

ESTIMATING DEMAND FOR EDUCATION PROVISION ARISING FROM NEW HOUSING DEVELOPMENTS (REVISION OF METHODOLOGY)

To: Children & Young People's Committee

Meeting Date: 5 December 2017

From: Wendi Ogle-Welbourn, Executive Director: People & Communities

Electoral division(s): All

Forward Plan ref: 2017/047 **Key decision:** Yes

Purpose: **To:**

- a) advise members of the outcome of a review undertaken by the Council's Business Intelligence Service of the multipliers used as the basis for primary pupil forecasts and 0-19 education place planning;
- b) to set out the impact of applying new multipliers to new developments; and
- c) seek approval for the adoption of the revised general multiplier for children in the 4-10 age range with immediate effect

Recommendation: **Members are asked to:**

- a) Comment on the matters raised in the report and note the changes to the identified requirements for primary places likely to result from applying the new multiplier; and
- b) approve the adoption of the revised general multiplier for children in the 4-10 age range with immediate effect in order to better inform the planning and funding of primary education places

<i>Officer contacts:</i>		<i>Member contacts:</i>	
Name:	Clare Buckingham and Mike Soper	Names:	Councillor Simon Bywater
Post:	Strategic & Policy Place Planning Manager Corporate Performance and Research Manager	Post:	Chairman
Email:	Clare.buckingham@cambridgeshire.gov.uk Michael.soper@cambridgeshire.gov.uk	Email:	Simon.bywater@cambridgeshire.gov.uk Samantha.hoy@cambridgeshire.gov.uk
Tel:	01223 699779/715312	Tel:	01223 706398

1. BACKGROUND

- 1.1 In order to plan appropriately for new housing developments, the Council provides forecasts of pupil numbers to inform planning for early education and school places. The forecasts form the basis for either negotiation with developers as part of a S106 Agreement or to support the Council's case for its infrastructure requirements to be funded via the Community Infrastructure Levy (CIL). In larger developments the number of school places required may necessitate provision of new schools and sufficient land to accommodate buildings and outdoor space. These requirements feed into the planning process. Given the importance of the multipliers in the planning of the provision of new communities, it is important that they are considered by elected members and this, in turn, lends weight to the Council's case whenever it is challenged by developers.
- 1.2 Forecasting the number of children that will live in a new development is a complex evidence-led process. The Council's Business Intelligence Service has developed a methodology over many years, based on:
- analysis of census and other population data;
 - local surveys of new developments such as Cambourne,
 - administrative data such as the PLASC (Census of school pupils)
- Together, these sources indicate the average number of children that might reasonably be expected in individual properties, depending on the number of bedrooms and tenure. While some key variables, for example dwelling size and tenure mix can be factored into forecasts, there remain many intangibles to do with location and design, the state of the housing market and government policy that affect the types of people and households attracted to live in an individual development.
- 1.3 The multipliers which underpin the methodology to forecast the numbers of children for a given number of new homes were last revised in 2015 resulting in the general multipliers for 0-3 year olds being increased from 18-25 to 20-30 per 100 dwellings. The general multipliers for 4-10 year olds remained unchanged from the 2009 review at 25-35 per 100 dwellings (as did the secondary multipliers).
- 1.4 The monitoring of recent new developments in Cambridgeshire suggests that the general multipliers for primary aged children needed to be reviewed again. This paper sets out the reasons for, and outcome of this latest revision.

2.0 EVIDENCE FOR CHANGING THE GENERAL MULTIPLIERS

- 2.1 General multipliers are used to assess the impact of new development where detailed tenure mix and dwelling size is unknown. This is normally the case at the outline planning permission stage.

Currently the Council's general multiplier ranges per 100 dwellings are:

- 20-30 pre-school aged children (0 - 3 years)
- 25-35 primary age children (4-10 years)
- 18-25 secondary age pupils (11-16 years)

- 2.2 It should be noted that when the 0-3 multiplier was changed in 2015 this was because direct evidence was available on the numbers of children aged 0-3 within new

developments such as Loves Farm (from the Census and NHS Child Health Records). A multiplier of 20 – 30 children aged 0-3 per 100 dwellings represents *5 to 7.5 children per year group*. Continued monitoring has now demonstrated that these children are remaining within new developments and entering into primary school. This means that the current primary multiplier of 25 – 35 children aged 4 – 10 per 100 dwellings, *which represents 3.6 to 5 children per year group*, is too low to ensure that appropriate levels of developer contributions for education provision are secured for this age group.

2.3 Whereas the 2015 report drew upon specially commissioned 2011 census tables (newly available at that time) at present, the most important source of information available is the Council's own administrative data. These are the PLASC (Pupil Level Annual School Census) and the Annual Planning Monitoring (carried out by the County Council on behalf of the Districts).

2.4 As part of the review of the 4 – 10 general multiplier evidence was considered for the developments at Cambourne, Loves Farm, Orchard Park and the long-term growth in primary numbers for Ely. Early data from recent developments Trumpington Meadows and Clay Farm was also considered. For the purposes of this report, this data is summarised below. For more detailed analysis see the technical report (source document).

2.5 **Cambourne (South Cambridgeshire)**

The new settlement of Cambourne now comprises 4,180 dwellings. The 2017 PLASC figures show that there are 1,589 children aged 4 – 10 in the settlement attending state funded schools. This gives a ratio of *38 primary aged pupils per 100 dwellings*. Planning monitoring shows that approximately 29% of dwellings are affordable homes.

Loves Farm (St Neots)

The new estate of Loves Farm now comprises 1,435 dwellings. The 2017 PLASC figures show that there are 585 children aged 4 – 10 in the settlement attending state funded schools. This gives a ratio of *40.8 primary aged pupils per 100 dwellings*. Planning monitoring shows that approximately 35% of dwellings are affordable homes.

Orchard Park (Cambridge Fringe)

The new estate of Orchard Park now comprises 983 dwellings (with a significant number of flats / one bedroom properties). The 2017 PLASC figures show that there are 226 children aged 4 – 10 in the settlement attending state funded schools. This gives a ratio of *23 primary aged pupils per 100 dwellings*.

Trumpington Meadows (Cambridge Fringe)

The new estate of Trumpington Meadows is a recent development with currently 585 dwellings completed. It will take time for child numbers to grow but the 2017 PLASC figures show pre-school (0-3s) numbers of approximately 30 per year group. If these children age through as expected into primary education this will give a ratio of *36 primary aged pupils per 100 dwellings*.

Clay Farm (Cambridge Fringe)

The new estate of Clay Farm is a recent development with currently 1,145 dwellings completed. It has a relatively high number of expensive flats. It will take time for child numbers to grow but the 2017 PLASC figures show pre-school (0-3s) numbers of approximately 40 per year group. If these children age through as expected into primary education this will give a ratio of *26 primary aged pupils per 100 dwellings*.

Ely (Long Term growth)

Planning monitoring figures show that between 2001 and 2016 a total of 1,906 dwellings were built in Ely as part of several new developments. Over the same period the number of children of primary school age at state funded schools increased by 881 from 931 to 1812. Whilst part of the increase can be attributed to an increase in birth rate for the general population, it is probable that the new housing resulted in an increase of primary aged children in the town at a rate of *between 30 and 40 per 100 dwellings*.

The long-term growth in primary numbers for Ely is also helpful in refuting the argument sometimes put forward by developers during negotiations that existing families will move from one part of the town to a new dwelling with their original home being occupied by smaller family units.

2.6 Other Evidence

The Business Intelligence Service also reviewed the current multipliers in use by other local authorities. Some were still reliant on evidence pre-dating the 2011 census. These have been ignored for the purpose of this exercise.

East Sussex, Wiltshire, Northamptonshire and Essex have multipliers within the 29 to 32 range for children aged 4 – 10 per 100 dwellings.

Other authorities with possibly lower levels of growth, for example Suffolk and Worcestershire use multipliers within the 25 to 28 range for children aged 4 – 10 per 100 dwellings.

None of the evidence sources that were quoted were dated later than 2014, although two local authorities had commissioned a survey of new housing.

2.7 Outcome and reasoning

2.7.1 In light of the evidence it is proposed to increase the general multiplier for the primary age range to 30 to 40 per 100 dwellings. The reasons for this are as follows:

- A multiplier of 30 to 40 is the equivalent of 4 to 6 children per year group and brings this multiplier closer to the 5 to 7.5 children per year group for those aged 0 – 3 (noting that numbers of *all* early years children will be slightly higher than those eventually seeking state funded primary education).
- Figures for Cambourne and Loves Farm justify the upper figure of 40 per 100 dwellings particularly where the expected proportion of affordable homes is in the region of 30 to 35%. The figure of 40 is also specific to the exceptionally high number of children being resident within Cambridgeshire new build housing.

- The lower end of the range of 30 is consistent with general multipliers used in other parts of the country and overall the range of 30 – 40 would encompass the experience of growth in pupil numbers for Ely.

2.7.2 The Business Intelligence Service has a policy of assessing the need to review multipliers as new evidence becomes available. Evidence that the current 4-10 multipliers were in need of adjustment was apparent and follows on from the previous adjustment to the 0-3 multiplier. With regard to the secondary multiplier the child age groups in recent new developments such as Cambourne and Loves Farm will need to age through for a further 2 to 3 years in order for officers to assess what increase for secondary pupils will be at its peak and then review the multiplier accordingly.

2.8 Use of the multipliers

2.8.1 For the purposes of successfully planning for education provision for children living on new developments, the Business Intelligence Service strongly advises against the use of a 'mid-point' figure derived from the range of 30 - 40. Instead, use of the full range is advised, particularly during early discussions with developers. This is because there are recent examples of 40 pupils per 100 dwellings being achieved from new developments.

2.8.2 At all points within negotiations it is important to be clear that any particular child forecast is based on a set of assumptions regarding the nature of the proposed development. If these assumptions change so too will the child forecasts. So whilst a multiplier range is proposed for calculating child yield, for the purpose of calculating developer contributions where a detailed housing mix is not yet known, the top end of the range must always be used to guarantee that the Council can cover its statutory obligations with regard to the provision of early years and school places.

2.8.3 Whilst the Council will reserve its position at 40 pupils per 100 dwellings (for children aged 4 – 10) where negotiations are at an early stage and the detailed housing mix unknown, as more information becomes available, room for negotiation could potentially be created. For example where:

- the proportion of affordable housing expected to be delivered on the development falls below 29% (the current ratio for Cambourne).

It should be noted that this scenario is most likely in the areas of the County such as Fenland where lower house prices have affected commercial viability of developments with the average proportion of affordable homes being 19% over the previous four years for the district.

- a significant number of units on the development are one bedroom flats or high priced two bedroom flats unlikely to attract families with children (a scenario most likely specifically in the City of Cambridge or some styles of development within the Cambridge fringe).

2.8.4 At the present time the Council reserves the right to adjust its detailed forecasting model (in terms of tenure / bedroom size) to reflect the adopted multiplier of 30 to 40 children per 100 dwellings for the 4 – 10 age group. A series of 'New Development

Surveys' has been launched starting with Loves Farm, which over the course of the next 12 months will yield further evidence on the detailed numbers of children within different styles of homes, for example three bed affordable housing compared to three bed market housing.

2.9 IMPLICATIONS FOR DEVELOPMENT SITES

2.9.1 Where planning consent has been granted for example Phase 2 of Northstowe, Cambourne West, south Chatteris (Hallam land) and Loves Farm 2, it is too late for the proposed multipliers to feed into the plans for these developments. For developments such as Wintringham Park and Alconbury Weald additional Local Plan allocation, planning has not yet been granted but S106 negotiations have commenced. The use of the proposed multipliers will enable the Council to anticipate ongoing implications that will need to be managed in terms of place planning.

2.9.2 For example for Wintringham Park the proposed general multiplier would forecast a further 140 4-10 year olds. This will have implications for the amount of primary school places which will be required and the Council having to meet the funding shortfall.

2.9.3 Where negotiations are at an early stage, or yet to begin, on the significant developments identified through the local plan process such as Darwin Green 2 (Cambridge City northwest fringe) Bourn Airfield, Waterbeach Barracks and Ermine Street (Huntingdon) and Wisbech, the revised multipliers will be used.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

New schools support growth as providers of local employment. Providing access to local and high quality education will enhance the skills of the local workforce.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

Opening a new school is expensive. With the exception of schools delivered via the government's central free school's programme, in addition to the capital investment, the Council is responsible for all pre-opening start-up costs in respect of new basic need schools, including diseconomy of scale costs, funding for which may be needed over a number of years. Given this burden of revenue expenditure, the Council will only consider commissioning new schools where there is no possible alternative. It is,

therefore, essential that where new educational infrastructure is to be funded externally, that officers can evidence robustly to developers and district councils, the Council's education infrastructure requirements. Up-to-date and credible forecasting tools, such as child yield multipliers are essential to avoid exposing the Council to the risk of a funding shortfall.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications for this priority.

4.3 Statutory, Legal and Risk Implications

Developers are only required to fund the level of new places required to mitigate the impact of their developments. If the Council's child yield multipliers do not reflect accurately the situation in the County there is a risk that education capital projects will be under-resourced.

4.4 Equality and Diversity Implications

There are no significant implications for this priority.

4.5 Engagement and Communications Implications

There are no significant implications for this priority.

4.6 Localism and Local Member Involvement

There are no significant implications for this priority.

4.7 Public Health Implications

There are no significant implications for this priority.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Martin Wade 03/11/2017
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?	Yes Name of Financial Officer: Paul White 1/11/2017
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Legal Officer: Fiona McMillan 15/11/2017

Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Keith Grimwade 13/11/2017
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Joanne Dickson 2/11/2017
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Keith Grimwade 13/11/2017
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Tess Campbell 21/11 2017

Source Documents	Location
Revisions to Child Yield Multipliers for New Developments – Research & Performance Team, Cambridgeshire County Council March 2015 and October 2017.	Octagon 2 nd Floor Shire Hall, Cambridge