

Rt Hon David Laws MP
Minister of State for Schools
Department for Education
Sanctuary Buildings
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Our
reference:
Your
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Dear Minister of State,

Further to our previous correspondence on the growing demand for school places in London, we wanted to highlight that London Councils is launching the '*Do the Maths*' report, on 23 April 2013. The report examines the challenges faced by local authorities in meeting the demand for primary and secondary school places in London.

Pupil numbers in London are growing at a faster rate than in any other region, between the 2001 and 2011 census the capital's school age population grew by 107,000. A growth rate of 8.2% compared with 0.2% nationally. Long term population trends show that London's primary age population will continue to rapidly increase, with the pupil growth rate in London increasing at twice the national average. Our analysis shows there will be a shortfall of 118,000 primary and secondary school places by 2016, with an additional 28,000 places needed in the year between 2015 and 2016. London's shortfall equates to 42% of the total nationally. Despite this, London will only receive 36% of the recent basic need capital allocation for 2013 to 2015. 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.

Looking ahead to the pressures coming through the system, in the next few years we face a tremendous challenge to meet the demand on secondary school places with London representing a staggering 52% share of the national demand, which contrasts even more starkly with our 36% share of funding. Between 2015/16 and 2017/18 the shortage of secondary school places in London is set to nearly triple. London has been offered no funding surety for demand coming through in 2016/17 and beyond. This hinders boroughs in their work to consistently deliver value for money through the creation of planned and sustainable school places.

On a positive note, through this year's primary school admissions process more parents received their first three preferences than last year. The hard work and creative planning by London boroughs, alongside a forecast and temporary dip in the birth rate for 2008/9, has clearly paid off this year. This could not have been achieved without considerable funding from the Department, and we are thankful for that. But funding has consistently fallen short of London's needs.

The recent report '*Capital funding for new school places*' by the National Audit Office found that "*developing a more robust estimate of funding needs is vital for the Department to respond efficiently to the forecast increase in need*". The report goes on to say what

London boroughs have been warning for some years, that the Department's funding per place does not represent an accurate assessment of the costs. Given the high cost of land and of building in London, many boroughs continue to experience a significant shortfall, created by a cocktail of funding levels which fall below our share of demand and a funding rate which does not accurately reflect costs.

In a recent survey of boroughs by London Councils, 18 out of 27 stated that the most recent capital allocation did not allow the local authority to meet their demand for school places. In previous years boroughs have had to look for savings in other already hard pressed budgets to subsidise the shortfall in Departmental funding. Given the huge costs associated with meeting the pressure on secondary school places, this will simply no longer be an option.

We welcome the extra funding available within the Targeted Basic Need programme. This represents vital new money which could make a difference to London's school place shortage, but we are disappointed that the Department has chosen to introduce an additional layer of bureaucracy around this funding. Delivering much needed school places in London could have been achieved at less cost and with greater speed if the additional funds had been allocated through the conventional basic need route.

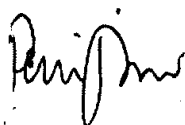
Many boroughs have contacted us to express concern over the very short time frame for bids, which limits boroughs ability to effectively plan large scale projects. Equally, many boroughs are also concerned that the timescale for delivering capacity prohibits bids for new buildings which will take beyond September 2015 to complete. On both points you will be aware that boroughs are required to undertake detailed consultation with their community before a project is "spade ready". The speed with which bids are required and the timeframe for delivery create serious difficulties for boroughs who are in great need of the additional funding but who must comply with their wider planning duties and regulations at the same time.

Crucially, as noted by the National Audit Office, the cost of school building in London has not been fully accounted for in the Targeted Basic Need funding framework. This is creating significant pressure on boroughs to go without the funding because the Department will not meet their costs. In that case, the Department is simply delaying the inevitable.

There is an urgent need for further action to prevent the school place crisis in London from worsening. We are writing to you now to ask that the Department look again at London's needs and deliver additional and fair funding to the capital which properly recognises our share of demand and the cost of delivering school places. Additionally, in the very near future the Department must provide funding surety for 2016/17 and beyond so that boroughs are able to begin planning for the pressure coming through into secondary schools.

We urge you to give this matter your most urgent consideration.

Yours sincerely,



Cllr Peter John
London Councils' Executive Member
for Children and Young People



Yvette Stanley
Chair of the Association of London
Directors of Children's Services