

REPORT TO:	Children and Young People Scrutiny Sub-Committee 9 July 2013
AGENDA ITEM:	7
SUBJECT:	The availability of school places and the robustness of planning for future capacity
LEAD OFFICER:	Paul Greenhalgh Executive Director, Children, Families and Learning
CABINET MEMBER:	Cllr Tim Pollard
PERSON LEADING AT SCRUTINY COMMITTEE MEETING:	Paul Greenhalgh, Executive Director, Sylvia McNamara, Director, Pip Hesketh, Head of Service

ORIGIN OF ITEM:	This item is contained in the sub-committee's agreed work programme.
BRIEF FOR THE COMMITTEE:	<p>To examine:</p> <ul style="list-style-type: none"> - Approaches to obtaining estimates of future demographic change - The procedures for planning the number of school places in response to changing demographics - work carried out alongside planning applications for new housing developments to secure sufficient school places / build new schools to meet demand - Current and forthcoming challenges and work carried out to meet changing demand

1. EXECUTIVE SUMMARY

- 1.1 The paper provides transparency on the Council's strategic and operational approach to pupil place forecasting and the provision of school places to meet demand as directed by Scrutiny Committee. Specifically it responds in detail to the four areas of enquiry as outlined above.
- 1.2 Most London authorities are experiencing a significant growth in demand, partly caused by birth rate and partly by migration. In Croydon this is particularly acute due to the size of the authority, the greater impact of migration due the relative cheapness of house prices (rental and purchase), and the lack of migration outwards by socially aspirant families during the recession. The strength of our demand information is reflected in the authority's success at securing £63million from the DfE towards the schools expansion programme –

the highest of any authority in the country – which was secured after rigorous challenge of the data by the DfE.

- 1.3 The overall number of pupil places in the primary phase across all age groups is 28,941. This means that currently there is a small vacancy rate, which is disproportionately greater in the higher age groups. As the current bulge move through the primary sector this vacancy rate will reduce. The DfE recommends that there should be a vacancy rate of at least 5% in the system in order to cater for in-year movement. To date, there have been sufficient vacancies in the system to cater for in-year movement, but with increasing pressures on Yr R, 1 and 2, where the vacancy rates are lower. The other factor here is geographical, in that vacancy rates in areas of growing demand are significantly less than in other parts of the authority.

2. Estimating future demographic change

- 2.1 Conventional methodologies for pupil place planning focus primarily on the percentage of children born who later apply for Reception classes (known as the 'transfer rate') but take very little account of the increases in the population caused by changes to migration patterns. As with other boroughs, these crude methodologies have masked the one of the principle causes of changes to the demand pupil places. In this changing context, we needed to take more account of the families moving to Croydon with children aged 0-4. This left the Council with a need to rapidly respond to a much higher demand than had been forecast.
- 2.2 In summer 2012, the Council commissioned a piece of research, undertaken by a specialist organisation, LG Futures, which examined a wide range of other important data in order to forecast future demand more accurately. These included health data from GPs, benefits data, housing data and Early Years data.
- 2.3 From this research, three main factors were highlighted as the main contributory factors in the recent growth in pupil demand
- The overall birth rate has increased in Croydon by approximately 32% over the last ten years;
 - There is a significant increase in the number of children who, having been born in Croydon are still here 5 years later and in need of a school place. This 'transfer rate' jumped from a relatively stable 87% to 95% in 2011. This shows a major decrease in outward migration (people moving out of Croydon);
 - There has been a significant increase in young families moving in to the borough in recent years, for example using GP data.
- 2.4 The extent to which these three factors will continue to individually influence future cannot be determined with complete precision simply because other factors may influence future behaviours such as shifts in the economic climate. The research team therefore provided three growth scenarios which are being tracked with month on month applications data for school places and compared to last year's applications.

2.5 Two of the three scenarios are shown in the table below and the assumptions that underpin them are as follows:

- Scenario 1 - Low Growth – this was discounted at the outset as the assumption is that growth will only be determined by the increase in birth rate and empirical evidence demonstrates that this has not been the case in recent years
- Scenario 2 – Medium Growth – this assumes that inward migration (and reduced outward migration) will be a significant factor
- Scenario 3 – High Growth – this assumes that inward migration (and lack of outward migration) will be a major and dominant factor

		14-15 Education Year	15-16 Education Year	16-17 Education Year	TOTAL 2013-18
Primary	Medium	7FE	9FE	9FE	25FE
	High	14FE	11FE	10FE	35FE
Secondary	Medium	0FE	4FE	9FE	13FE
	High	6FE	6FE	9FE	21FE

2.6 The rate of applications for both 2012 and 2013 entry in the primary phase show that the most likely scenario for 2013/14 education year is Scenario 2, Medium Growth.

2.7 The Council has also recently re-subscribed to GLA pupil forecasting and the GLA has been briefed with the research on Croydon pupil demand

2.8 Achieving accuracy in forecasts is critical; the supply strategy must answer the total pupil demand plus 5% to allow for an element of choice. The Council cannot afford to risk the occurrence of children without school places or invest capital in places that are not required. Because of this, quality control measures have been strengthened, e.g. enhanced checking of calculations and sense checking against a wider set of data.

2.9 Officers regularly attend Pan London fora on the demand for pupil demand so that trends, assumptions and forecasts can be sense checked against experience elsewhere in London and the Country.

3.0 The procedures for planning the number of school places in response to changing demographics

3.1 The procedure for planning school places is led by the School Client Team and with active strategic contributions from the School Improvement Service and the Admissions Service.

3.2 Baseline data from the LG Futures research is reconciled with live data from the census and annual admissions rounds. Whilst LG Futures research provides projections of demand spread for 5 years and includes the geographic spread of that demand, the live admissions applications provide a picture of demand for specific schools. The Council's School Improvement team is then actively engaged to evaluate which schools have the right balance of high educational outcomes, leadership capability, physical space and proximity to the highest

demand. The current pressure on places is greatest within the North West and Centre of Croydon but the relative popularity of schools in these areas varies and always the key objective is to lever educational opportunity from the supply of new places.

- 3.3 Where the Council has confidence in the sustained demand for additional places in specific geographic areas, permanent expansions and new schools are considered more appropriate. Officers also actively work with Free School proposers and develop alternative expansion plans that meet demand that can be implemented whether or not Free Schools are approved by the Secretary of State.
- 3.4 Once appropriate schools (including academies) have been selected for expansion, the proposed selection is considered by the Director of Learning and Inclusion, the Executive Director for Children, Families and Learning and the Lead Member for CfL, and then the Education Estates Strategy Board, chaired by the Executive Director, considers the proposals. Two separate workstreams are then triggered; the School Places Team works in partnership with the School Improvement Team with each school to test the schools support of these proposals. With agreement from the school, the Capital Delivery Hub is then commissioned to undertake a feasibility study to ascertain where any additional accommodation could be located.
- 3.5 Agreement from Governing Bodies, the EFA and the Diocese are sought as appropriate and once these are secured, a report which includes a costed supply strategy is taken to Cabinet requesting agreement to proceed to the next stage.
- 3.6 The factors which are taken into account are subject to constant change: regardless of where the forecasts show the demand, the actual demand can be different and the relative performance and popularity of schools can change.

4.0 Work carried out alongside planning applications for new housing developments to secure sufficient school places / build new schools to meet demand

- 4.1 Within the research by LG Futures on pupil demand, the consultant researchers worked with the officers from the Council's Planning and Environment Team to incorporate the demand for places created by developments within the Strategic Plan.
- 4.2 A restructuring of the School Client Team in autumn 2012 enabled the team to build capacity by recruiting a Team Member from the Housing Team. The Team has continued worked closely with the Planning and Environment Teams, calculating year on year child yield from each development and adjusting the supply strategy accordingly. The extent to which new schools are appropriate depends heavily on the timing of the occupancy of housing; demand is generally spread across all year groups and builds over a period of time. Until a school can become sufficiently large to be financially and organisationally viable, investment in new build cannot be justified. Officers are therefore working with head teachers local to housing developments to develop solutions within existing schools in the short term. The statutory mechanisms that the Council has to

secure funding for school places as a result of development are not sufficient to generate enough income – hence this is another challenge for the Council.

5.0 Current and forthcoming challenges and work carried out to meet changing demand

5.1 Educational Challenges

- 5.1.1. The Council has chosen to lever educational opportunity from the challenge of providing additional school places. This means the primary outcome of any expansion, temporary or otherwise must raise standards and improve diversity and choice for families. This means good educational solutions are needed in the geographic areas that are most densely developed where school sites are sometimes smaller and where available land is in short supply.
- 5.1.2. Because offers of places in the primary sector are made within a two mile travel distance from family homes, this limits the choice of available schools who could accommodate an expansion.
- 5.1.3. Officers have worked hard to broker relationships with potential Free School Providers to gain a good understanding of who intends to apply for a school in Croydon. Where the educational proposition is sound and enhances the Borough's existing provision, officers actively support proposers in their applications. Nonetheless, the approval is provided by the Secretary of State rather than the Council and the timing of approvals causes officers to hold multiple expansion options until late in the education year when confirmation of successful applications from the DfE is received.
- 5.1.3 Information flow from live applications for places provides a very narrow window of opportunity to confirm the need for fixed term expansions in specific areas. this creates pressure for schools who need to prepare to accommodate a new class
- 5.1.4 Some schools are very reluctant to agree to an expansion as this can affect their own development plans. Officers must balance the potential for risk to children who may otherwise be out of school with the risk to each schools educational journey. Ultimately the Authority in discharging its statutory responsibilities may need to take an uncomfortable and unpopular decision to direct schools unwilling to accept additional children, thus creating risks to its positive relationships with schools.
- 5.1.5. With over 60 live education capital projects, it is essential that the overall programme runs to time and on budget without distracting the schools from their responsibility to provide high quality outcomes for their school communities; understanding the way schools operate and reducing the negative impact of expansion is vital to the success of the programme.
- 5.1.6 Where the Council decides to build new provision, it must at the same time attract a new provider and recommend this provider to the Secretary of State. Expressions of Interest are commercially sensitive and therefore whilst the process for selection is highly robust and rigorous with transparent and auditable processes, the Council is unable to release its recommendations into

the public domain until the Secretary of State has approved them. This causes frustrations for local communities and other stakeholders.

5.2 *Impact on Communities*

5.2.2. Each project across Croydon and each has an impact on local communities. Officers invest considerable effort to ensuring that the programme delivers positive impacts on each projects local community. The consultation process is vital to understanding local concerns and incorporating suggestions. Officers must resolve traffic and transport concerns and achieve planning consent for every project as well as answering objections to increased noise and the behaviour of large numbers of young people within close proximity.

5.3 *Financial Challenges*

5.3.1 In the past, Croydon's expansion plan has been grossly underfunded by Central Government. In 2013 however, it received from the Department for Education (DfE) the highest sum of any Council in the Country through the Basic Need Allocation: £63 million. This funding was calculated on a sum of £5,403 per pupil place when in fact the actual cost of provision is considerably higher, so that whilst the allocation did recognise that fact that Croydon's need is far greater than other boroughs, the sum received served only to reduce the level of borrowing.

5.3.2. On April 30th 2013, the Council submitted to the DfE a bid for additional Basic Need funding to meet some of the costs of building the new provision required in the next two years. The outcome of this bid has not yet been announced

5.3.4 Going forward, officers are working on a plan to set a target cost for capital projects and achieve far better value for money through procurement choices.

5.4 *Balancing the short term demand with a long term*

5.4.1 The Council must always ensure that forecasting is as accurate as possible to ensure that supply of places meets actual demand plus 5%. This is a highly complex task. A comprehensive set of processes has been introduced to minimise this risk of inaccurate demand projections, but demand will always be led by the collective choices of individual families who will decide where they want to live and where they want their children to go to school.

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BACKGROUND DOCUMENTS: None.