whilst a flat/apartment generates 0.08 primary school pupils.

³⁴ Appendix 1, Table D, indicates that only 4 completed interviews were conducted in a Flat/Apartment dwelling in Hunts Grove. This small sample size may make estimates unreliable

Table 14e – PPR Across all Types of Dwelling in Kingshill Meadow

	Type of Dwelling			
	Detached	Semi detached	Flat / Apartment	Terrace / End terrace
Pre School Children	0.25	0.18	0.07	0.19
Primary School Children	0.34	0.35	0.08	0.31
Secondary School Children	0.21	0.19	0.06	0.22
Post 16 Children	0.09	0.08	0.03	0.12

Table 14f, below, shows how many pupils are produced when a new dwelling is built in Upper Rissington, broken down by the type of dwelling. The results show that a detached house generates 0.44 primary school pupils.

Table 14f – PPR Across all Types of Dwelling in Upper Rissington

	Type of Dwelling			
	Detached	Semi detached	Flat / Apartment	Terrace / End terrace
Pre School Children	0.30	0.10	n/a	0.11
Primary School Children	0.44	0.42	n/a	0.29
Secondary School Children	0.22	0.17	n/a	0.23
Post 16 Children	0.06	0.04	n/a	0.11

Table 14g, below, shows how many pupils are produced when a new dwelling is built in Coopers Edge, broken down by the type of dwelling. The results show that a detached house generates 0.53 primary school pupils, whilst a flat/apartment generates 0.29 primary school pupils.

Table 14g – PPR Across all Types of Dwelling in Coopers Edge

	Type of Dwelling			
	Detached	Semi detached	Flat / Apartment ³⁵	Terrace / End terrace
Pre School Children	0.41	0.38	0.16	0.31
Primary School Children	0.53	0.44	0.21	0.43
Secondary School Children	0.24	0.15	0.08	0.14
Post 16 Children	0.10	0.06	0.00	0.06

Table 14h, below, shows how many pupils are produced when a new dwelling is built in Deans Farm, broken down by the type of dwelling. The results show that a detached house generates 0.36 primary school pupils.

Table 14h – PPR Across all Types of Dwelling in Deans Farm

	Type of Dwelling			
	Detached	Semi detached	Flat / Apartment ³⁶	Terrace / End terrace ³⁷
Pre School Children	0.36	0.45	0.00	0.38
Primary School Children	0.36	0.32	0.00	0.26
Secondary School Children	0.12	0.21	0.00	0.09
Post 16 Children	0.07	0.09	0.00	0.06

³⁵ Appendix 1, Table G, indicates that only 13 completed interviews were conducted in a Flat/Apartment dwelling in Coopers Edge. This small sample size may make estimates unreliable

³⁶ Appendix 1, Table H, indicates that only 2 completed interviews were conducted in a Flat/Apartment dwelling in Deans Farm. This small sample size may make estimates unreliable

³⁷ Appendix 1, Table B, indicates that only 11 completed interviews were conducted in a Terrace/End terrace dwelling in Deans Farm. This small sample size may make estimates unreliable

4.3 PPR by Dwelling Tenure

Table 15a, below, shows how many pupils are produced when a new dwelling is built in the two Gloucestershire settlements, broken down by the type of dwelling. The results show that an Owned (inc. mortgaged) dwelling, generates 0.33 primary school pupils, whilst a privately rented dwelling generates 0.50 primary school pupils.

Table 15a – PPR Across all Types of Dwelling Tenures

	Owned (inc. mortgaged)	Rent privately	Shared ownership (part own / part rent)	Rent from Housing Association / Council
Pre School Children	0.30	0.26	0.28	0.37
Primary School Children	0.33	0.50	0.31	0.68
Secondary School Children	0.14	0.24	0.09	0.41
Post 16 Children	0.06	0.11	0.04	0.29

Table 15b, below, shows how many pupils are produced when a new dwelling is built in GCHQ, broken down by the type of dwelling. The results show that an Owned (inc. mortgaged) dwelling, generates 0.14 primary school pupils, whilst a privately rented dwelling generates 0.65 primary school pupils.

Table 15b – PPR Across all Types of Dwelling Tenures in GCHQ

	Owned (inc. mortgaged)	Rent privately	Shared ownership (part own / part rent)³⁸
Pre School Children	0.20	0.25	0.00
Primary School Children	0.14	0.65	0.00
Secondary School Children	0.12	0.36	0.00
Post 16 Children	0.05	0.32	0.00

Table 15c, below, shows how many pupils are produced when a new dwelling is built in Kingsway, broken down by the type of dwelling. The results show that an Owned (inc. mortgaged) dwelling, generates 0.37 primary school pupils, whilst a Housing Association / Council rented dwelling generates 0.78 primary school pupils.

³⁸ Appendix 1, Table J, indicates that only 2 completed interviews were conducted in Shared ownership dwellings in GCHQ. This small sample size may make estimates unreliable.

Table 15c – PPR Across all Types of Dwelling Tenures in Kingsway

	Owned (inc. mortgaged)	Rent privately	Shared ownership (part own / part rent)	Rent from Housing Association / Council
Pre School Children	0.30	0.37	0.31	0.37
Primary School Children	0.37	0.59	0.33	0.78
Secondary School Children	0.20	0.24	0.05	0.52
Post 16 Children	0.07	0.12	0.11	0.39

Table 15d, below, shows how many pupils are produced when a new dwelling is built in Hunts Grove, broken down by the type of dwelling. The results show that an Owned (inc. mortgaged) dwelling, generates 0.34 primary school pupils, whilst a Housing Association / Council rented dwelling generates 1.06 primary school pupils.

Table 15d – PPR Across all Types of Dwelling Tenures in Hunts Grove

	Owned (inc. mortgaged)	Rent privately³⁹	Shared ownership (part own / part rent)⁴⁰	Rent from Housing Association / Council⁴¹
Pre School Children	0.34	0.00	1.01	0.12
Primary School Children	0.34	0.34	0.49	1.06
Secondary School Children	0.07	0.11	0.00	0.36
Post 16 Children	0.06	0.05	0.00	0.35

Table 15e, below, shows how many pupils are produced when a new dwelling is built in Kinghills Meadow, broken down by the type of dwelling. The results show that an Owned (inc. mortgaged) dwelling, generates 0.26 primary school pupils, whilst a Housing Association / Council rented dwelling generates 0.55 primary school pupils.

³⁹ Appendix 1, Table L, indicates that only 9 completed interviews were conducted in privately rented dwellings in Hunts Grove. This small sample size may make estimates unreliable.

⁴⁰ Appendix 1, Table L, indicates that only 4 completed interviews were conducted in Shared ownership dwellings in Hunts Grove. This small sample size may make estimates unreliable.

⁴¹ Appendix 1, Table L, indicates that only 9 completed interviews were conducted in housing association dwellings in Hunts Grove. This small sample size may make estimates unreliable.

Table 15e – PPR Across all Types of Dwelling Tenures in Kinghills Meadow

	Owned (inc. mortgaged)	Rent privately	Shared ownership (part own / part rent)⁴²	Rent from Housing Association / Council
Pre School Children	0.25	0.14	0.21	0.10
Primary School Children	0.26	0.16	0.05	0.55
Secondary School Children	0.10	0.22	0.17	0.33
Post 16 Children	0.05	0.00	0.00	0.32

Table 15f, below, shows how many pupils are produced when a new dwelling is built in Upper Rissington, broken down by the type of dwelling. The results show that an Owned (inc. mortgaged) dwelling, generates 0.42 primary school pupils, whilst a Housing Association / Council rented dwelling generates 0.36 primary school pupils.

Table 15f – PPR Across all Types of Dwelling Tenures in Upper Rissington

	Owned (inc. mortgaged)	Rent privately⁴³	Shared ownership (part own / part rent)⁴⁴	Rent from Housing Association / Council⁴⁵
Pre School Children	0.26	0.15	0.10	0.14
Primary School Children	0.42	0.48	0.31	0.34
Secondary School Children	0.18	0.46	0.10	0.48
Post 16 Children	0.04	0.08	0.00	0.34

Table 15g, below, shows how many pupils are produced when a new dwelling is built in Coopers Edge, broken down by the type of dwelling. The results show that an Owned (inc. mortgaged) dwelling, generates 0.37 primary school pupils, whilst a Housing Association / Council rented dwelling generates 0.59 primary school pupils.

⁴² Appendix 1, Table M, indicates that only 15 completed interviews were conducted in Shared ownership dwellings in Kingshill Meadow. This small sample size may make estimates unreliable.

⁴³ Appendix 1, Table N, indicates that only 11 completed interviews were conducted in privately rented ownership dwellings in Upper Rissington. This small sample size may make estimates unreliable.

⁴⁴ Appendix 1, Table N, indicates that only 6 completed interviews were conducted in Shared ownership dwellings in Upper Rissington. This small sample size may make estimates unreliable.

⁴⁵ Appendix 1, Table N, indicates that only 11 completed interviews were conducted in housing association dwellings in Upper Rissington. This small sample size may make estimates unreliable.

Table 15g – PPR Across all Types of Dwelling Tenures in Coopers Edge

	Owned (inc. mortgaged)	Rent privately	Shared ownership (part own / part rent)⁴⁶	Rent from Housing Association / Council
Pre School Children	0.35	0.23	0.00	0.48
Primary School Children	0.37	0.46	0.51	0.59
Secondary School Children	0.10	0.19	0.25	0.28
Post 16 Children	0.05	0.03	0.00	0.14

Table 15h, below, shows how many pupils are produced when a new dwelling is built in Deans Farm, broken down by the type of dwelling. The results show that an Owned (inc. mortgaged) dwelling, generates 0.26 primary school pupils, whilst a Housing Association / Council rented dwelling generates 0.41 primary school pupils.

Table 15h – PPR Across all Types of Dwelling Tenures in Deans Farm

	Owned (inc. mortgaged)	Rent privately⁴⁷	Shared ownership (part own / part rent)⁴⁸	Rent from Housing Association / Council⁴⁹
Pre School Children	0.37	0.00	0.24	0.56
Primary School Children	0.26	0.00	0.36	0.41
Secondary School Children	0.12	0.00	0.04	0.32
Post 16 Children	0.10	0.00	0.00	0.09

⁴⁶ Appendix 1, Table O, indicates that only 9 completed interviews were conducted in Shared ownership dwellings in Coopers Edge. This small sample size may make estimates unreliable.

⁴⁷ Appendix 1, Table P, indicates that only 1 completed interviews were conducted in privately rented dwellings in Deans Farm. This small sample size may make estimates unreliable.

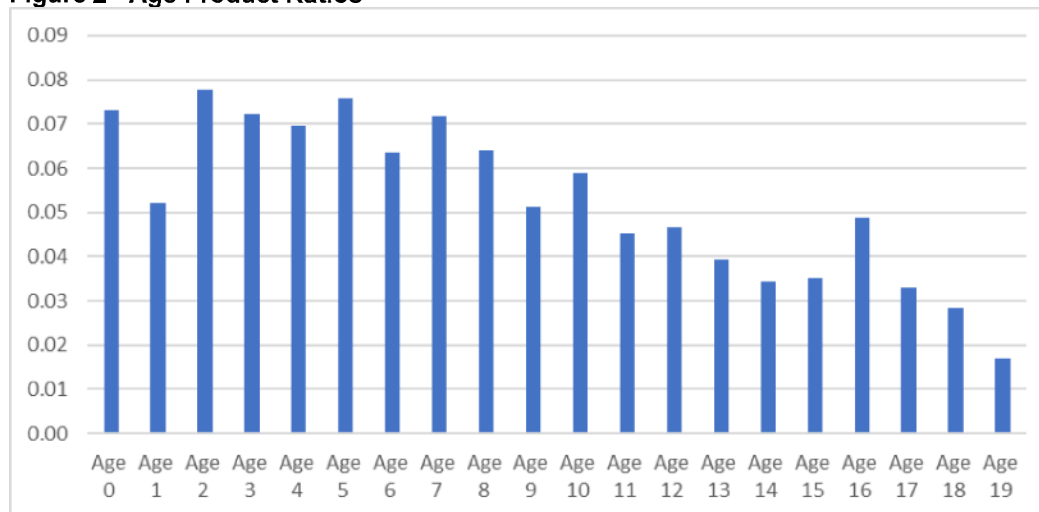
⁴⁸ Appendix 1, Table P, indicates that only 15 completed interviews were conducted in Shared ownership dwellings in Deans Farm. This small sample size may make estimates unreliable.

⁴⁹ Appendix 1, Table P, indicates that only 19 completed interviews were conducted in housing association dwellings in Deans Farm. This small sample size may make estimates unreliable.

5 Age Ratios

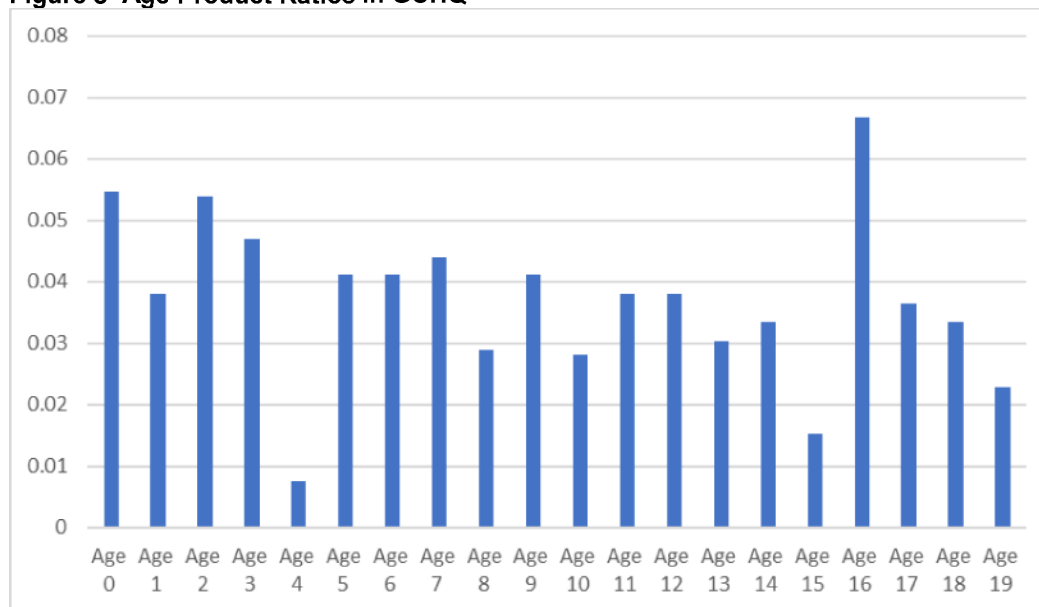
Looking at the individual ages of the children identified in the study, the largest number of children by age was 2 year olds, at 7.4%. Indeed, children aged 0 to 7 years old accounted for 52.5% of all the children identified.

Figure 2 - Age Product Ratios

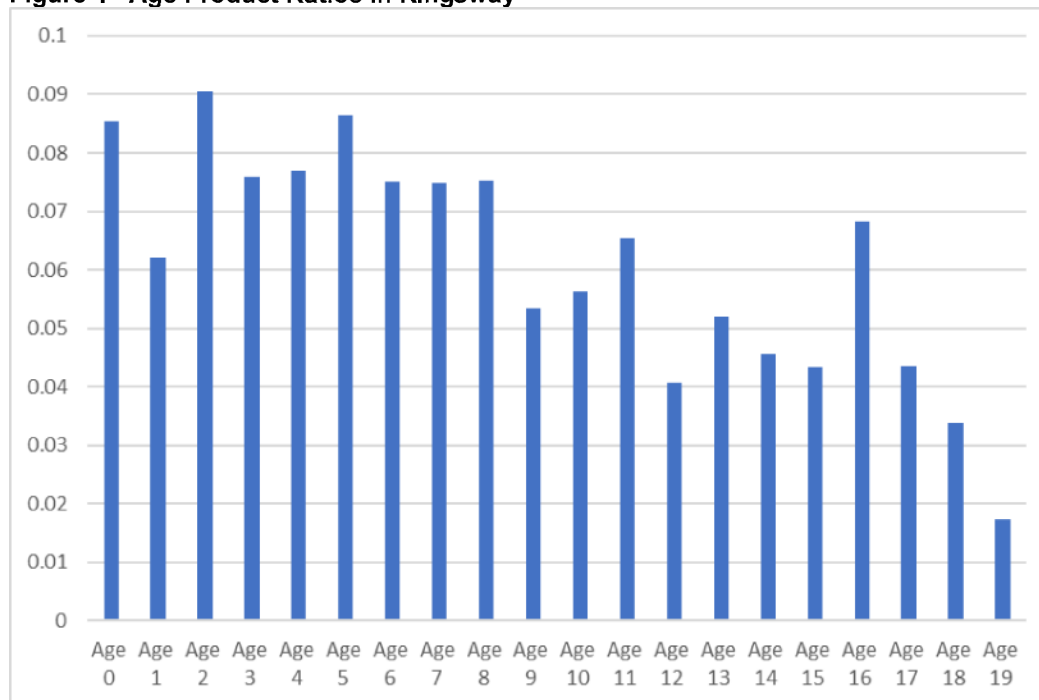


Looking at the individual ages of the children identified in the study living in GCHQ, the largest number of children by age was 16 year olds, at 9.3%.

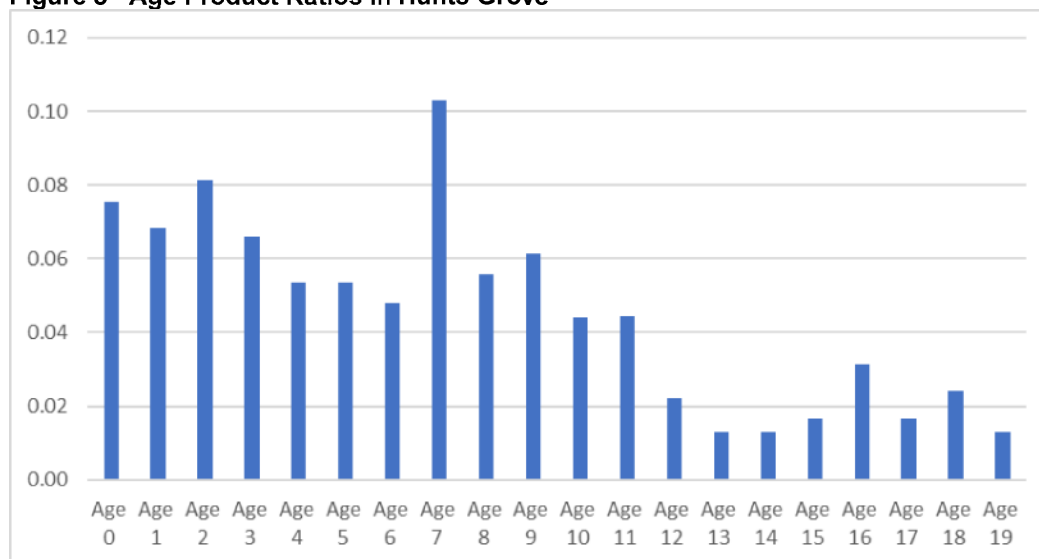
Figure 3- Age Product Ratios in GCHQ



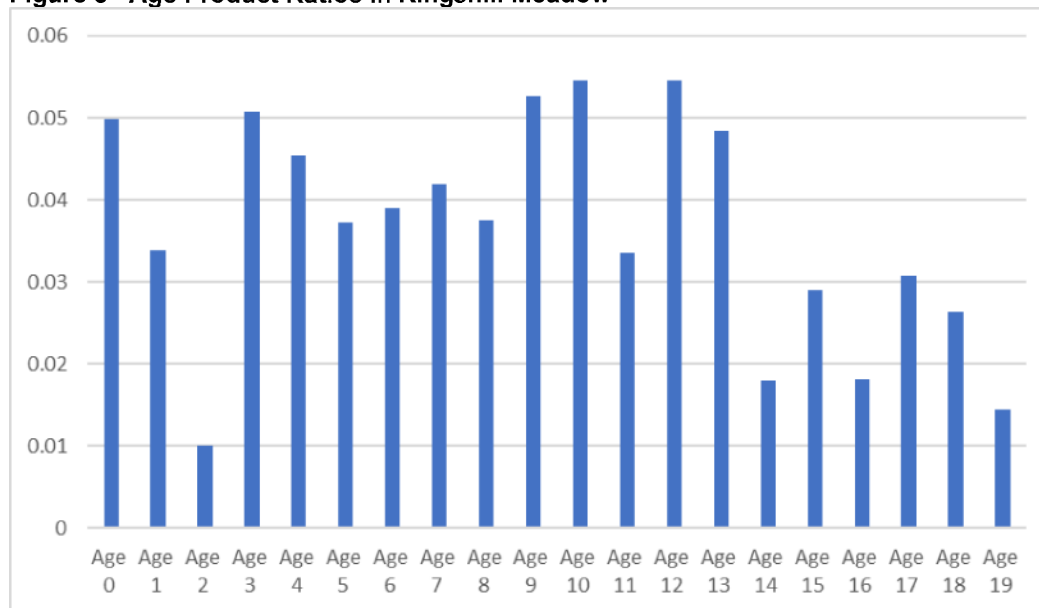
Looking at the individual ages of the children identified in the study living in Kingsway, the largest number of children by age was 2 year olds, at 7.4%.

Figure 4 - Age Product Ratios in Kingsway

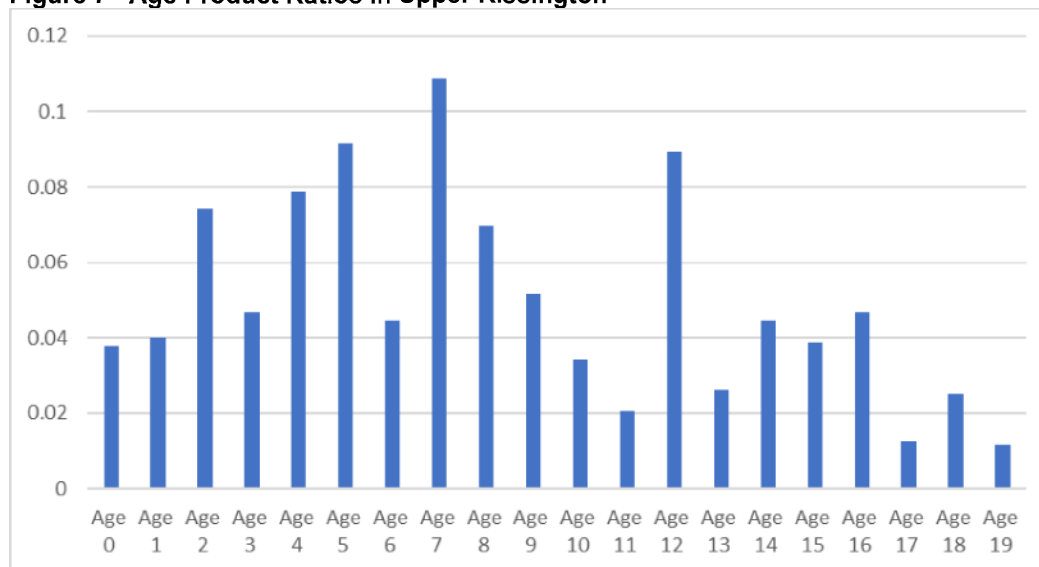
Looking at the individual ages of the children identified in the study living in Hunts Grove, the largest number of children by age was 7 year olds, at 11.4%.

Figure 5 - Age Product Ratios in Hunts Grove

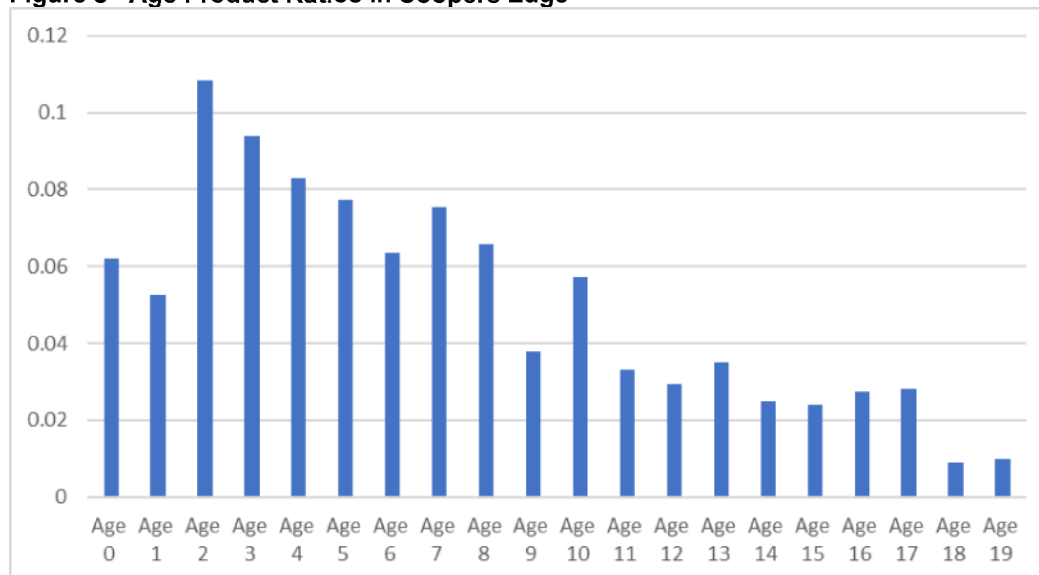
Looking at the individual ages of the children identified in the study living in Kingshill Meadow, the largest number of children by age was 12 year olds, at 7.7%.

Figure 6 - Age Product Ratios in Kingshill Meadow

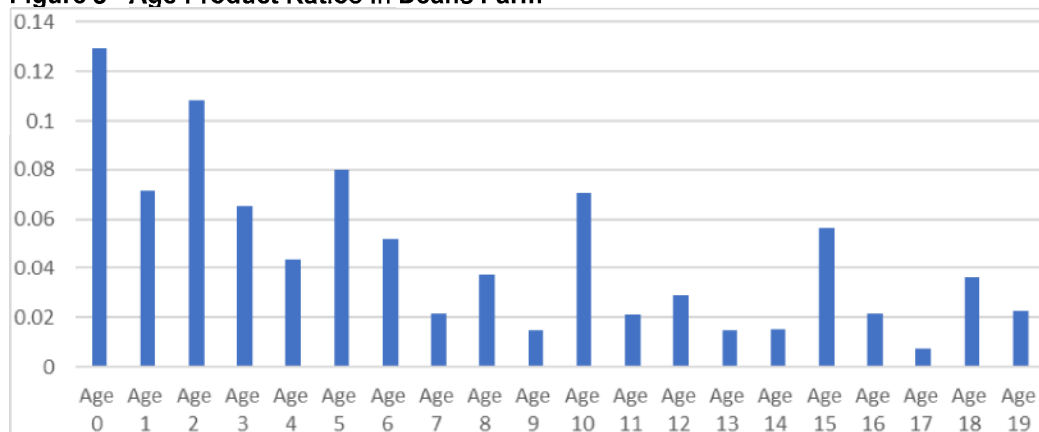
Looking at the individual ages of the children identified in the study living in Upper Rissington, the largest number of children by age was 7 year olds, at 10.9%.

Figure 7 - Age Product Ratios in Upper Rissington

Looking at the individual ages of the children identified in the study living in Coopers Edge, the largest number of children by age was 2 year olds, at 10.9%.

Figure 8 - Age Product Ratios in Coopers Edge

Looking at the individual ages of the children identified in the study living in Deans Farm, the largest number of children by age was 0 year olds, at 14.1%.

Figure 9 - Age Product Ratios in Deans Farm

Appendix 1 – Data Tables

Table A – Participation by Type

		Total	Dwelling Size			
			1	2	3	4
	Total	1479	22	282	572	603
What type of dwelling do you live in?	Detached	493	-	12	94	387
		33%	-	4%	16%	64%
	Semi detached	435	-	91	233	111
		29%	-	32%	41%	18%
	Terrace/End terrace	437	2	88	242	105
		30%	9%	31%	42%	17%
	Flat/Apartment/Maisonette	114	20	91	3	-
		13%	91%	32%	1%	-

Table B – Participation at GCHQ by Type

		Total	Dwelling Size			
			1	2	3	4
	Total	110	1	17	27	65
What type of dwelling do you live in?	Detached	20	-	-	1	19
		18%	-	-	4%	29%
	Semi detached	31	-	3	12	16
		28%	-	18%	44%	25%
	Terrace/End terrace	47	-	3	14	30
		43%	-	18%	52%	46%
	Flat/Apartment/Maisonette	12	1	11	-	-
		11%	100%	65%	-	-

Table C – Participation at Kingsway by Type

		Total	Dwelling Size			
			1	2	3	4
	Total	465	10	120	179	156
What type of dwelling do you live in?	Detached	143	-	5	37	101
		31%	-	4%	21%	65%
	Semi detached	155	-	39	78	38
		33%	-	33%	44%	24%
	Terrace/End terrace	104	2	22	63	17
		22%	20%	18%	35%	11%
	Flat/Apartment/Maisonette	63	8	54	1	-
		14%	80%	45%	1%	-

Table D – Participation at Hunts Grove by Type

		Total	Dwelling Size			
			1	2	3	4
	Total	152	-	21	58	73
What type of dwelling do you live in?	Detached	62	-	-	2	60
		41%	-	-	3%	82%
	Semi detached	42	-	6	25	11
		28%	-	29%	43%	15%
	Terrace/End terrace	44	-	11	31	2
		29%	-	52%	53%	3%
	Flat/Apartment/Maisonette	4	-	4	-	-
		3%	-	19%	-	-

Table E – Participation at Kingshill Meadow by Type

		Total	Dwelling Size			
			1	2	3	4
	Total	186	6	51	60	69
What type of dwelling do you live in?	Detached	44	-	2	6	36
		24%	-	4%	10%	52%
	Semi detached	35	-	7	16	12
		19%	-	14%	27%	17%
	Terrace/End terrace	87	-	29	37	21
		47%	-	57%	62%	30%
	Flat/Apartment/Maisonette	20	6	13	1	-
		11%	100%	25%	2%	-

Table F – Participation at Upper Rissington by Type

		Total	Dwelling Size			
			1	2	3	4
	Total	148	-	4	50	94
What type of dwelling do you live in?	Detached	101	-	1	8	92
		68%	-	25%	16%	98%
	Semi detached	21	-	-	21	-
		14%	-	-	42%	-
	Terrace/End terrace	26	-	3	21	2
		18%	-	75%	42%	2%
	Flat/Apartment/Maisonette	-	-	-	-	-
		-	-	-	-	-

Table G – Participation at Coopers Edge by Type

		Total	Dwelling Size			
			1	2	3	4
	Total	316	3	53	145	115
What type of dwelling do you live in?	Detached	69	-	4	10	55
		22%	-	8%	7%	48%
	Semi detached	116	-	24	65	27
		37%	-	45%	45%	23%
	Terrace/End terrace	118	-	16	69	33
		37%	-	30%	48%	29%
	Flat/Apartment/Maisonette	13	3	9	1	-
		4%	100%	17%	1%	-

Table H – Participation at Deans Farm by Type

		Total	Dwelling Size			
			1	2	3	4
	Total	102	2	16	53	31
What type of dwelling do you live in?	Detached	54	-	-	30	24
		53%	-	-	57%	77%
	Semi detached	35	-	12	16	7
		34%	-	75%	30%	23%
	Terrace/End terrace	11	-	4	7	-
		11%	-	25%	13%	-
	Flat/Apartment/Maisonette	2	2	-	-	-
		2%	100%	-	-	-

Table I – Participation by Tenure

		Total	Dwelling Size			
			1	2	3	4
	Total	1479	22	282	572	603
Does your household own or rent this property?	Owned (inc. mortgaged)	951	2	95	364	490
		64%	9%	34%	64%	81%
	Rent privately	219	6	69	75	69
		15%	27%	24%	13%	11%
	Shared ownership (part own/part rent)	72	3	29	36	4
		5%	14%	10%	6%	1%
	Rent from Housing Association/Council	217	10	86	88	33
		15%	45%	30%	15%	5%
	Other	20	1	3	9	7
		1%	5%	1%	2%	1%

Table J – Participation at GCHQ by Tenure

		Total	Dwelling Size			
			1	2	3	4
	Total	110	1	17	27	65
Does your household own or rent this property?	Owned (inc. mortgaged)	83	-	10	20	53
		75%	-	59%	74%	82%
	Rent privately	25	1	6	6	12
		23%	100%	35%	22%	18%
	Shared ownership (part own/part rent)	2	-	1	1	-
		2%	-	6%	4%	-
	Rent from Housing Association/Council	-	-	-	-	-
		-	-	-	-	-

Table K – Participation at Kingsway by Tenure

		Total	Dwelling Size			
			1	2	3	4
	Total	465	10	120	179	156
Does your household own or rent this property?	Owned (inc. mortgaged)	266	1	41	110	114
		57%	10%	34%	61%	73%
	Rent privately	81	2	32	24	23
		17%	20%	27%	13%	15%
	Shared ownership (part own/part rent)	21	1	8	9	3
		5%	10%	7%	5%	2%
	Rent from Housing Association/Council	94	5	39	35	15
		20%	50%	33%	20%	10%
	Other	3	1	-	1	1
		1%	10%	-	1%	1%

Table L – Participation at Hunts Grove by Tenure

		Total	Dwelling Size			
			1	2	3	4
	Total	152	-	21	58	73
Does your household own or rent this property?	Owned (inc. mortgaged)	126	-	8	49	69
		83%	-	38%	84%	95%
	Rent privately	9	-	7	1	1
		6%	-	33%	2%	1%
	Shared ownership (part own/part rent)	4	-	2	2	-
		3%	-	10%	3%	-
	Rent from Housing Association/Council	9	-	3	5	1
		6%	-	14%	9%	1%
	Other	4	-	1	1	2
		1%	10%	-	1%	1%

Table M – Participation at Kingshill Meadow by Tenure

		Total	Dwelling Size			
			1	2	3	4
	Total	186	6	51	60	69
Does your household own or rent this property?	Owned (inc. mortgaged)	92	1	9	29	53
		49%	17%	18%	48%	77%
	Rent privately	39	1	15	14	9
		21%	17%	29%	23%	13%
	Shared ownership (part own/part rent)	15	2	10	3	-
		8%	33%	20%	5%	-
	Rent from Housing Association/Council	34	2	15	12	5
		18%	33%	29%	20%	7%
	Other	6	-	2	2	2
		3%	-	4%	3%	3%

Table N – Participation at Upper Rissington by Tenure

		Total	Dwelling Size			
			1	2	3	4
	Total	148	-	4	50	94
Does your household own or rent this property?	Owned (inc. mortgaged)	119	-	3	30	86
		80%	-	75%	60%	91%
	Rent privately	11	-	1	2	8
		7%	-	25%	4%	9%
	Shared ownership (part own/part rent)	6	-	-	6	-
		4%	-	-	12%	-
	Rent from Housing Association/Council	11	-	-	11	-
		7%	-	-	22%	-
	Other	1	-	-	1	-
		1%	-	-	2%	-

Table O – Participation at Coopers Edge by Tenure

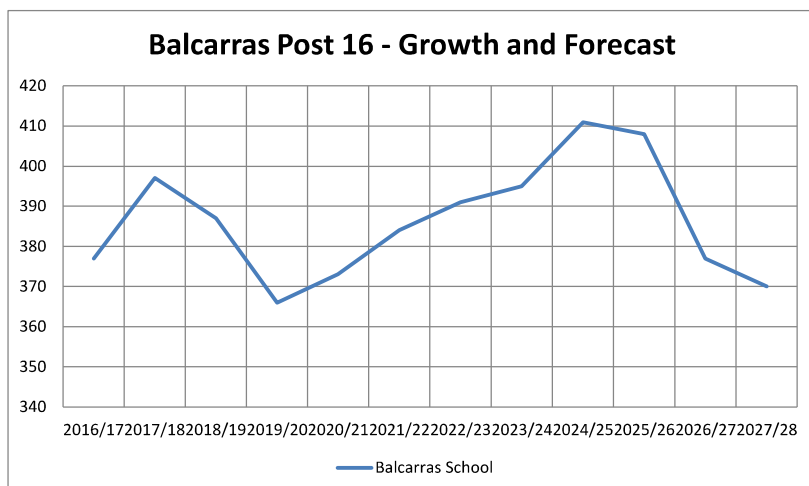
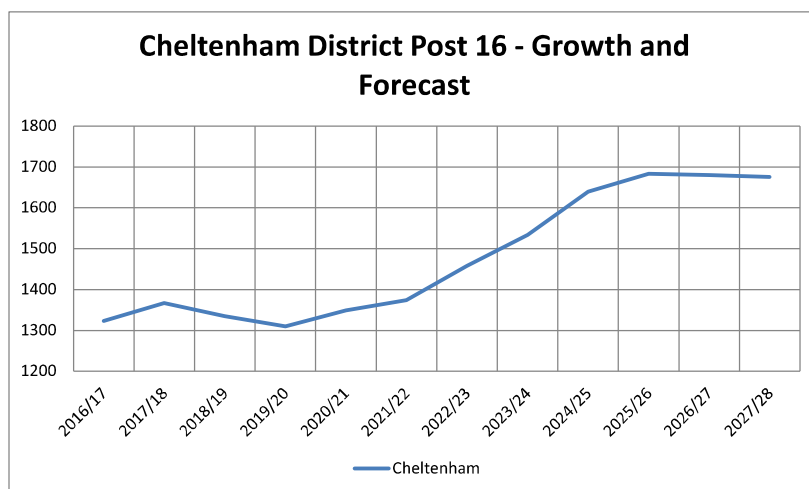
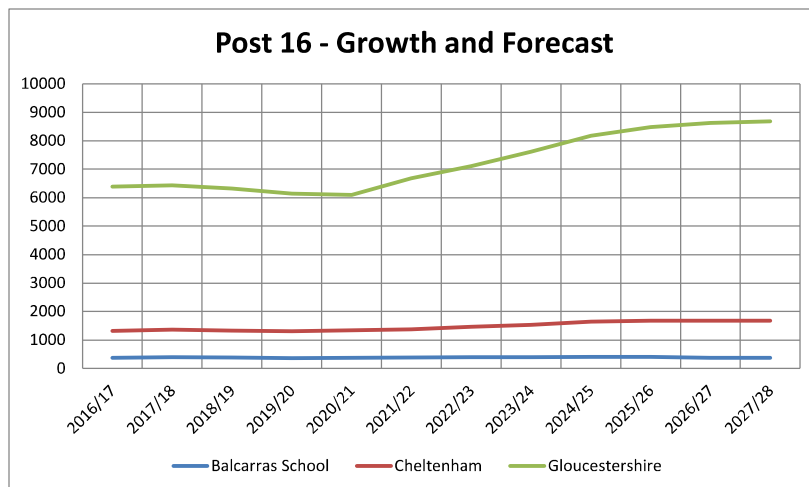
		Total	Dwelling Size			
			1	2	3	4
	Total	316	3	53	145	115
Does your household own or rent this property?	Owned (inc. mortgaged)	204	-	18	98	88
		65%	-	34%	68%	77%
	Rent privately	53	2	8	27	16
		17%	67%	15%	19%	14%
	Shared ownership (part own/part rent)	9	-	3	5	1
		3%	-	6%	3%	1%
	Rent from Housing Association/Council	50	1	24	15	10
		16%	33%	45%	10%	9%
	Other	-	-	-	-	-
		-	-	-	-	-

Table P – Participation at Deans Farm by Tenure

		Total	Dwelling Size			
			1	2	3	4
	Total	102	2	16	53	31
Does your household own or rent this property?	Owned (inc. mortgaged)	61	-	6	28	27
		60%	-	38%	53%	87%
	Rent privately	1	-	-	1	-
		1%	-	-	2%	-
	Shared ownership (part own/part rent)	15	-	5	10	-
		15%	-	31%	19%	-
	Rent from Housing Association/Council	19	2	5	10	2
		19%	100%	31%	19%	6%
	Other	6	-	-	4	2
		6%	-	-	8%	6%

APPENDIX 6

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Balcarras School	377	397	387	366	373	384	391	395	411	408	377	370
Cheltenham	1323	1367	1335	1309	1349	1374	1457	1534	1639	1683	1680	1675
Gloucestershire	6393	6436	6318	6135	6092	6684	7107	7619	8181	8487	8631	8686



APPENDIX 7



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

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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.

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Printed in the UK for The Stationery Office
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2547064 03/13 PRCS

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This report can be found on the
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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.

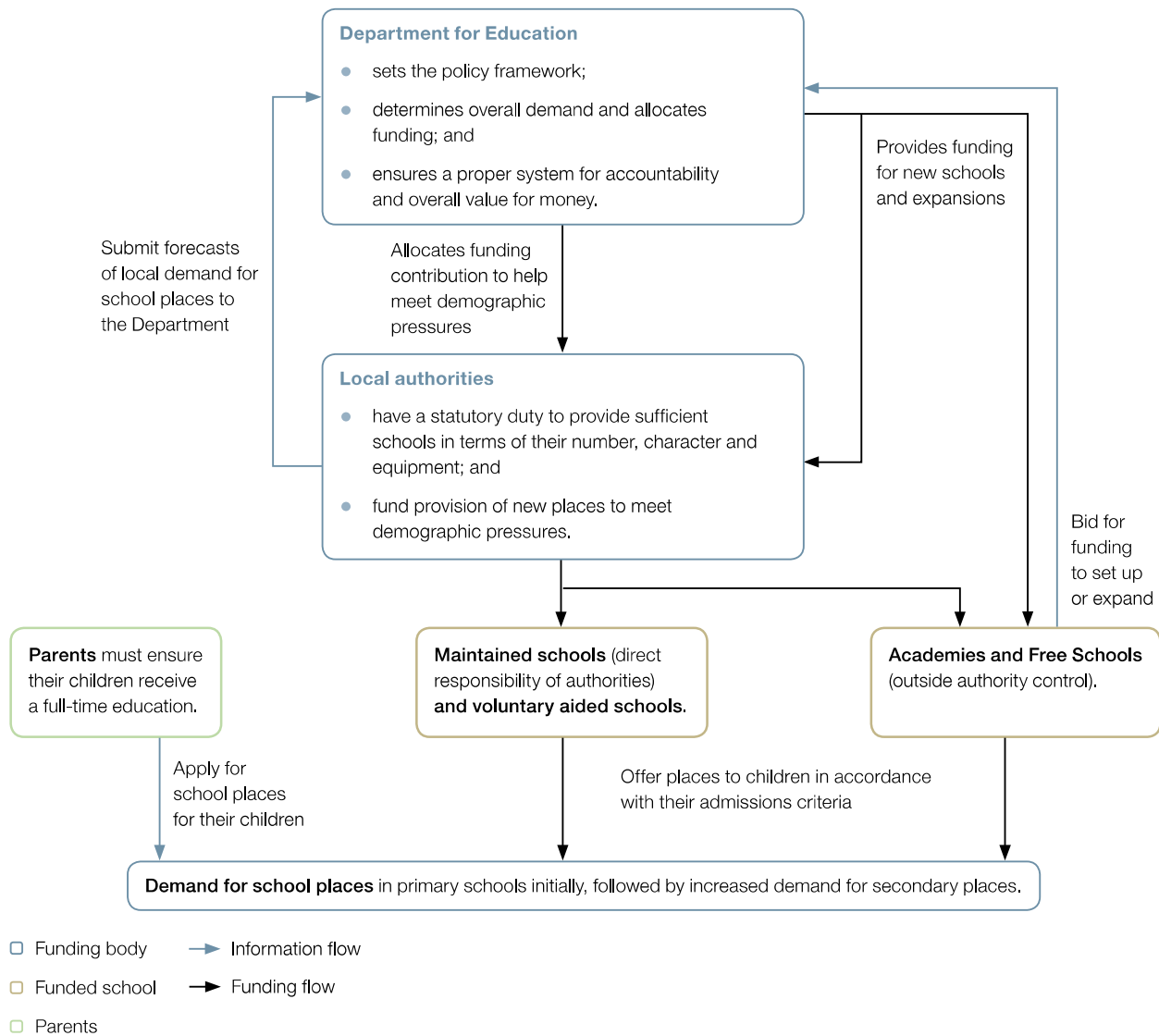
4 **Local authorities** are statutorily responsible for ensuring that there are sufficient schools, and therefore school places. Authorities assess demographic changes, plan and finance new school places, including using funding provided by the Department. There is a range of possible solutions to provide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



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 2012,¹ 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).

¹ 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

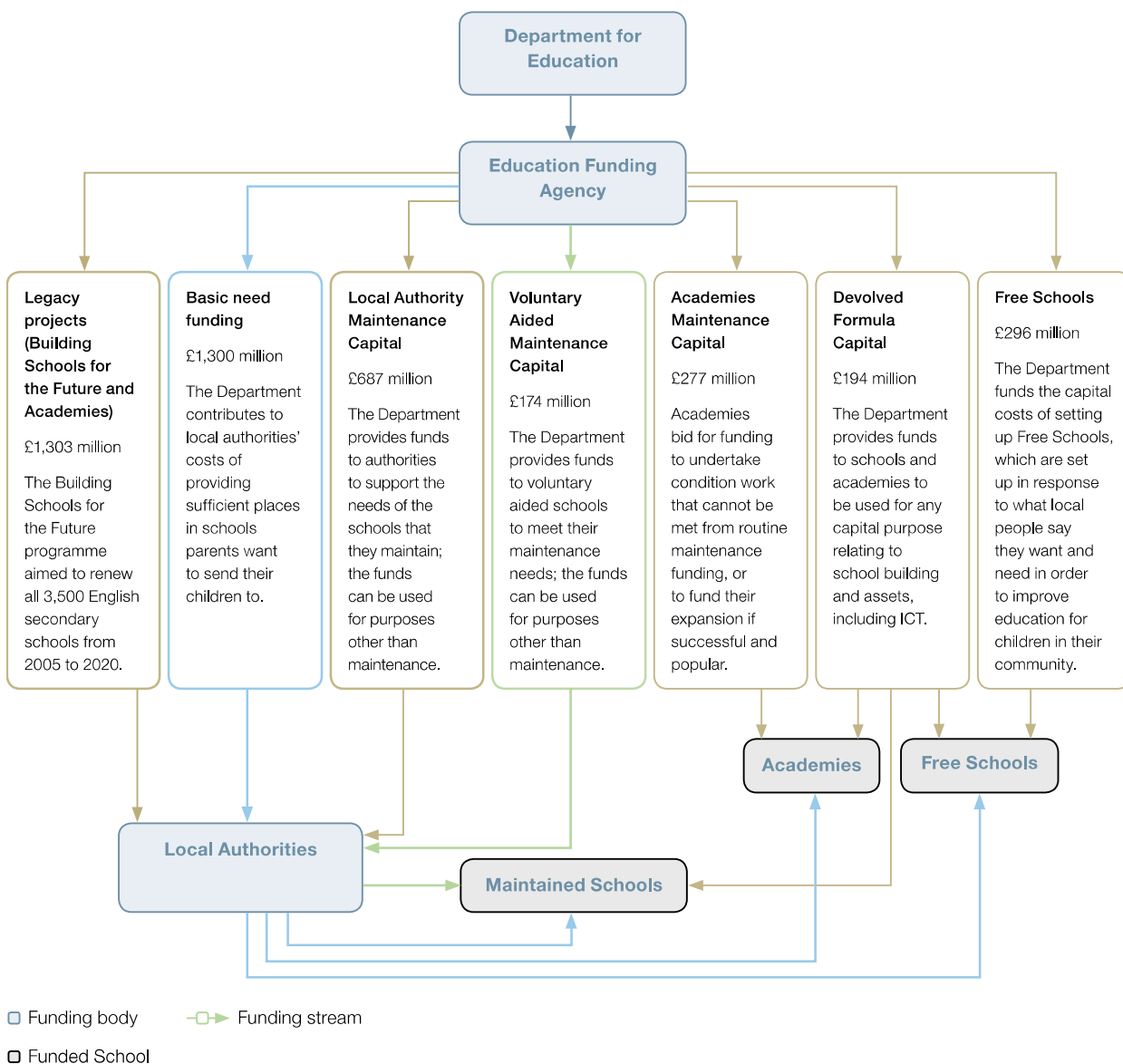
1.3 Responsibility for delivering value for money in new school places is shared between the Department, local authorities and schools. The Department is responsible for:

- 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 million¹, of which £1,300 million was specifically for new places

**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.² 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.³ 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.⁴

² The Education Act 1996.

³ 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.

⁴ 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.

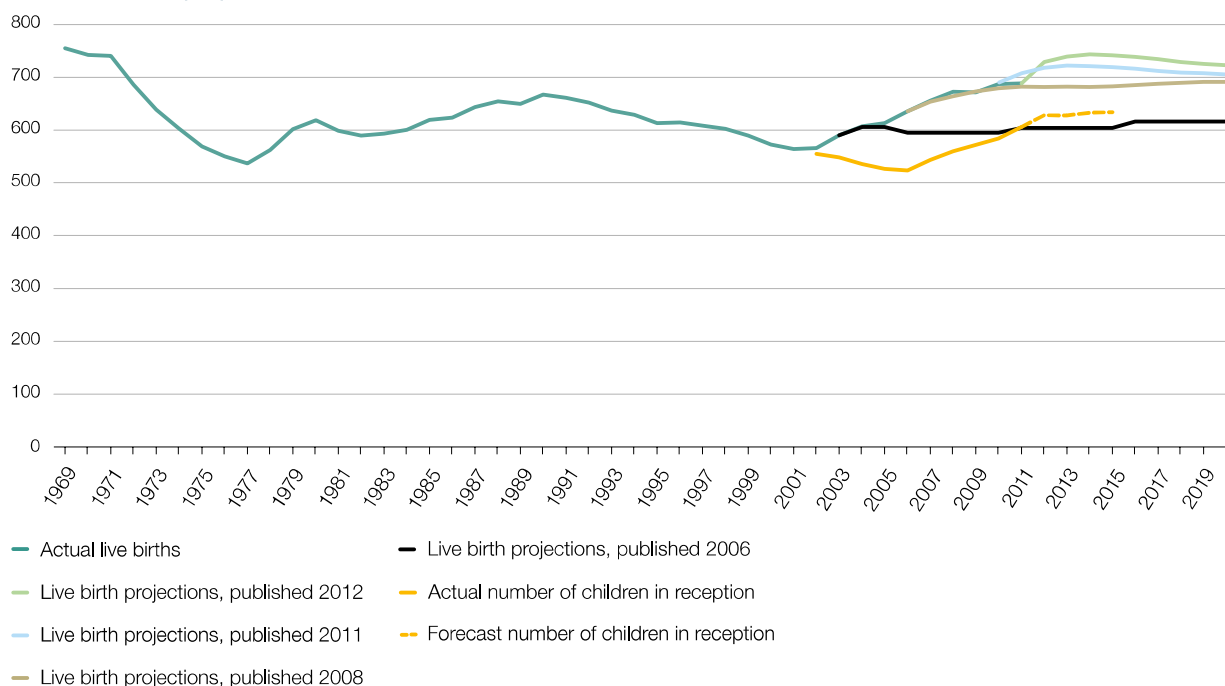
1.11 One component of population change that ONS projects is live births (Figure 3). Although the turnaround in the birth rate started from 2001, ONS did not factor this into its projections until those it published in March 2008 using mid-2006 data, as it wanted to be sure that this change represented 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	–

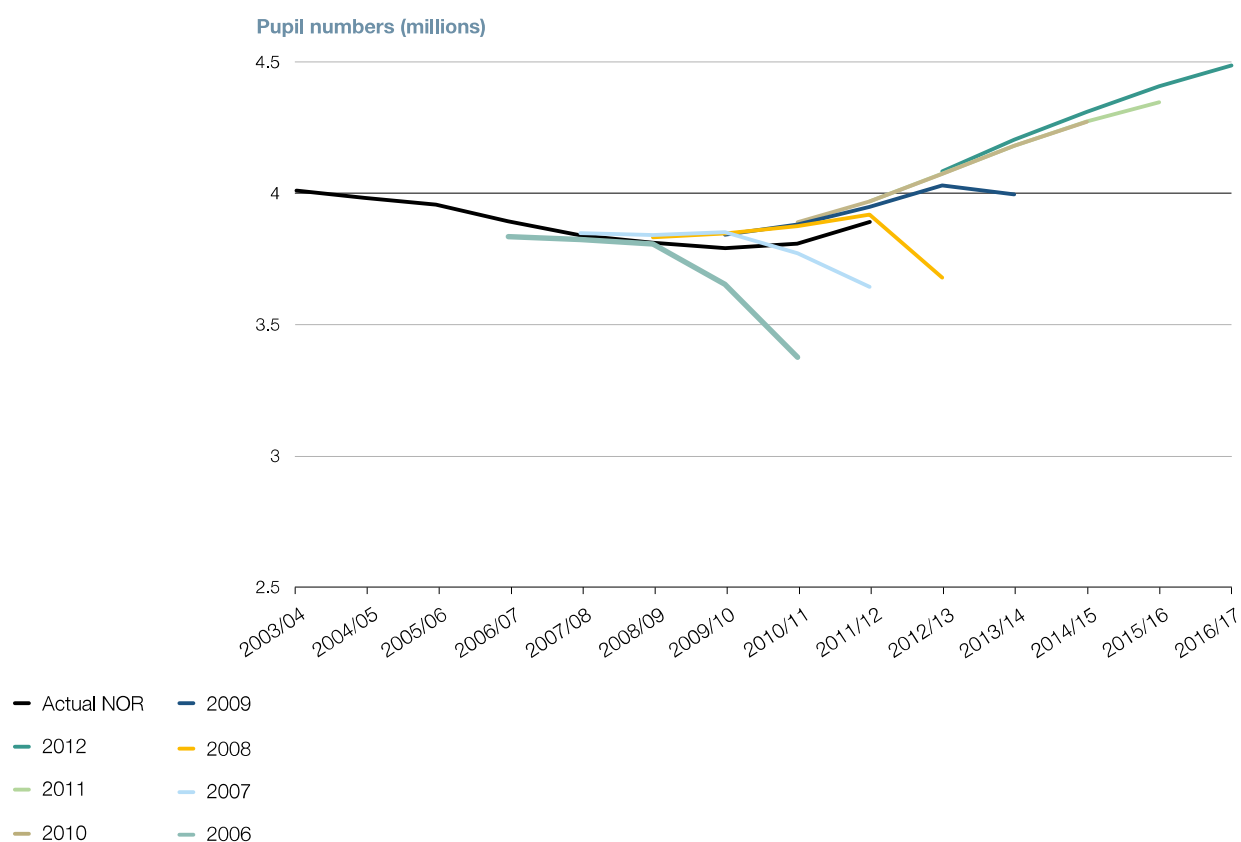
Source: National Audit Office analyses of Office for National Statistics Vital Statistics: Population and Health reference tables 2012 and National Population Projections, 2006, 2008, 2012 for Live Births, and of Department for Education School Census returns, 2003 to 2012 and School Capacity forecasts, 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".⁵ 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.

⁵ 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

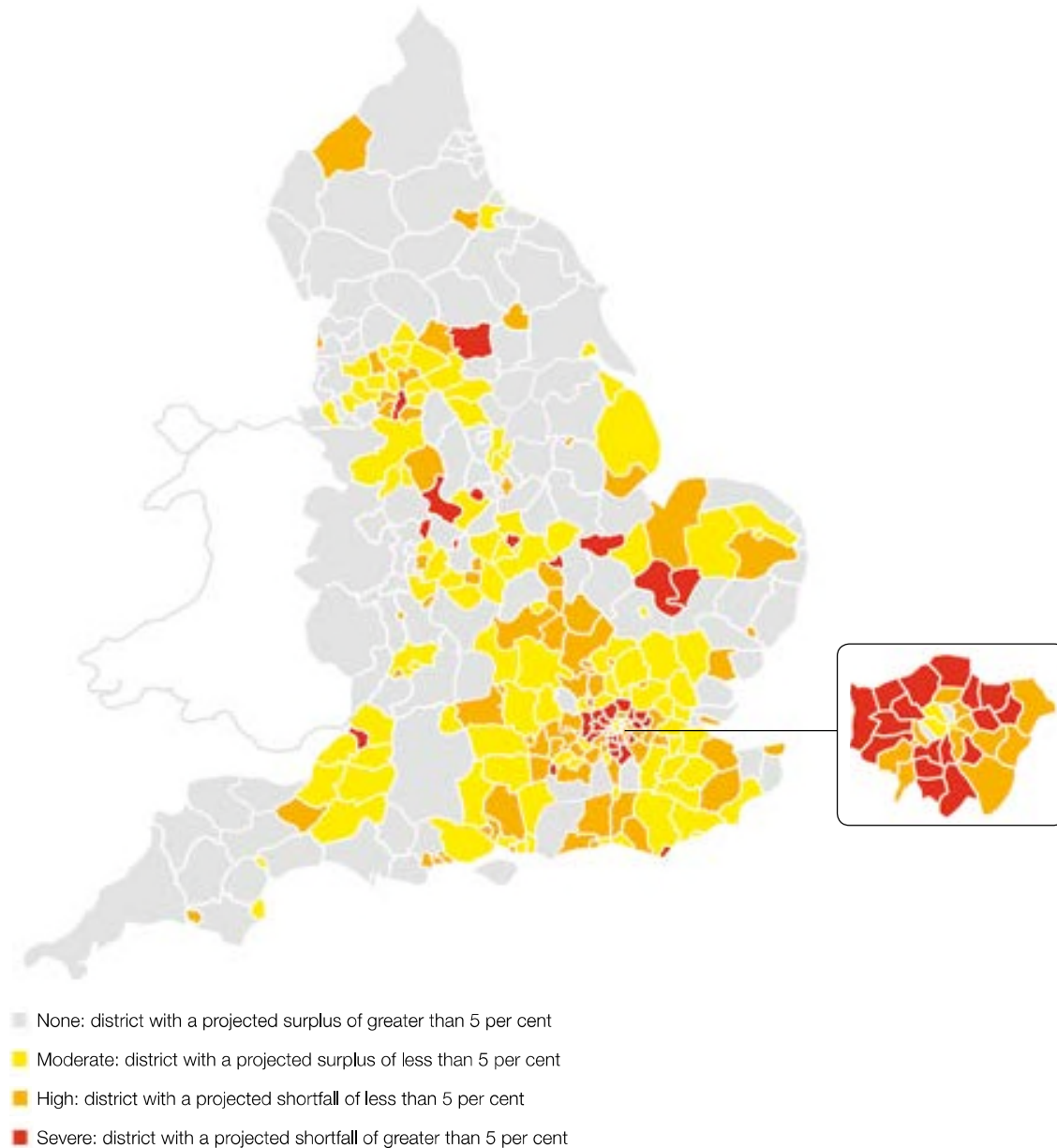
1.21 In addition to the increased demand, there are other indications of pressure on the school system:

- 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



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.

Source: National Audit Office analysis of 2012 School Capacity data

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
Average class size						
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 ¹	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

¹ 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
Appeals made by parents							
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
Appeals decided in parents' favour							
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.

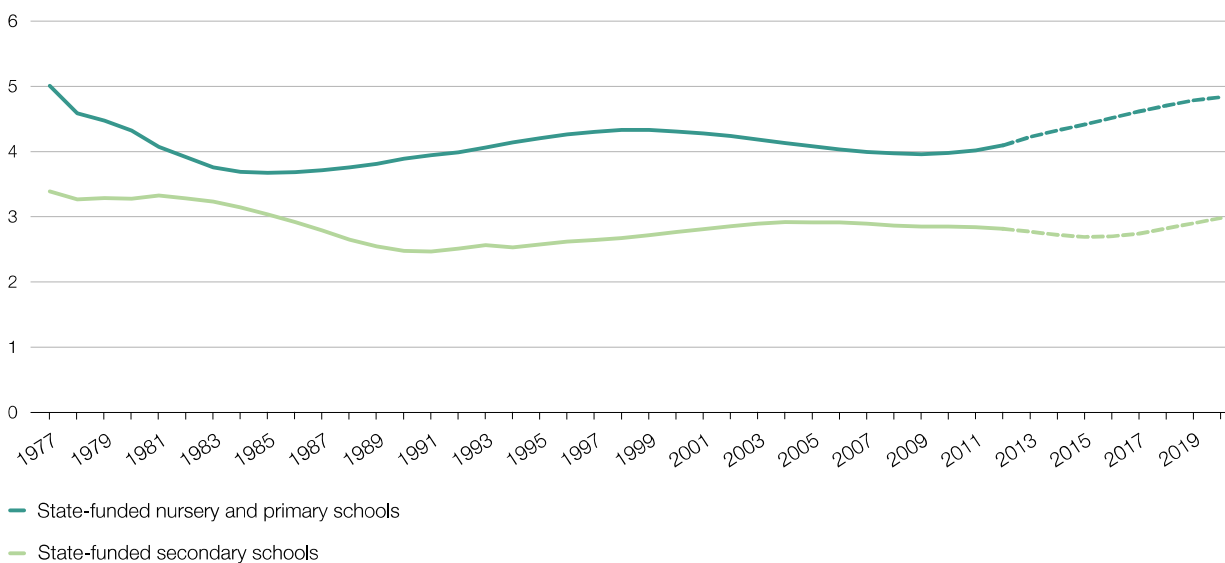
1.24 Many local authorities also told us that increasing numbers of Academies and Free Schools may make providing new places more difficult as authorities have no powers to direct them to expand to take more pupils. Reviews by the Department in 2012 found examples of Academies which were keen to expand, 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.⁶

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.

⁶ 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 ¹ (£m)	Implied local authority share of total costs ¹ (%)	Departmental funding per place ¹ (£)
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

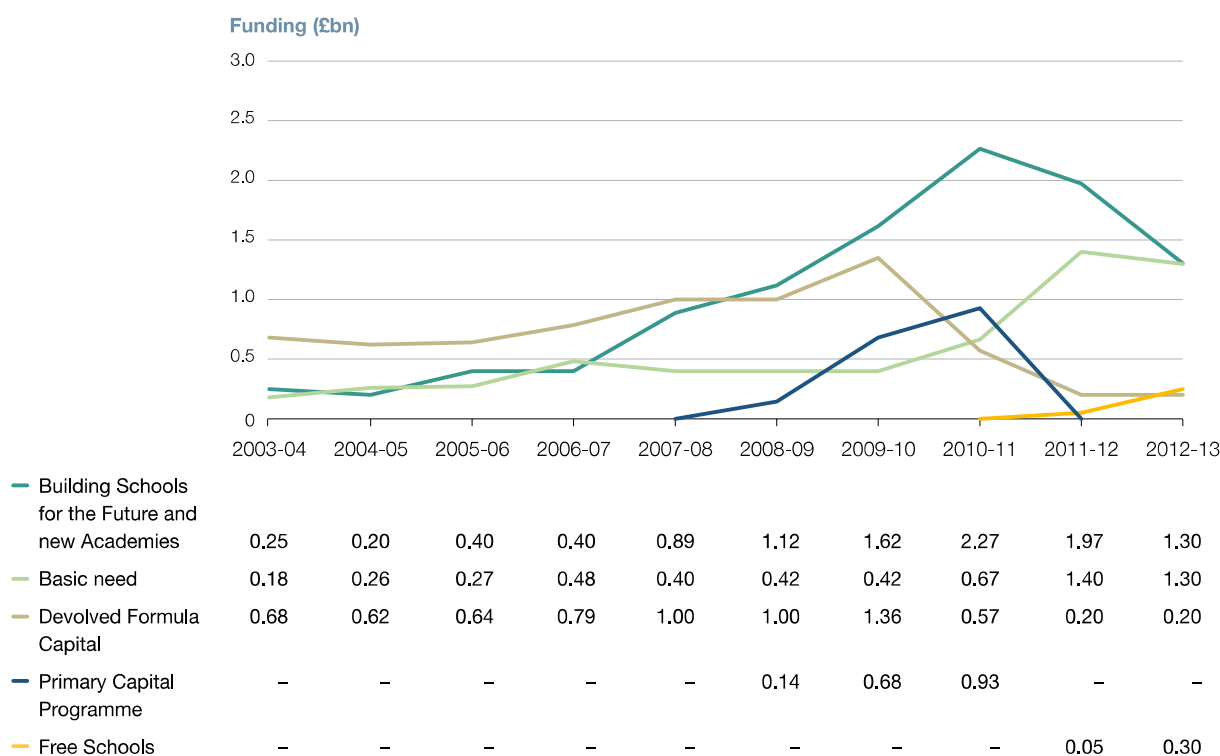
- ¹ The above figures take no account of the time lag between the allocation of funding and delivery of places or of the extra capital funding for schools of £982 million provided by the Treasury in December 2012. The Department has invited bids from local authorities which will determine how much of 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 2012⁷ 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

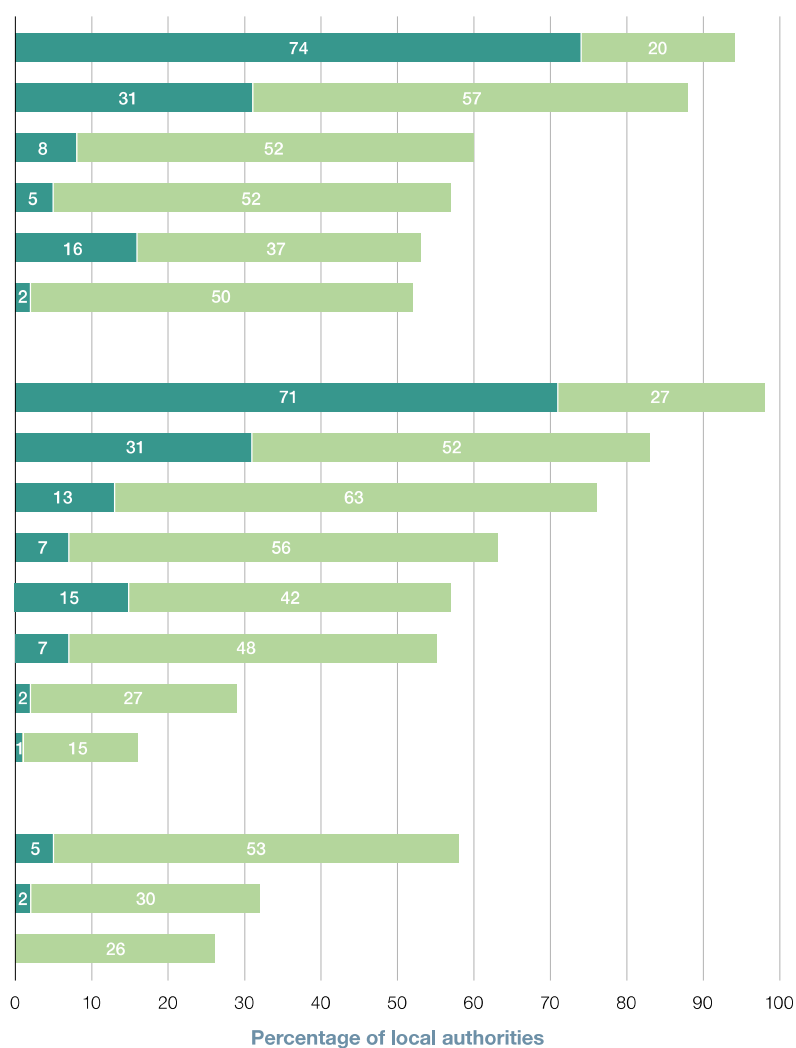
Reduction in space standards

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

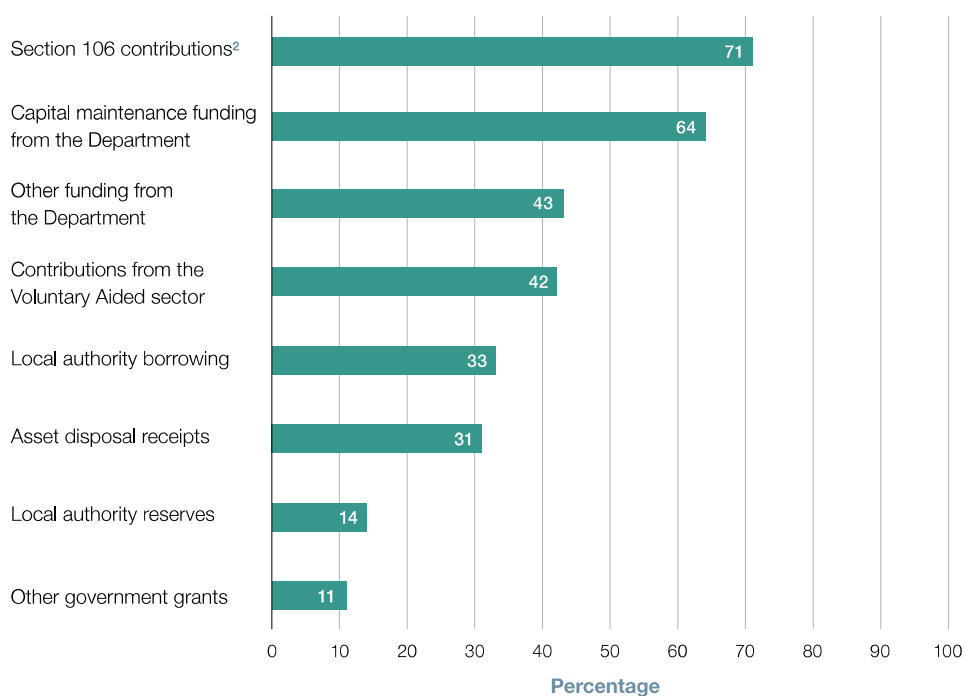
2.19 The Department has taken steps to address the weaknesses in its information for the next Spending Review. However, the impact of these actions has yet to be fully felt:

- 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 area⁸ 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.

⁸ 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

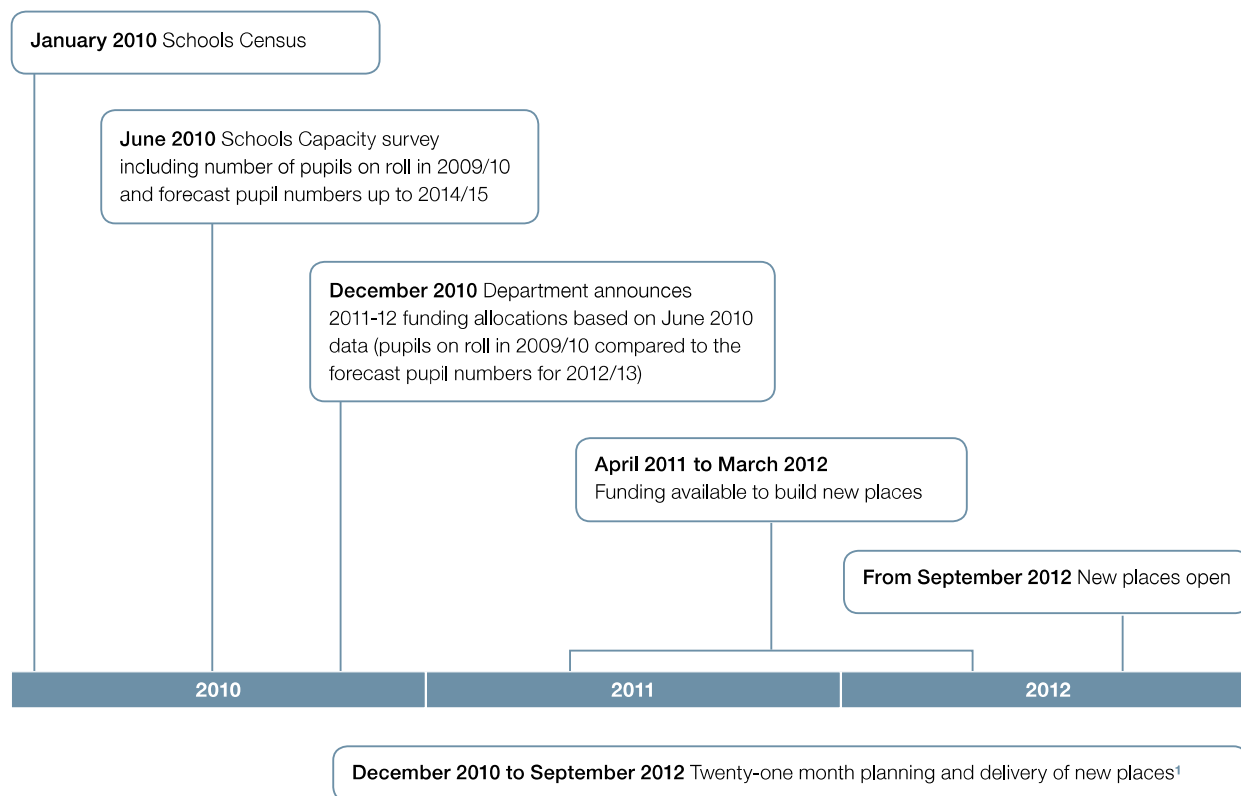
The Department's funding allocation

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

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

Source: National Audit Office review of Department for Education documents

3.2 We assessed the Department's allocation process for its funding by drawing on our review of local public service funding.⁹ 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.

⁹ 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 ¹	Indicator fit with need definition ²	Funding available	Funding allocations announced	Allocation indicator ¹	Indicator fit with need definition ²
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 returns¹⁰ 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.

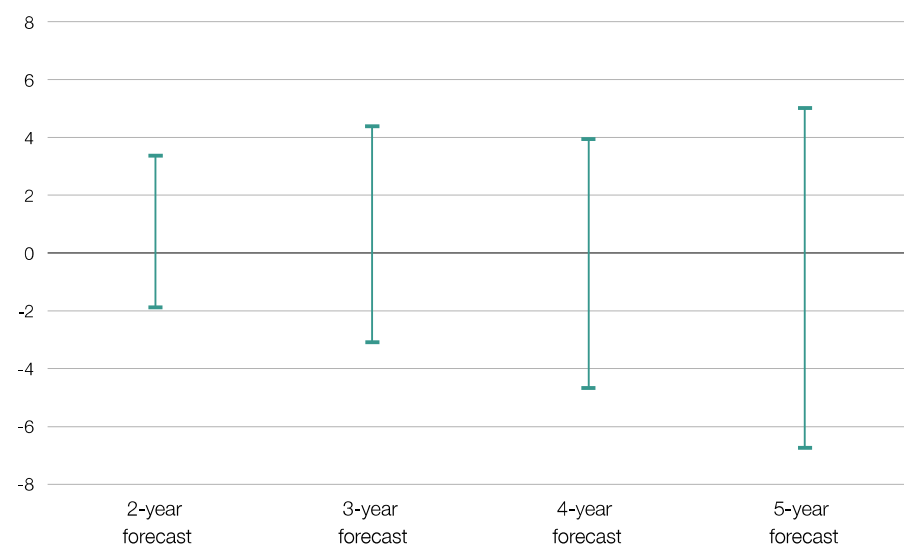
3.8 To illustrate the impact of forecasting uncertainty on funding allocations, we analysed the accuracy of local authorities' 2007 forecasts of expected pupil numbers in 2012 compared to the actual numbers in 2012, as it was these forecasts that the Department used to allocate the annual funding of £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**).

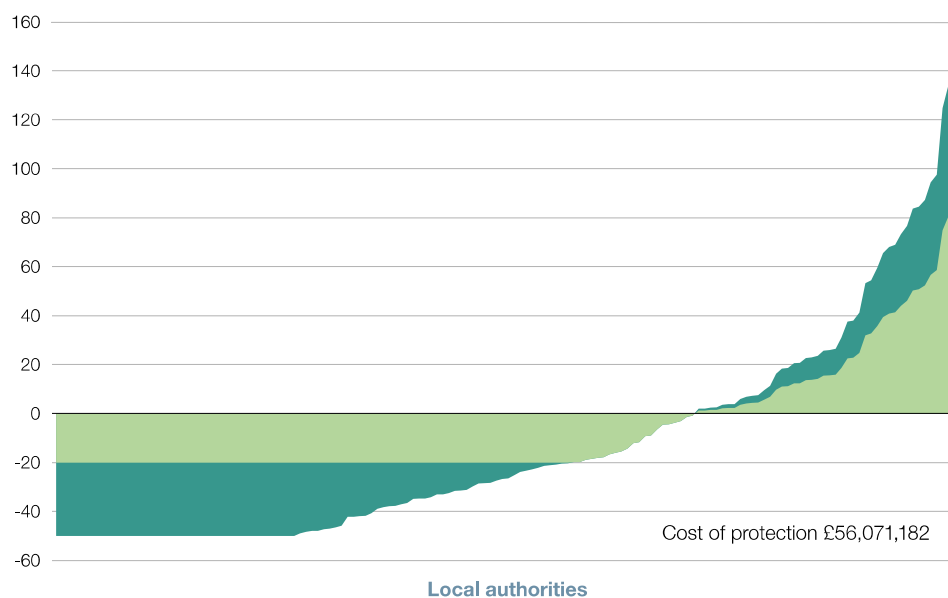
3.15 The use of this stability mechanism resulted in 57 per cent of local authorities being funded more than the Department had assessed they needed using authorities’ own forecasts of pupil numbers, while 29 per cent were funded less. The authorities’ forecasts were not at a detailed enough level to 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

Percentage change



■ Change before protection (%)

■ Change after protection (%)

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.

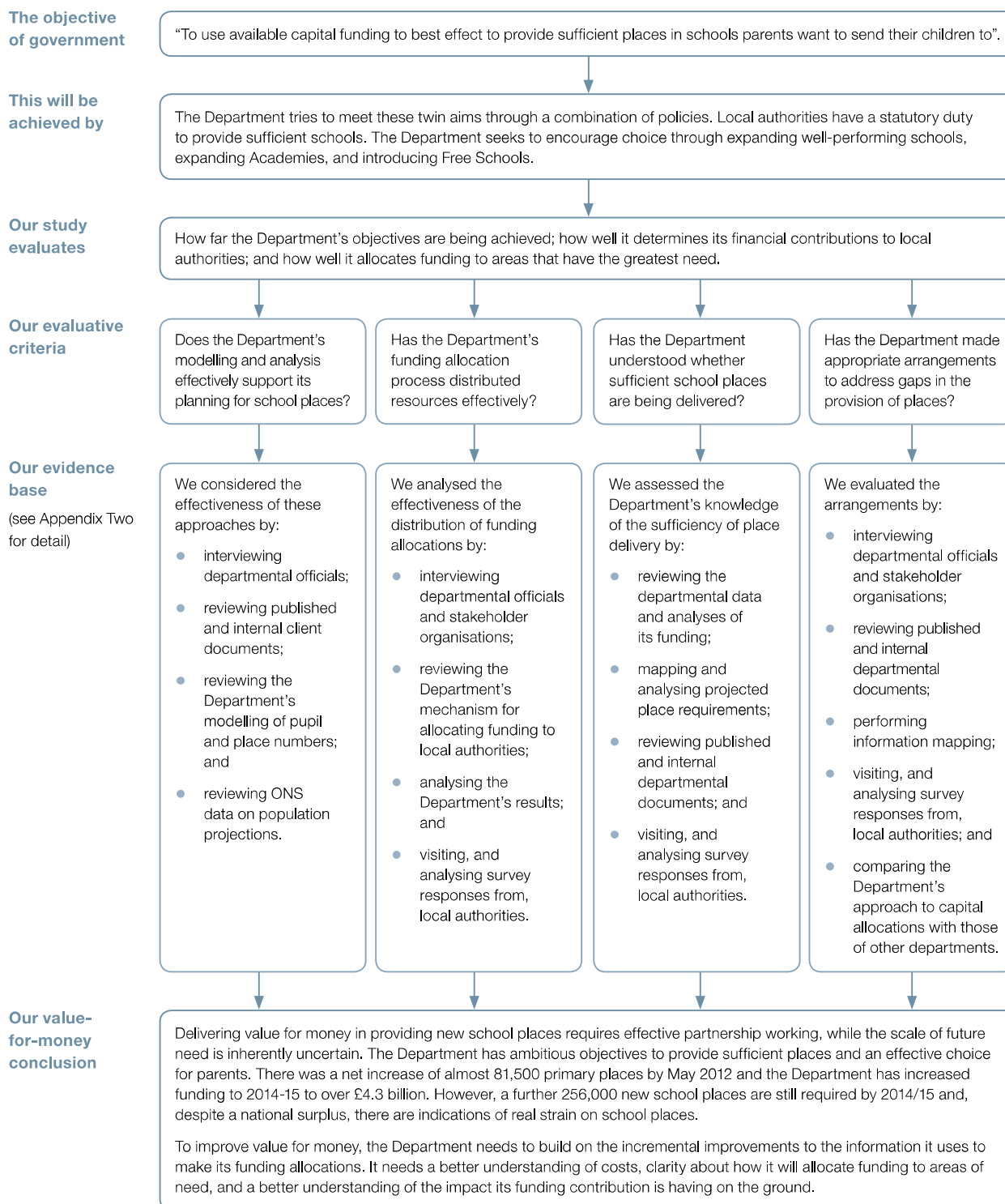
3.19 The Department is currently analysing its new data, but is not planning to use it to analyse the relationship between the funding it allocates to local authorities and the places those authorities have delivered. It therefore has no basis to set benchmarks for authorities' cost per place. This omission 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.