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**Meeting:** Schools Forum  
**Date:** 7 March 2011  
**Subject:** Capital allocations 2011/12  
**Report of:** Deputy Chief Executive and Director of Children Services  
**Summary:** To advise the Forum of the total Department for Education capital allocations to schools and the Local Authority for 2011/12 and to invite the Forum to comment on the proposed use of the LA level allocations.

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Contact Officer: Rob Parsons  
Public/Exempt: Public  
Wards Affected: All  
Function of: Council  
Reason for urgency  
(if appropriate)

**RECOMMENDATIONS:**

**The Forum is invited to note**

- (i) the overall Department for Education allocations for 2011/12 and to comment on the proposed use of the Local Authority Allocations**
- (ii) that a further report will be presented to the Forum in due course setting out any implications of the James Review of capital expenditure and bringing forward proposals for the expenditure of the Basic Need allocation to the Authority.**

**Background**

1. On 13 December 2010, the Department for Education set out its (provisional) capital allocations to schools and Local Authorities for 2011/12. For Central Bedfordshire, the allocations amounted to a total of £17,934,872. A breakdown of the allocations, including schools Devolved Formula Capital (DFC), is set out at **Appendix A**.
2. Of note is that all the allocations are in the form of Capital Grant without any supported borrowing for the LA allocations – the previous methodology used, for example, for Basic Need. This is to be welcomed, although it does not prevent the LA or others from offering additional capital support through other means e.g S106 monies, Trusts, sponsors or other LA capital programmes.

3. In particular however is the absence of any form of Primary Capital Programme (and of any BSF funding for secondary schools) which has resulted in a net loss of some £3.26m capital funding based on the 2010/11 PCP allocations.
4. Separately, there is a shift away from support to individual schools to Authority level allocations with a major reduction (approx 80%) in schools DFC, albeit that the formula allocates this at a single level without any differentiation between the previously classified modernised or unmodernised schools. At LA level there has been an increase from £2.8m in 2010/11 to £6.3m in 2011/12 for its Strategic Maintenance programme (formerly NDS Modernisation) which is for all LA maintained schools. Taken together these still represent an overall net loss of some £400k.
5. For the Voluntary Aided sector, there are similar reductions in schools DFC, but with a slightly lower sum available through the Locally Controlled VA programme (LCVAP) with a grant allocation of £737k (£811k at 100% levels) for 2011/12. At a recent meeting with the respective Dioceses, the LCVAP for 2011/12 was provisionally agreed and this is attached at **Appendix B**.
6. Finally there is an allocation of £9.791m. to assist in meeting the need to ensure the sufficiency of places i.e. "Basic Need". This had formerly been allocated as supported borrowing and is therefore a positive aspect of the overall settlement. However, the Basic Need allocation is for all schools within the LA area, including LA maintained, VA schools, Academies and new (Free) schools where the proposals increase capacity in response to the need for additional places. For example, there will be a need to allocate £2.0m to the scheme at Roecroft Lower School which is being replaced as a larger school to meet growth in the area.

Future decisions on the use of this funding will need to be subject to further consideration which will, in part, be driven by outcomes of the national "James Review" of capital expenditure and will need to involve all partners and providers.

7. Separately, on 13 December, the DfE wrote to the sponsors of all Academies to indicate that the department has retained funds centrally for academies maintenance needs.
8. Whilst the capital maintenance and DFC funding for 2011/12 has been based on school and weighted pupil numbers from the data held by the department, it is also expected that these will need to be reviewed dependent upon the relative numbers of pupils in each of the sectors, particularly as schools move towards obtaining Academy Status, although it is not yet clear how or when this may happen.

9. For 2011/12, based on the highest priority maintenance needs of schools from the previous condition surveys, a draft Strategic Maintenance programme has been drawn up set against the category D1,D2,C1 and C2 works which can be afforded within the £6.314m envelope with a focus on the external fabric of the buildings and on heating systems i.e the need to keep the property watertight and warm. The latest draft of the programme is attached at **Appendix C** although this will still be subject to further accuracy checks prior to final commitment.
10. Nevertheless this may represent a challenge to some schools who could have difficulties in meeting their expected obligations towards major strategic capital maintenance items i.e those funded through the LA Strategic Maintenance programme whereby schools are expected to fund the first £10,000 with additional contributions of up to half their DFC.  
  
Similarly, a number of schools who may either have been “saving” previous DFC towards a larger capital scheme or who may have drawn forward some of their anticipated 2011/12 DFC to help fund an earlier project could find themselves either revising their proposals or seeking alternative funding.
11. As set out at Paragraph 2 above, there are still anticipated to be some other LA funded programmes , subject to the outcome of Council’s consideration of its 2011/12 capital programmes, and I shall be able to report on these orally at the meeting.

## Recommendation

The Forum is invited to note

- (i) the overall Department for Education allocations for 2011/12 and to comment on the proposed use of the Local Authority Allocations
- (ii) that a further report will be presented to the Forum in due course setting out any implications of the James Review of capital expenditure and bringing forward proposals for the expenditure of the Basic Need allocation to the Authority.

## **Appendices:**

Appendix A – School Capital Allocations

Appendix B – Draft LCVAP 2011/12

Appendix C – Draft 2011/12 Strategic Maintenance Programme