

SCHOOLS CAPITAL FUNDING UPDATE

To: General Purposes Committee

Date: 19 May 2015

From: Chris Malyon, Chief Finance Officer

Electoral division(s): All

Forward Plan ref: N/A *Key Decision:* **No**

Purpose: To provide the General Purposes Committee with an update on the grant funding available to support the delivery of school places within the county.

Recommendation: It is recommended that the current Business Plan capital funding projections be updated to reflect the additional funding as set out within paragraph 5 of this report.

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1. BACKGROUND

- 1.1 During the General Purposes Committee meeting on 12 March 2015, the Committee was told that the Council had submitted 41 bids to the Department for Education (DfE) for capital condition funding but had only been successful in relation to two. Members therefore requested a report detailing the potential implications of this decision.
- 1.2 Since that point, the 2017-18 Basic Need Allocations have been published and the report also summarises the impact this announcement has on the Business Plan projections.

2. PRIORITY SCHOOL BUILDING PROGRAMME 2

- 2.1 In 2014-15 the DfE invited applications for additional funding through the Priority School Building Programme 2(PSBP2). The aims of PSBP2 are to support Local Authorities, Diocesan Authorities and academies in undertaking major rebuilding and refurbishment projects to address the need of those schools in the worst condition.
- 2.2 Cambridgeshire submitted 41 bids for its maintained schools which ranged from block replacement to major refurbishment of roofs, windows and general condition totalling £19m.
- 2.3 In December the outcome of the application process were announced. Two schemes in Cambridgeshire were approved, one academy scheme (Ramnoth Junior in Wisbech) and one maintained school scheme (Bewick Bridge in Cherry Hinton). Bewick Bridge was not one of the Authority's priority schemes for investment and is therefore not a named scheme in the capital plan. Funding would however have been made available through the £4m School Condition, Maintenance & Suitability Scheme allocation in the Business Plan. It is likely the Education Funding Agency (EFA) will manage and procure the work, thereby creating capacity of around £200k within the Schools Condition scheme which can be allocated to meet other schools' needs.
- 2.4 The implication of not receiving more funding for successful bids is that the Education Capital team will receive additional requests for financial support as school Devolved Formula Capital is not sufficient to meet the cost of the work. Funding will need to be prioritised and work may become more of 'patch and mend' approach to ensure needs are addressed within the current capital budget.

3. SCHOOL CONDITION ALLOCATION

- 3.1 In February the 2015-16 School Capital Allocation was announced at £5,053,357. This is a £1,240,180 reduction on 2014-15 levels and the amount assumed in the 2015-16 Business Plan. The formula for calculating allocations has changed along with targeting of the allocation to the highest need condition areas. Within each allocation is an amount for Core condition and then High condition needs funding based on the government's Property Data Survey. A floor protection has been put in place to ensure that no authority received 80% less than the previous year. Cambridgeshire has received 80% of its 2014-15 allocation and therefore will have triggered the floor threshold. This floor will be in place until 2018.

- 3.2 Impact on the capital plan between 2015-18 is a £3,720,540 reduction in assumed funding, the education capital team are currently reviewing the capital plan and recommendations will be taken to Children and Young People Policy and Service Committee for approval over how to address this funding reduction.

4. BASIC NEED FUNDING

- 4.1 The 2017-18 allocation has been announced, the basis of the allocation was the 2014-15 Schools capacity return (SCAP). The 2017-18 allocation is £22,670,722 higher than assumed in the business plan.
- 4.2 This allocation will be able to offset the reduction in capital maintenance grant and reduce prudential borrowing by a further £18,950,348, or allow further investment to address school basic need and condition requirements, the full impact of the additional funding will be addressed through the 2016-17 business planning process.
- 4.3 The impact of the funding settlement described in the report has been summarised in the table on page 4.

5. REVISED FUNDING TABLE

Funding	Original Programme Funding			Revised Programme Funding			Change
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	
	£000	£000	£000	£000	£000	£000	£000
Government Approved Funding							
Basic Need	4,949	3,814	10,000	4,949	3,814	32,671	22,671
Capital Maintenance	6,294	6,294	6,294	5,053	5,053	5,053	-3,723
Devolved Formula Capital	1,126	1,126	1,126	1,126	1,126	1,126	-
Specific Grants	4,614	1,949	1,444	4,614	1,949	1,444	-
							-
Total - Government Approved Funding	16,983	13,183	18,864	15,742	11,942	40,294	18,948
							-
Locally Generated Funding							-
Agreed Developer Contributions	11,137	9,399	4,730	11,137	9,399	4,730	-
Anticipated Developer Contributions	14,420	10,367	27,211	14,420	10,367	27,211	-
Prudential Borrowing	34,262	26,093	35,912	35,503	27,334	14,482	-18,948
Prudential Borrowing (Repayable)	27,352	-4,644	-18,953	27,352	-4,644	-18,953	-
Other Contributions	700	700	700	700	700	700	-
							-
Total - Locally Generated Funding	87,871	41,915	49,600	89,112	43,156	28,170	-18,948
							-
TOTAL FUNDING	104,854	55,098	68,464	104,854	55,098	68,464	-0

6. ALIGNMENT WITH CORPORATE PRIORITIES

6.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

6.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

6.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

7. SIGNIFICANT IMPLICATIONS

7.1 Resource Implications

The report above sets out details of significant implications in Section 5, the Revised Funding table.

7.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

7.3 Equality and Diversity Implications

There are no significant implications within this category.

7.4 Engagement and Consultation Implications

There are no significant implications within this category.

7.5 Localism and Local Member Involvement

There are no significant implications within this category.

7.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
Devolved formula, capital and school condition allocations	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/401687/Devolved_formula_capital_and_school_condition_allocations_2015_to_2016.xlsx
Basic need allocations for 2017-18 and additional funding for 2015-16 and 2016-17	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/403799/Basic_need_allocations_for_2017_to_2018_and_additional_funding_for_2015_to_2016_and_2016_to_2017.xlsx