

Capital Strategy for Schools 2017/18 to 2019/20

Basic Need

On 3 April 2017, the Department for Education confirmed details of the local authority's schools capital grant allocation for Basic Need for 2017/18 to 2019/20 to support local authorities with their strategic school place planning responsibilities.

Special provision fund

On 4 March 2017, the Department for Education confirmed details of the special provision fund 2018-19 to 2020-21 to support local authorities to make capital investments in provision for pupils with special educational needs and disabilities. Local authorities can invest in new places and improvements to facilities for pupils with education, health and care plans in mainstream and special schools, nurseries, colleges and other provision.

Schools' Capital Funding Available 2017/18 to 2020/21 (Excluding Condition)

Available Funding	2017/18	2018/19	2019/20	2020/21	Total
Basic Need (all state maintained schools)	29,006,239	2,580,101	12,005,314	tba	43,591,654
Special Provision Fund	nil	683,200	683,200	683,200	2,049,600
S106 Contributions Received	1,382,499				1,382,499
Total					47,023,753

1. Capital Investment Strategy for Schools

The current School Place Provision Strategy 2017/18 to 2019/20 contains three main strands for capital investment:

- Supporting growth in pupil places
- Targeted investment in mainstream and special schools
- Strategic maintenance of the building stock

These priorities remain relevant for the foreseeable future. As in previous years, it is anticipated that the majority of the capital allocation will need to be utilised to provide additional primary school places, though in the forthcoming period, additional secondary school places will also be needed. Targeted investment is intended for special schools, mainstream and short stay provision with an emphasis on additional provision.

It is proposed that the emphasis for local authority expenditure over the next three years will be as follows:

- Provision of additional mainstream primary and secondary school places, including regularising (by increasing) planned admission numbers (PAN) at primary schools in areas of high future demand to make them compatible with class size 30 requirements.
- Targeted investment on identified projects in special and alternative provision schools, including the provision of additional places and addressing serious suitability and condition issues.
- Projects in community schools to improve access for pupils with disabilities in and around the school buildings. These are generally brought forward on a needs led ad hoc basis
- Targeted investment to replace time limited temporary buildings with permanent, build where their deteriorating condition could jeopardise the schools' ability to maintain current numbers on roll in an area of increasing demand. This could also include the refurbishment of RoSLA buildings (Raising of School Leaving Age – a series of buildings constructed in the 1960's and 1970's to meet the demand for pupils remaining in full time education) on secondary school sites.
- Condition led projects that address serious condition issues at community, voluntary controlled and foundation schools
- To develop a managed programme of localised repairs and treatments to High Alumina Concrete (HAC) frame buildings, based upon specialist condition survey information.

2 Proposed expenditure priorities

On 6 October 2016 Cabinet approved the county council's re-profiled Capital Programme for 2016/17 to 2018/19 and later years. Within that report Appendix 1 relates to the Schools Capital Programme, which includes the Basic Need and School Condition grant allocations. A proportion of those allocations remain un-programmed. The purpose of this report is to approve the strategy for programming the remaining balance.

a) **BASIC NEED**

The following table shows the Basic Need Allocations for 2017/18 – 2019/20 and the balance available for further programming along with Special Provision funding allocations and S106 contributions received.

Updated Phasing June 2017 Schools Programme

	17/18 £	18/19 £	19/20 £	Future Years £	Total £
Basic Need Annual Allocations 17/18 – 19/20	29,000,239	2,580,101	12,005,314	tbc	43,591,654
S106 Contributions received	1,382,499				1,382,499
Special Provision Funding		683,200	683,200	683,200	2,049,600
Total Funding	30,388,738	3,263,301	12,688,514	683,200	47,023,753
Projects committed per 6 October 2016 Report	9,006,000	1,169,070			10,175,070
Programmed per Cabinet since October 2016	5,040,588				5,040,588
Additional funding to existing projects	390,586	747,524			1,138,109
Contributions to Building Design and Construction , School Planning Team and feasibility studies	485,839	486,897	487,966		1,460,702
Committed at June 17	14,923,013	2,403,491	487,966	-	17,814,470
Uncommitted Annual Allocation	15,420,386	859,810	12,200,548	683,200	29,163,943
Adjusted Phasing June 17	14,923,013	2,403,491	487,966	29,163,943	*46,978,413
Remaining to allocate	-	-	-	29,163,943	29,163,943

* Of the £47,023,753 total funding available, £45,340 of the 17/18 Basic Need allocation was reprofiled to 16/17 as part of the October 2016 re-profiling report, revising the total funding available to £46,978,413.

Proposed Strategy for use of the balance of the Basic Need funding available.

All proposed projects will be subject to feasibility study; statutory consultation where necessary; approvals and school / Regional Schools Commissioner led changes and proposals.

Where there is an allocation against a school planning area, individual reports will be brought forward detailing specific projects subject to statutory consultation.

*The fees shown below are an average based upon the range of fees applied by the Design and Construction Service and will be subject to adjustment according to project value.

Proposed strategy for use of balance of basic need available	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>

Supporting growth in pupil places (Basic Need) (all maintained schools)

Projects identified to provide additional permanent and temporary Primary School places in:

Preston North	2,000		
Poulton-le-Fylde	2,400		
Rivington and Adlington	400		
Design and Construction Service Fees*		1,200	

Projects identified to provide additional permanent and temporary Secondary School places in:

Fylde			400
Pendle	1,600		3200
Ribble Valley	2,400		
Preston			400
Design and Construction Service Fees*		1,000	1,000

Total Basic Need

11,000	5,000
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Targeted Investment (Community, Voluntary Controlled, Special and Local Authority maintained Alternative Provision schools)

Projects in special and alternative provision schools, including the provision of additional places.	2,400		4,000
Design and Construction Service Fees*		600	1,000

Projects to regularise Published Admission Numbers (PAN) or to release

additional places by addressing suitability issues to unlock existing capacity in:		
Preston West		2,400
Chorley Rural North		200
Leyland		1,400
Design and Construction Service Fees*		1,000
Access projects at mainstream schools for pupils with disabilities	65	65
Design and Construction Service Fees*	17	17
Total Targeted Investment	3,082	10,082
Grand Total proposed programming of remaining Basic Need allocation	14,082	15,082

b) **CONDITION**

CONDITION FUNDING AVAILABLE	<u>£000</u>
Condition Allocation 2016/17	11,209
Condition Allocation 2017/18	10,956
Total available	22,165

PROPOSED USE OF AVAILABLE CONDITION FUNDING

Approval to a condition led capital investment programme of £15.950m was given in the report to the Cabinet Member for Children, Young People and Schools on the 5th April 2017. It is proposed to adjust the phasing of the allocation as follows:

Strategic maintenance of the building stock Priority 1 projects at community and VC schools to be delivered in 2017/18 (previously approved in Cabinet Report dated 5 th April 2017 as part of the £15.950m to have been delivered in 2017/18)	10,000
Further Phase: Strategic maintenance of the building stock plus £5.950m balance of Priority 1 projects (see above) at community and voluntary controlled (VC) schools , both to be delivered in 2018/19	10,665
Ongoing dry rot remedial works at Colne Lord St PS	1,500
Total proposed use	22,165

c) DEVELOPER CONTRIBUTIONS

Housing developers, as a part of the conditions made upon a successful planning application, are frequently asked to make a contribution to community schemes through a Community Infrastructure Levy (CIL) or Section 106 agreement. These capital contributions have recently begun to materialise and are not currently reflected in the schools capital programme forecast. On receipt, they will be added to the programme and used to deliver school places in the areas where housing is being delivered. As these receipts are linked to the occupation of properties and, within a S106 agreement, are usually paid in more than one phased payment, the timing of receipt may be later than the actual provision of school places.

When providing additional school places, the scoping process will take into account whether developer contributions in the form of S106 or CIL payments are available to supplement Basic Need funding in the area. The requirements of CIL Regulations to name a 'project' where contributions may be spent at the point when planning consent is given and the agreement sealed means that some schools will be named at this stage 'at risk'. This is because it is impossible to guarantee at such an early stage which schools will comply with the criteria for expansion (as set out in the School Place Provision Strategy) at the point that they are needed. These criteria include levels of parental preference; standards; and the will of the Governing Body to expand. Therefore, even if a school is deemed suitable for expansion at the point when it is named, by the time the places are needed circumstances may have changed.

The School Place Provision Strategy states that, where feasible, additional places will be provided in existing schools. If such an expansion is deemed as 'significant' (as defined by the School Organisation (Prescribed Alterations to Maintained Schools)(England) Regulations 2013), a final decision cannot be made by the Decision Maker without Capital funding being guaranteed. Therefore, it may be necessary in such instances for Basic Need funding to front fund places for which developer contributions pay for later.

d) "HEALTHY SCHOOLS" CAPITAL PROGRAMME FOR FACILITIES TO SUPPORT PHYSICAL EDUCATION (PE), AFTER-SCHOOL ACTIVITIES AND HEALTHY EATING

In late February 2017, the Secretary of State for Education announced a £415m capital programme to provide facilities to support physical education, after-school activities and healthy eating. The intention is to improve facilities for children with physical conditions or support young people struggling with mental health issues. The funding will be available in 2018/19 and local authorities and larger multi-academy trusts will receive an allocation for schools and will make decisions locally on how this money is invested.

This will be the subject of a further report.

e) SCHOOL CONTRIBUTIONS TO CAPITAL

A school may wish to enhance a capital project further, by including their own funds into an authority led scheme. Where this is the case it is proposed that the Asset Management Service Capital Programme Team identifies the level of funding to be

added to the capital programme. Due to volume of instances where funding of this nature would be added to the capital programme it is proposed that the Director of Resources be approved to add this funding to the capital programme and to report on the level of funding received to Cabinet in quarterly 'Money matters' reports.