



# The Supply of School Places

A submission from the Association of Colleges and the Sixth Form Colleges' Association  
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1. The Association of Colleges and the Sixth Form Colleges' Association represent and promote a diverse range of Colleges that enrol and teach the majority of 16-18 year olds in education and training in England. Although the scope of the Education Committee's inquiry is on the supply of *school* places, we have some facts and observations to add to the debate in relation to 16-18 year olds.

### Forecasting pupil numbers

2. There are significant weaknesses in the way in which pupil numbers are currently forecast. Responsibility for this issue sits mainly with the Department for Education (DFE) but as the National Audit Office (NAO) concluded in their report on school places, there are weaknesses in the way the Office of National Statistics (ONS) updates pupil population forecasts.<sup>i</sup> There are signs that decisions are continually being made on the basis of out-of-date data and that DFE and local councils are in a cycle of catching up with events. One year after the Treasury and DFE agreed a substantial cut in the education capital budget in the 2010 spending review, there was a substantial increase again to fund places. The NAO estimate that councils have contributed 34% of the costs of new places<sup>ii</sup> and suggest that school maintenance budgets may be diverted to deal with short-term pressures.
3. These weaknesses in the data are magnified when it comes to information on 16 year olds in England. DFE does not publish national data on where 16-18 year olds live and study. In 2013, DFE had to revise its estimates of 16-18 participating in education downwards when it became clear from the 2011 census that there are more than previously thought.

### Impact of supply problems on choice

4. Rising pupil numbers and the problems associated with the response of DFE, councils and schools to this trend has resulted in a failure to ensure that parents have power to choose a school at secondary level in a way that was promised in the 2010 Coalition Agreement.<sup>iii</sup> When the Conservative Party was in Opposition, it produced a paper which described free schools as a way to widen choice.<sup>iv</sup> The reality now is that free schools are seen as a solution partly to providing places to meet the basic need<sup>v</sup>.
5. In 16-18 education, choice has a significant role in driving up standards by forcing institutions to respond to demand from young people and their parents. Despite a 22% dip in DFE funding at age 16, Colleges of all types offer a wide choice of options for young people to progress to higher education and employment and have played a major role in raising the participation and achievement rates of 16-18 year olds.

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### The role of schools in meeting demand from parents

6. At a time when there is growing pressure on secondary places, the focus of some secondary schools has been on expanding their age range *upwards* to include sixth forms. 94 new school and academy sixth forms have opened in the past two years<sup>vi</sup>. This does not tackle the core need to increase the number of secondary places and has undoubtedly been encouraged by the offer of 100% capital grants from DFE. School self-governance means that schools of all types (academies, maintained schools etc) run their own budgets, make surpluses, set funds aside for depreciation and build up reserves, yet there are weak mechanisms in the system to involve schools in funding additional places.
7. Colleges, by contrast, have used their financial independence in the last twenty years to build up the capacity to part-fund expansion projects and capital development which means that capital grants from DFE and BIS go further and are also used more sensibly (because College governing bodies are staking their own funds). We recognise that the status of Colleges in the national accounts allows them to go one step further than schools in borrowing money from clearing banks but, even without this, there must be a case for all available resources to be mobilised on the key priorities.

### The role of DFE in the education marketplace

8. DFE must take an evidence-based approach to overseeing the development of the education marketplace. We see a situation where scarce capital grants have been spent to cover 100% of the costs of new school sixth forms without a proper appraisal of demand or the capacity of the school to make them work. Evidence from the NAO<sup>vii</sup> indicates that small sixth form providers are less efficient and less effective than larger ones. In recent years, there has been a sense of entitlement among academy sponsors and converters that they can have a sixth form, some of which have been created near to high performing Colleges rated *outstanding* by Ofsted and have struggled to recruit students for that very reason. 60 of the 94 schools who opened a sixth form in the last two years have been inspected since 2011. Of these, 24 were graded '*requiring improvement*' or '*unsatisfactory*' by Ofsted<sup>viii</sup>. 80% of Sixth Form Colleges and 73% of FE Colleges are currently rated good or outstanding by Ofsted. DFE should collect proper comparative data on the performance of school sixth forms to allow meaningful comparisons to be made with Colleges.

### Longer-term issues in 16-18 education

9. There is currently a shortage of primary places. In some areas there's a secondary shortfall. By 2020 there will be pressure in some areas in post-16 provision. Following the spending review, DFE has a five year, £21 billion budget and ought to be planning now for the rest of the decade but, at the same time, should be allocating capital funds on the basis of quality, cost and subject priorities and not just handing out blank cheques to particular categories of institution.

### References

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<sup>i</sup> National Audit Office, *Capital funding for school places*:

[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) pp16-18

<sup>ii</sup> NAO report (2013), page 9

<sup>iii</sup> HM Government, *The Coalition: our programme for government*:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/78977/coalition\\_programme\\_for\\_government.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/78977/coalition_programme_for_government.pdf)

p.28 “The Government believes that we need to... give powers to parents to choose a good school”

<sup>iv</sup> Conservative Party “Schools Policy Paper: Raising the Bar, Closing the Gap” 2007 discusses the use of capital funds to create 220,000 new places to ensure that parents have the choice of a “good” school place and states that the majority of new places will be via Free schools.

<sup>v</sup> David Laws written ministerial statement on 18 July 2013 on school capital

<https://www.gov.uk/government/speeches/targeted-capital-funding-for-new-school-places>

“We will continue to set up free schools where there is both demand from parents and where they can make the biggest difference to local provision through addressing basic need and improving the quality of local schools.”

<sup>vi</sup> House of Commons Written Answer 24 Apr 2013: Column 965-966W

<sup>vii</sup> National Audit Office, *Getting value for money from the education of 16 to 18 year olds*:

<http://www.nao.org.uk/report/getting-value-for-money-from-the-education-of-16-to-18-year-olds/>

<sup>viii</sup> House of Commons Written Answer 24 Apr 2013: Column 965-966W