

FORMULA CAPITAL PROGRAMME PROJECTION**Executive Summary**

A paper on matters relating to the development and implementation of a Capital Strategy for Schools. The report also identifies:

- Asset Management Plan issues;
- indicative resource availability;
- IWC's draft Statement of Priorities for capital expenditure in schools;
- Suggested allocations of capital to meet identified needs.

1. Background

The Department for Children, Schools and Families (DCSF) announced details of the Authority's capital allocations for the period 2008/09 to 2010/11. The actual and indicative capital allocations for the authority and schools are detailed below.

The LA retained capital allocations are held pending the decisions on the school re-organisation process and will be co-ordinated to ensure that the benefits achieved from creating a Children's Services (Single) Capital Pot.

By cross-referencing the condition, suitability and sufficiency assessments of the school estate with other Directorate Plans such as the Children and Young People's Plan, the Authority is able to develop a capital strategy that enables best value to be achieved and measurable improvements in raising educational achievement to be secured. The Children's Services (Single) Capital Pot now includes the following funding streams:

- Formulaic funding allocations for modernisation and the Primary Capital Programme;
- Schools Access Initiative;
- Extended Schools capital

2. Capital Strategy for Schools

The on-going development of Children's Services Asset Management Plan and a Children's Services Capital Strategy will encourage the Authority to:

- integrate the capital consequences of other plans, both educational and corporate;
- improve the quality of school building data and the processes for keeping it up to date;

- improve the capacity of the Authority and schools to make decisions based on appropriate option appraisal;
- embed good stewardship at school level, particularly in relation to delegated and devolved funding.

The development of a Children's Services Capital Strategy and the co-ordination of funding streams will allow the Authority to continue to meet national and local spending priorities in relation to Schools in respect of:

- raising standards in the school sectors;
- providing sufficient and appropriate school places;
- supporting the Every Child Matters (ECM) outcomes for children and young people;
- inclusion, e.g. providing efficient and accessible high quality provision for pupils with Special Educational Needs (SEN) and disabilities;
- schools workforce;
- the 14-19 agenda;
- National Curriculum requirements, e.g. science and technology accommodation in schools.

3. Indicative Funding Available 2008/09, 2009/10 and 2010/11

Formulaic capital funding

The DCSF have notified the authority of the indicative formulaic capital allocations for schools modernisation, Primary Capital Programme, new pupil places/Basic Need and the Schools Access Initiative for 2008/09, 2009/10 and 2010/11 as set out in the table below.

Funding	08/09	09/10	10/11
	£	£	£
Modernisation	1,653,972	1,858,220	1,858,220
# Primary Capital Programme	0	3,000,000	5,378,000
New Pupil Places/Basic Need	428,629	428,629	428,629
Schools Access Initiative	289,861	289,681	289,681
# Extended schools	143,238	151,764	78,440
TOTAL	2,515,700	5,728,294	8,032,970
TOTAL 2008/09 - 2010/11	<u>16,276,964</u>		

Note: Voluntary Aided (VA), Voluntary Controlled (VC), Community and Foundation nursery and primary schools (including special schools and Pupil Referral Units (PRUs) with primary age children), working with their local authority, are eligible to benefit from the resources in the Primary Capital and Extended Schools Programme.

VA schools are not eligible for funding from the Modernisation, new pupil places and schools access initiative allocations as their allocations are provided separately through the Locally Co-ordinated Voluntary Aided Programme (LCVAP) allocation. Please see below for the LCVAP capital allocations together with remaining DCSF capital allocations for the 2008/09, 2009/10 and 2010/11 period.

Funding	08/09	09/10	10/11
	£	£	£
LCVAP	452,679	452,679	452,679
ICT (Harnessing Technology)	638,286	622,585	598,530
TCF (14-19 Diplomas, SEN etc)	0	2,000,000	6,000,000
TOTAL	1,090,965	3,075,264	7,051,209
TOTAL 2008/09 - 2010/11	<u>11,217,438</u>		

4. Priorities for Capital Expenditure

The priorities for expenditure set out below will allow targeting of capital investment to where it can have the greatest impact on raising educational standards, achieve cross-cutting corporate objectives and allow the Authority to meet national and local spending priorities. In as far as they have been developed, these priorities take account of the proposals for school re-organisation, the ECM Primary Capital Programme strategy for change and the emerging Building Schools for the Future (BSF) Expression of Interest and strategy for change.

The DCSF have recently revised and reduced its requirements for reporting in relation to asset management. However an open, transparent and robust asset management planning process will still form the main basis, together with the above national primary and secondary strategies for change, in the development of schools building programmes.

5. Primary Capital Investment Strategy

Over the projected 14 year life of the programme and subject to future national spending decisions:

- The Local Authority and Diocesan Authorities will use their other primary school formulaic capital allocations to support delivery of the aims and objectives of the programme on a **targeted basis**.
- There is a duty placed on the Local Authority and the Diocesan Authorities to consider the most effective delivery of education and the efficient use of assets and other resources. Therefore wherever possible the Local Authority and Diocesan Authorities will **consider options to rationalise provision** where this can lead to better outcomes for children and staff whilst at the same time maintaining effective choice and diversity. The Local Authority and Diocesan Authorities will endeavour to offer practical support to proposals for rationalisation through the use of generated capital receipts and (in the case of the Local Authority) prudential borrowing.

- The LA will endeavour to co-locate services to meet the authority's objectives and strategies in relation to inclusion, extended schools and childcare.
- The timetable for delivery of the programme to each school area will be determined by a matrix of need which will consider issues such as deprivation, standards, condition, surplus places, overcrowding etc.
- The timetable for change will also be influenced by local and national objectives and drivers including the Every Child Matters agenda, the new relationship with schools, extended schools, Building Schools for the Future, the Inclusion strategy and the 10-year childcare strategy.
- Prior to each new tranche (3 year funding cycles) of capital funding the strategy will be reviewed to determine whether it still meets the overriding principles of Primary Capital Programme (PCP) and other aligned programmes for regeneration and sustainability.

6. Statement of Priorities

A Condition

1. Elimination of any hazardous situation relating to condition which has health and safety implications. These would generally be a Priority 1 condition category.
2. Replacement/improvement of inefficient (cost and suitability) accommodation where cost effectiveness and other relevant factors can be improved.
3. Improving the external envelope of schools (roofs, walls, windows cladding) to ensure that buildings are watertight and capable of safe continuous use.
4. Boiler and heating system replacement, improved insulation, to reduce running costs and help meet CO₂ emission and Building Research Establishment Environmental Assessment Method (BREEAM) sustainability targets.
5. Phased programmes for electrical rewiring.
6. Phased replacement of time limited buildings, including Raising of School Leaving Age (RoSLA), Hutting Operation Raising of School Age (HORSA), other sectional/temporary buildings.
7. All schools – improvements to external sports facilities including improvements to playing field drainage.

B Suitability and standards

1. Primary Schools - Rebuilding, remodelling and refurbishment work to meet the aims and objectives of the Authority's Primary Strategy for Change. Projects will be aimed at bringing facilities and ICT infrastructure up to 21st century standards, including:
 - Improvements to teaching and learning spaces to support effective and personalised curriculum delivery and promote integration and engagement.
 - Improvements to staff workspaces to support workforce development, pupil lesson planning and evaluation.
 - Improvements to ancillary spaces to support physiological needs and promote the health, safety and wellbeing of the school community.

2. Secondary Schools - updating specialist areas, e.g. science, technology, sports facilities, performing arts, assembly spaces and ICT facilities (including networking throughout the school) in line with the aims and objectives of the authority's BSF strategy.

3. Secondary schools – create an appropriate range of high quality, high status academic, vocational, technical and mixed options which provide tailored programmes of learning that meet young people's individual needs and aspirations.

4. All schools - projects to support greater inclusion of pupils into mainstream education and to meet the access needs of the disabled.

5. Extended schools – projects to support the delivery of the core offer of extended services and enable schools and the Authority to meet its target, and for all schools to offer access to the full core offer by September 2010.

The core offer of extended services is:

- Wraparound childcare 8am - 6pm all year round for primary schools
- A varied range of activities including study support
- Parenting and family support
- Swift and easy access to specialist services like speech therapy
- Community use of facilities including adult and family learning and ICT

C Sufficiency

1. Provision of new pupil places arising out of housing developments and basic need.

2. Reduction in surplus places through removal and rationalisation of primary school places, in particular through both planned and opportunistic amalgamation and rationalisation projects to matching supply to need.
3. Reduction in the number of schools which are currently operating at 10% or more over their net capacity.
4. Accommodation consequences arising from the review of SEN provision, both in mainstream and Special Educational Needs provision.

The suggested allocations from the Children' Services (Single) Capital Pot 2008-2011 for each of the categories will be determined over the coming months and the final decision on the school organisational system. An indicative layout is set out below:

A. Condition Allocations

Priority	2008 -2011 £
A1 Health and Safety	TBC
A2/A6 Replacement/Improvement	TBC
A3 External Envelope	TBC
A4 Boiler/Heating Systems	TBC
A5 Phased Programmes Rewiring	TBC
A7 External Sports Facilities	TBC
TOTAL	TBC

The condition programme will cover projects over the de minimis limit, ie £10,000 and reflect the criteria set out above. Works identified in this programme will be categorised Priority 1 or 2 in the condition surveys, i.e.

Priority 1: Urgent work that will prevent immediate closure of the premises and/or address an immediate high risk to the health and safety of occupants and/or remedy a serious breach in legislation.

Priority 2: Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to health and safety of occupants and/or remedy a less serious breach of legislation

B. Suitability

Priority	2008 - 2011 £
B1 Primary Capital Strategy for Change	TBC
B2 Secondary Schools Modernisation Strategy	TBC
B3 14-19 Agenda	TBC
B4 Inclusion and Access Strategy	TBC
B5 ECM and sustainability	TBC

B5	Extended Schools	TOTAL	TBC
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C. Sufficiency Allocations

Priority		2008 - 2011 £
C1	Provision of new pupil places.	TBC
C2	Reduction in surplus places through removal and rationalisation of primary school places, in particular through both planned and opportunistic amalgamation and rationalisation projects to match supply to need.	TBC
C3	Reduction in the number of schools which are currently operating at 10% or more over their net capacity.	TBC
C4	Accommodation consequences arising from the review of SEN provision, both in mainstream and Special Educational Needs provision.	TBC
	TOTAL	TBC

The suggested allocations to meet identified priorities would commit the Authority to the following expenditure from the Children's Services (Single) Capital Pot:

7. Indicative and Suggested phasing of the capital expenditure – subject to final decision on school re-organisation

CATEGORY	08/09 £	09/10 £	10/11 £
CONDITION	250,000	500,000	500,000
SUITABILITY	250,000	3,000,000	6,000,000
SUFFICIENCY	100,000	2,500,000	3,000,000
TOTAL	600,000	6,000,000	9,500,000
3 yr TOTAL	16,100,000		

It will be recalled that the resources available in the Children's Services (Single) Capital Pot for 2008/09, 2009/10 and 2010/11 are as follows:

Children's Services (Single Capital Pot)	08/09	09/10	10/11
		£	£
Indicative Funding available	2,515,700	5,728,294	8,032,970
			16,276,964

8. Existing Commitments

The authority is carrying forward existing programme commitments for schemes and capital slippage from previous years.

9. Devolved Formula Capital (DFC)

This is an annual capital grant made to schools based on a lump sum plus an amount per pupil formula and is designed to enable schools to address building and ICT needs identified in asset management and school development plans.

The DCSF have announced that there will be a new modernised and un-modernised rate based on the level of building improvement work undertaken at individual schools over the last 10 years. The new modernisation rate will apply to schools which have more than 80% of their floor area assessed as having been rebuilt, remodelled or refurbished and will be at 50% of the un-modernised rate.

The national formula for allocation of devolved formula capital is:

Unmodernised school				Modernised school			
Per school	Per Secondary Pupil	Per Primary Pupil	Per Special School or PRU Pupil	Per school	Per Secondary Pupil	Per Primary Pupil	Per Special School or PRU Pupil
£18,500	£94.50	£63.00	£189.00	£9,250	£47.25	£31.50	£94.50

10. School Contributions

The Authority is keen to continue working in partnership with schools, therefore schools included in any of the above capital programmes will be requested to make a minimum contribution from their Devolved Formula Capital (DFC) (or an equivalent sum from other funding) on the following basis:

The requirement for schools to contribute may exceptionally be waived where the following conditions apply:

- Schools can demonstrate that they have already contributed all their available DFC up to and including 2011 and any surplus balances to delivering one or more of the priorities included within the capital strategy.
- In the case of a Voluntary aided school playing field project, the school is prohibited by the DCSF from investing its DFC in the school playing fields.

- The school has complied with the requirements of the authority in relation to the holding of school revenue balances.

11. Allocation Process

The Authority has continued to develop and improve its asset management planning processes and data. Information on the condition of the school estate is currently updated on a rolling 5-year cycle with 20% of school buildings being resurveyed annually. This information is made available via the Technology Forge database and is available in summary form on EduWight under each school's detailed page, the Local Authority and Diocesan authorities on the Island and the DCSF. The Authority also maintains and carries out reassessments of the net capacity of all schools in line with DCSF requirements and schools are contacted annually to verify the information held. It is envisaged that assessing property related priorities and funding opportunities will help both the Authority and schools achieve better value from their available funding and implement long-term planning strategies linked to raising standards.

To help identify schemes to be included within the 2008/11 Capital Programme it is proposed that officers from the Directorate for Children and Young People will analyse the Asset Management Plan (AMP) information and cross-reference the identified needs of individual schools with other service plans, including the Children and Young People's Plan, together with the PCP Strategy for Change and the BSF Expression of Interest.

Extract from DCSF 'Investment in School Buildings 2008 ~ 2011'

Funding for local authorities and schools (Devolved)

There is direct investment to every school to ensure that locally-decided improvements can be made to unmodernised schools, and that modernised schools are properly maintained. There will be a higher rate for schools that are unmodernised and a lower rate (50%) for those who have had 80% or more of their floor areas modernised over the last ten years. These programmes also provide investment to every local authority in the country to focus on national and local priorities for modernisation, access and pupil places. Funding is allocated on the basis of relative need, the amount of modernised or unmodernised schools and pupil numbers.

Long term programmes (Strategic)

This investment will enable the continued rolling out of the long-term Building Schools for the Future (including academies) and the new Primary Capital Programmes which will rebuild or refurbish all secondary schools and at least half of all primary schools over the next 14 years.

Targeted programmes (Targeted)

This will support government priorities in local authorities with the highest need. This will provide capital funding to support diversity of provision including promoter projects, trust schools, fresh starts, new federations and applications for capital to expand successful and popular schools. There is also £150 million earmarked to support the introduction of kitchens in areas of greatest need. And there is funding for the 76 local authorities yet to be involved in BSF to: support diploma provision for 14-19 year olds; improve buildings

for children with special educational needs and disabilities, and – where the kitchen fund does not apply – new kitchens and dining rooms to promote healthy eating.

Further information

Detailed information on capital allocations can be found at <http://www.teachernet.gov.uk/management/resourcesfinanceandbuilding/>

Note:

The Primary Capital Programme Advisory Board is required to recommend schemes to be included in the first 4 years of the Primary Capital Programme to the Cabinet Member for Children and Young People in line with the primary capital strategy for change requirements. However, the indicative funding announced by the DCSF and included in this strategy will only cover the first two years of the programme, that is 2009/10 and 2010/11.

*Please refer to **Appendix E: Primary Capital Programme outline submission for further details.***

*Please refer to **Appendix F: Draft Building Schools for the Future (BSF) outline submission for further details.***