

# Do the Maths

Tackling the shortage of school places in London



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# the numbers

Councils in London are facing significant demand for school places in their local primary and secondary schools.

In 2011/12, London had just under 1.1 million children in its education system. This figure is set to grow year on year to approximately 1.25 million by 2016/17. Pupil numbers are growing at a faster rate in London than anywhere else in the country.

Schools need to be expanded and new schools need to be built to respond to this ever increasing demand for a school place. Although the pressure is currently at its strongest within primary schools, this pressure will, undoubtedly, feed through into secondary school provision over time.

Based upon current projections, London boroughs are facing a shortage of 118,000 primary and secondary school places up until 2016/17.

And while other areas face shortages, the pressure on school places is at its most acute in London – 42 per cent of all shortages in school places nationally will be found in London.

Despite this, London will only receive 36 per cent of the recent basic need capital allocation for 2013 to 2015.

Against this backdrop, London boroughs are working harder than ever to ensure sufficient places are created, but further support is needed from central government.

Government must acknowledge the significant pressure faced by London boroughs and fully resource the investment required.

Government must also recognise the unique challenges faced by London boroughs in building and extending schools in the capital and reflect these factors in the funding allocations going forward.





### **The pressure for school places is much greater in London than the rest of the country**

London boroughs have seen a significant rise in demand for school places due to a combination of population growth, economic factors and the increasing standards of education in London.

Over the 10 years since Census 2001, London's population grew by 900,000 (11.6 per cent).

This was the largest proportional increase of regional population in the country and accounted for 24 per cent of national population growth.

London's population is set to grow further and, by 2020, its population is forecast to exceed 9 million residents.

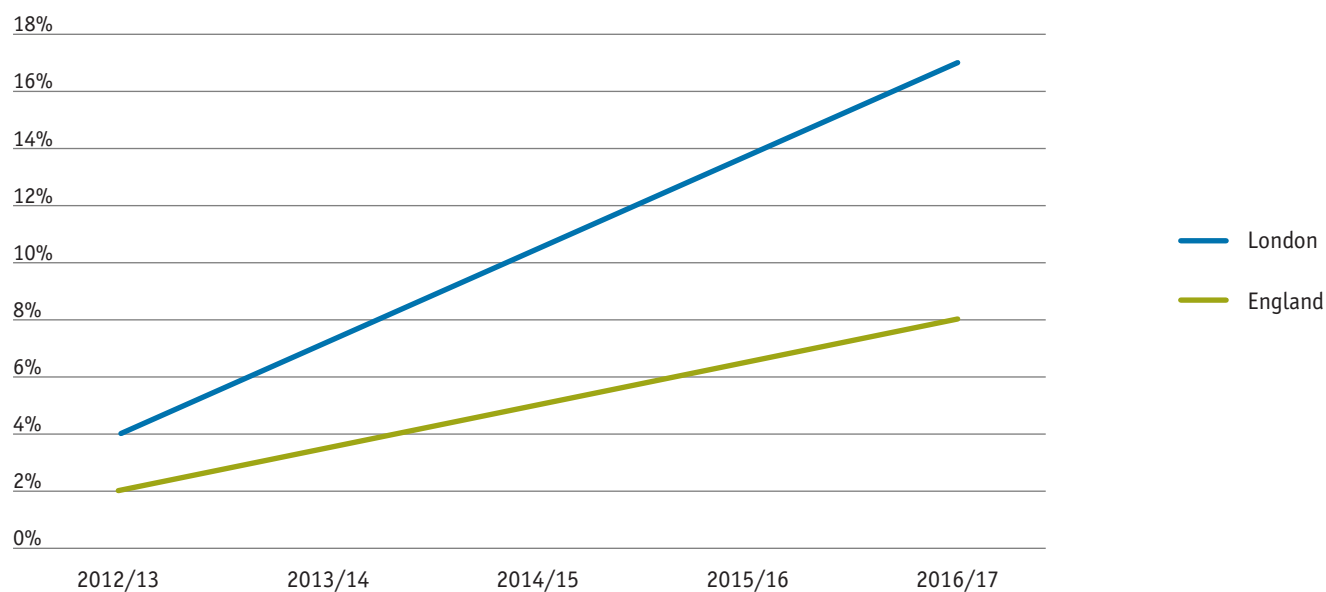
Within this, the recent baby boom in the capital has led to an increased number of school aged children. The school-age population (5-19) within the capital grew by 107,000 over the 10 years – a growth rate of 8.2 per cent between censuses, compared to an overall reduction nationally of 0.2 per cent.

To compound this pressure, the economic downturn has led to an increasing number of families deciding to remain within the capital that previously might otherwise have moved outside of London.

Finally, the unparalleled improvement in standards in London's schools gives weight to the view that more than ever before London is a destination of choice for parents wishing to offer their children the best possible education.

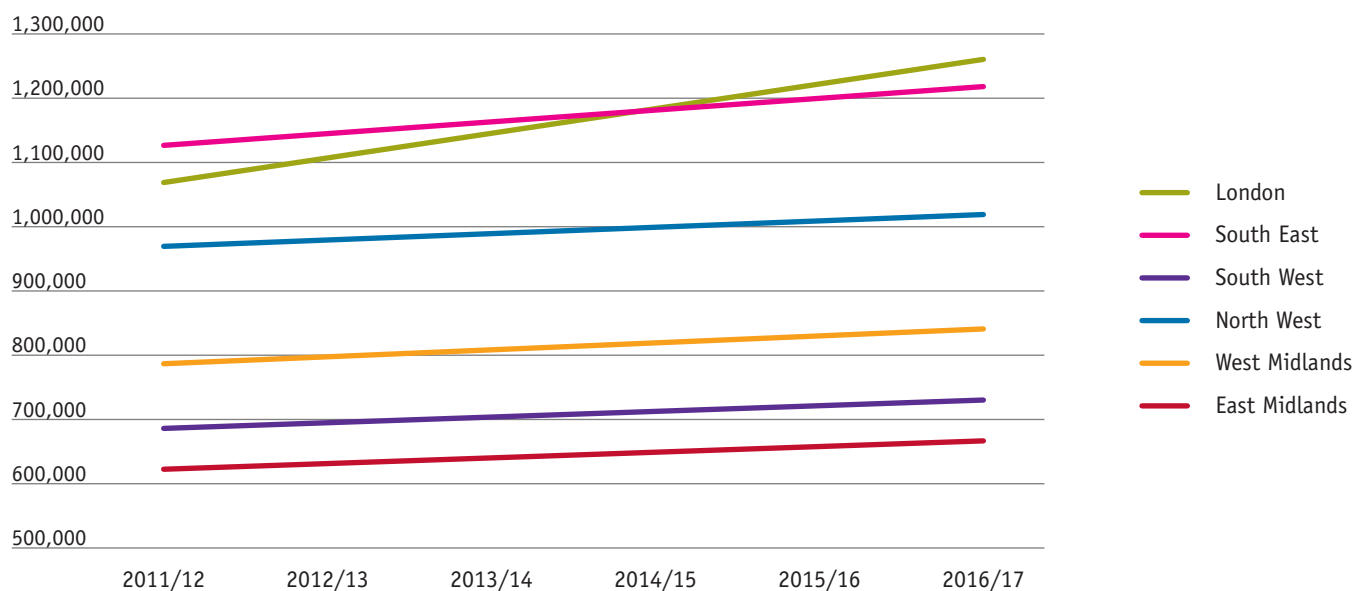
These factors have meant that the pupil growth rate in London is increasing at twice the rate than the national average, according to the latest statistical release. By 2016/17 pupil numbers will have increased by 118,000 – 17 per cent over five years. Nationally, this compares to an increase of 565,000 or 8 per cent.

Figure 1: Projected Pupil Growth Rate



The pupil growth rate in London is growing at a faster rate than all other regions in England:

Figure 2: Pupil Forecasts By Region



This trend indicates that, for the foreseeable future, London will face a continued and disproportionate pressure on its school places.

The sustained nature of this huge pressure on school places in London over recent years means that London has fewer surplus places than other regions and therefore a much lower ability to meet future demand.

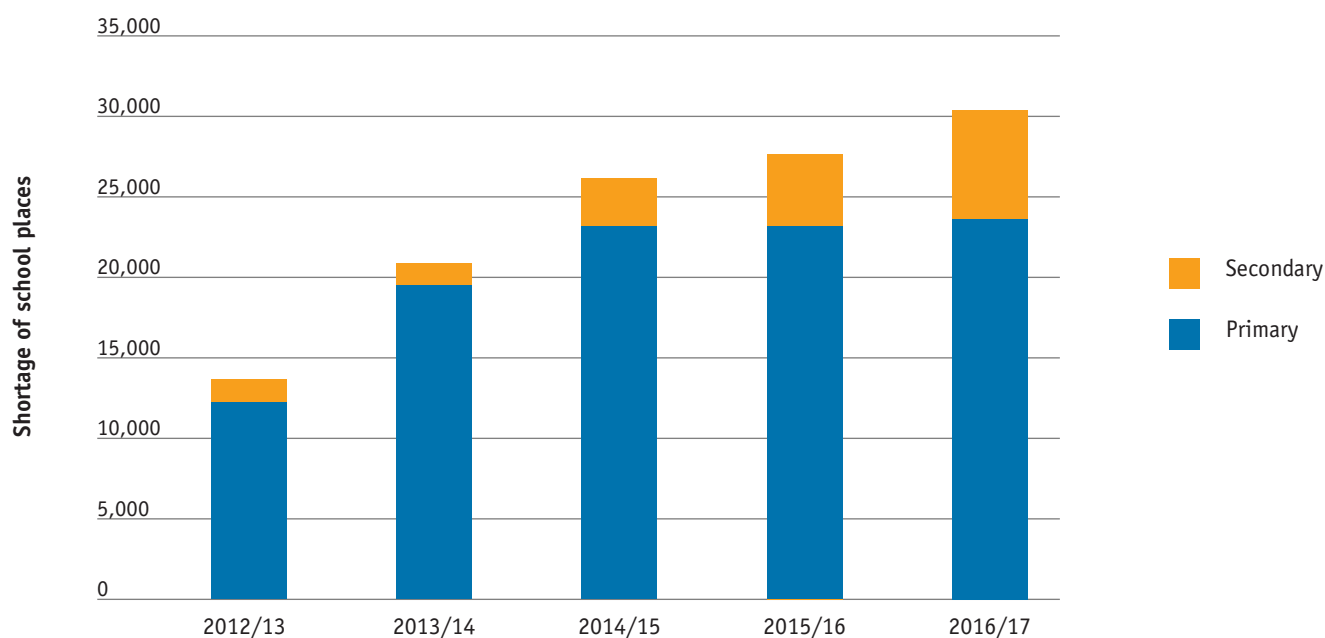
So the challenge of providing school places in London over the next decade will get progressively tougher.

### Too much pressure

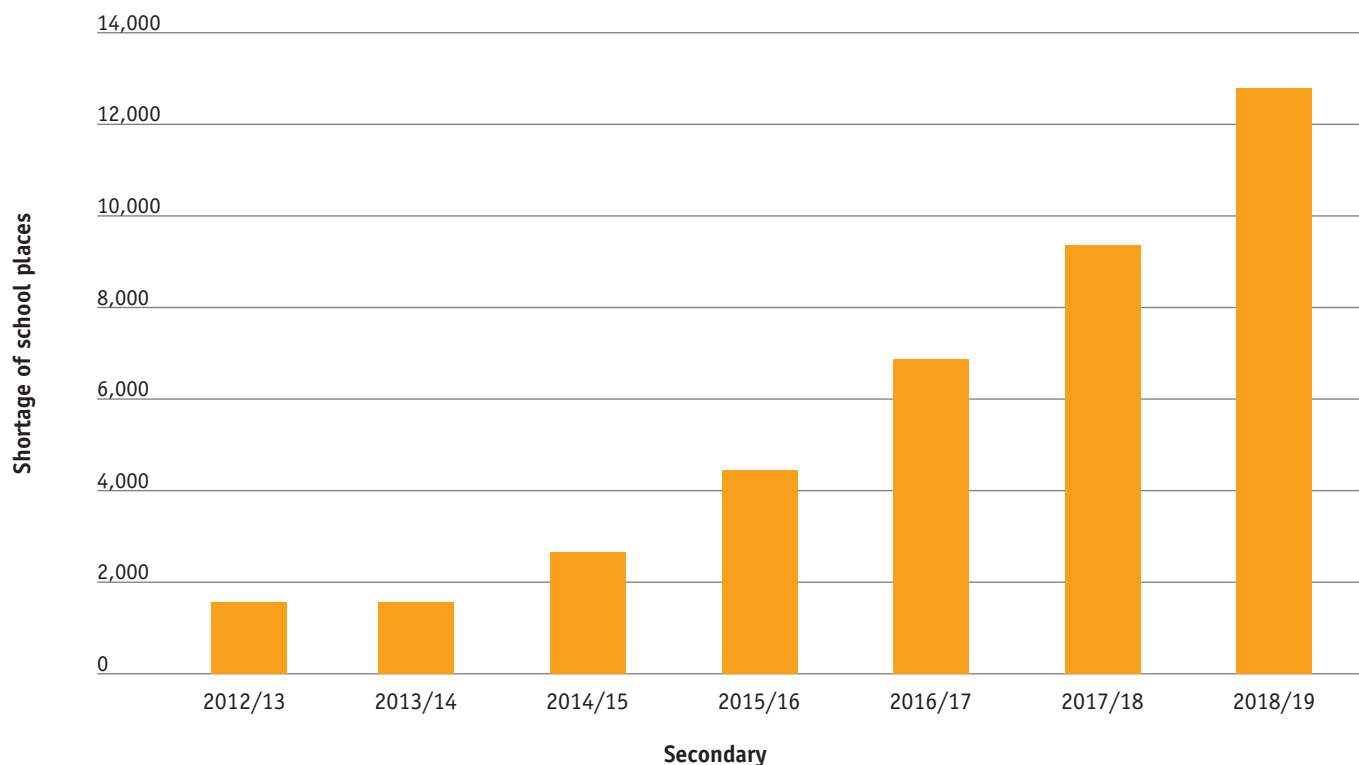
Based upon our analysis of recent Department for Education (DfE) data releases, it is predicted that there will be a shortfall of 118,000 primary and secondary school places by 2016. This equates to 42 per cent of the national shortfall.

Currently, the majority of the shortfall is within primary schools and London boroughs have worked hard to expand and create extra places. However, as the population growth moves through the school system there will be a growing pressure put upon secondary schools. So while London has 39 per cent of the shortfall in primary places; London has a staggering 52 per cent of the national shortfall in the secondary phase.

**Figure 3: Over time the shortage of school places in London is increasingly feeding through into secondary schools**



**Figure 4: Shortage of places in secondary schools in London**



Pressure at the secondary level has been exacerbated by the government's policy in previous years of only providing boroughs with one year funding settlements. This has not allowed boroughs to plan longer term for the more costly expansion of secondary school capacity.

### **Too little funding**

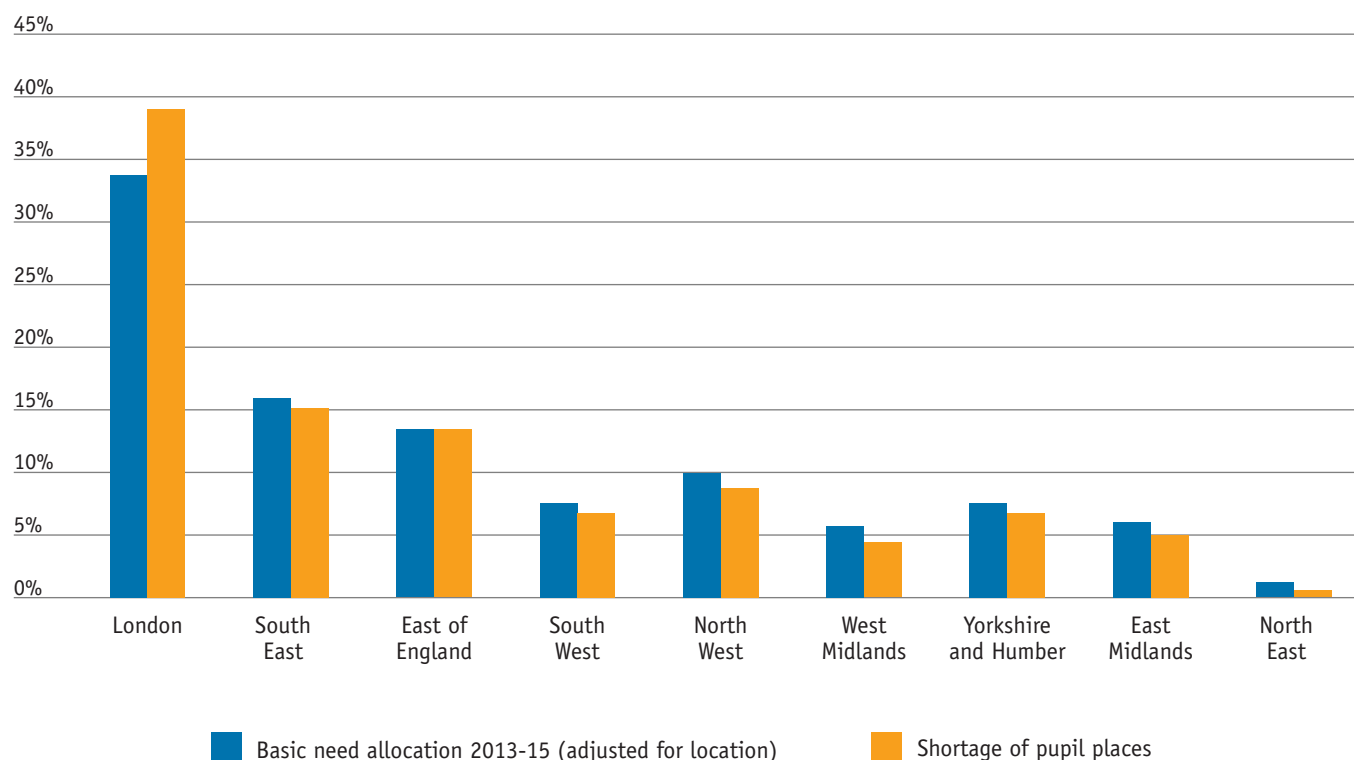
Over the course of the four year Spending Review from 2010, the government will make £4.3 billion available for school capital funding of which London will receive £1.6 billion (38 per cent).

In the recent capital funding allocations, London will receive £576 million (36 per cent) from 2013 to 2015.

While this is a considerable sum of money, the problem in London is so acute that London boroughs still face a funding shortfall of close to £1.04 billion to ensure that every pupil in London has a permanent school place up to 2015/16.

Within the government's current funding methodology and despite some improvements, London Councils believes that there is still some scope for improvement. London has a significant shortfall when comparing its allocations to its relative need. Figure 5 (over page) illustrates that London received proportionately less funding when compared with its need:

**Figure 5: Proportion of Basic Need Allocation vs. Shortfall of Places 2013-2015**



Worse still, London has been offered no funding surety for demand coming through in 2016/17 and beyond, when the pressure on secondary schools will begin to bite.

Within all of this, long term financial planning is key. Existing schools will need to be expanded and new schools built prior to the growth in pupil numbers, so that the facilities are ready when the pupils are ready to start school. In practice, it takes at the very least 18 months to build a new school, sometimes much longer, and the current delay has limited the ability for boroughs to provide sufficient places by September 2014. Schools may be forced to invest in temporary facilities as opposed to permanent classrooms. Such conditions hinder boroughs in their work to consistently deliver value for money through the creation of planned and sustainable school places.

## The London equation

In the Autumn Statement last year the Chancellor announced an extra £982 million of schools capital funding, in the form of the TBN Programme. Local authorities with significant proportionate levels of basic need pressures are encouraged to apply. However, a site or land will need be contributed by the local authority for the purpose of the school build or expansion and the DfE will not provide funding for this.

London boroughs have worked extremely hard over the last four years to uphold their statutory duty to provide a school place for every child. In just one year between 2011 and 2012 an extra 20,000 primary school places were created within London. Boroughs have been expanding existing schools, building new schools, creating temporary classrooms and converting spare rooms into functioning classrooms. Consequently this has now led to several London boroughs operating at full or over capacity. Logically over time all feasible options for expansions and conversions will be eventually be exhausted and the only way of creating extra pupil places will be by building new schools.



Unfortunately building a new school within London is not simple. There is a lack of space within the capital and the added pressures of higher land and building costs than the rest of the country.

Within this, local authorities will need to be mindful of the emerging education landscape and the rising number of academies and free schools in London, especially at the secondary phase. There are currently 229 secondary academies within London – this represents over half of all secondary schools in the capital. This affects where authorities can expand capacity, as academies are under no obligation to expand as they are outside local authority control. In the case of free schools, the challenge will be to ensure that their locations best support areas where there is particular pressure on places.

## Conclusion

The shortage of school places in London does not appear to be short-lived and will continue to be an issue that will grow and intensify unless extra funding is allocated. The recent baby boom is currently placing immense pressure on primary schools; this will feed through into secondary schools.

The TBN Programme is a welcome attempt by the DfE to alleviate the shortage of places. At present, analysis shows London has a shortfall of £1.04 billion. However, the TBN programme presents difficulties to boroughs wishing to take advantage of the offer. The eligibility criteria does not allow boroughs to plan more than two years ahead, and the cost of school building and expansion in London has not been fully accounted for in the TBN funding framework.

In March 2013, the NAO published a report entitled *Capital Funding for New School Places*<sup>1</sup>. A key recommendation of the report identified that DfE needed an updated understanding of costs and needed to clarify to local authorities the scale of its financial contribution. It seems evident that without an understanding of the true cost of creating a new pupil place the funding allocated could continuously fall short.

London needs decisive action by government to meet the huge pressure on school places and to avert what is in danger of becoming a prolonged and chronic shortage of places. This report makes a strong and compelling case for government to:

- acknowledge the unprecedented pressure faced by London boroughs and deliver full and fair funding to support councils to meet this challenge
- recognise the unique nature of the London context in building and extending school places and ensure that this is reflected in future funding allocations.

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1 [http://www.nao.org.uk/wp-content/uploads/2013/03/10089-001\\_Capital-funding-for-new-school-places.pdf](http://www.nao.org.uk/wp-content/uploads/2013/03/10089-001_Capital-funding-for-new-school-places.pdf)

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