

Appendix 2: Schools Capital Programme 2017-18 Stages 1 - 5 Requirements and Financial Model.

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1. Financial Modelling Approach

In order to deliver the Schools Capital Programme within available resource the following approach is taken:

Step 1: Requirements for each Stage

Define requirements for each stage of the capital programme:

- i) How many additional places are required in Special, Primary and Secondary schools to meet Basic Need?
- ii) What are the priority maintenance requirements to prevent school closure?

Step 2: Resources available for each Stage

Set out the confirmed funding for the delivery of the capital programme and identify how many of the requirements can be met from the available capital funding

Step 3: Affordability measures for each Stage

Quantify the requirements that must be found either through

- i) maximising use of existing space
- ii) identifying alternative funding sources (Section 106, school contributions, bidding opportunities, LCVAP, Community Infrastructure Levy, future Basic Need / School Condition Allocations, capital receipts, etc.)

The number of school places required may change during the development of options for the School Basic Need Capital programme as a result of Free Schools and Academy expansions and as a result of changes to net migration.

2. Basic Need Funding Allocations

The Basic Need funding allocations announced to date are:

Confirmed Basic Need Allocations			
2017/18 £,000	2018/19 £,000	2019/20 £,000	TOTAL £,000
15,052	40,054	TBC	55,106

2(a) Special Provision Fund Allocations

The Special Provision funding allocations announced by DfE in March 2017 are:

Confirmed Special Provision Fund Allocations				
2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000	TOTAL £,000
0	1,424	1,424	1,424	4,272

The Special Provision Fund allocations are to support local authorities to make capital investments in provision for pupils with special educational needs and disabilities. This will be for investment in new places and improvements to facilities for pupils with education, health and care (EHC) plans in mainstream and special schools, nurseries, colleges and other provision. Once proposals are developed for special needs provision a further report and separate PDD will be submitted.

2(b) Early Years Capital Fund Allocations

The Early Years Capital Fund (EYCF) round 2 allocations announced by DfE in March 2017 are:

Confirmed Early Years Capital Fund Allocations			
2017/18 £,000	2018/19 £,000	2019/20 £,000	TOTAL £,000
968	0	0	968

The EYCF allocations are to support local authorities to make capital investments to provide 30 hours free childcare for working parents of 3 and 4 year-olds.

Once proposals are developed for EYCF a further report and separate PDD will be submitted.

3. School Condition Funding Allocations

The School condition funding allocations announced to date are:

Assumed School condition Allocations			
2017/18 £,000	2018/19 £,000	2019/20 £,000	Total £,000
11,900*	TBC	TBC	11,900*

* Assumed based upon indicative allocation of £12.3m for 2017/18 adjusted for academy conversions during 2016/17. Only £4,036k of the 2018/19 allocation is being utilised to fund the current proposals detailed in this report.

The sections below set out how we intend to deliver the requirements of each stage within the resource available. However, as independent decisions taken by Academies and Free Schools change the education landscape and as the development of preferred options clarifies the costs of each individual solution, there will be a degree of re-profiling within the funding available.

This is part of the annual update to Cabinet and covers: -

- i) Changes to requirements based on demographic analysis and updates regarding Academy and Free School expansions
- ii) Update on funding including any new funding streams or capital allocations
- iii) Modelling of requirements for the current and next stages of the capital programme
- iv) Update on solutions developed and any re-profiling of capital requirements within resources available
- v) Update on delivery against capital programme outputs

4. Basic Need Stage 1 to 4 Programme Update and Stage 5 Requirements

Additional Places Requirements	June 2016 Cabinet Report					March 2017 Cabinet Report					Variance in Total Position from June 2016 £'000	Notes (see below)
	Total	2012-16 Outturn	2016/17 projected	2017/18 projected	2018/19 projected	Revised total	2012-16 Outturn	2016/17 projected	2017/18 projected	2018/19 projected		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Additional Places Stage 1 & 2	120,456	101,438	19,018			118,244	101,438	14,742	2,064	0	-2,212	(1)
Additional Places Stage 3	39,000	1,294	23,979	13,727		38,000	1,294	11,479	23,227	2,000	-1,000	(2)
Additional Places Stage 4	37,152	174	9,359	26,619	1,000	38,149	174	5,156	24,147	8,672	997	(3)
Additional Places Stage 5						30,635	0	0	1,500	29,135	30,635	(4)
Total Requirements	196,608	102,906	52,356	40,346	1,000	225,028	102,906	31,377	50,938	39,807	28,420	

Additional Places Resources	March 2017 Cabinet Report					Notes (see below)
	Total £'000		2016/17 projected £'000	2017/18 projected £'000	2018/19 projected £'000	
Basic Need Allocation 2015/16	16,164		16,164	0	0	(5)
Basic Need Allocation 2016/17	49,318		13,679	35,639	0	
Basic Need Allocation 2017/18	15,052		0	15,052	0	
Basic Need Allocation 2018/19	40,054		0	247	39,807	
Section 106	1,513		1,513	0	0	
School contributions	7		7	0	0	
Demographic Growth Capital Funding	14		14	0	0	
Total Resources	122,122		31,377	50,938	39,807	

Basic Need Notes

Note No.	Stage	Note
(1)	Additional Places Stage 1 & 2	£2,064k slipped from 2016/17 to 2017/18 (£750k for Uffculme purchase, £500k for completion of Starbank All Through School, £400k for St Joseph's (delayed by Planning Approval), £300k for Ward End (project delayed) and £114k contingency allowance for further unforeseen costs). £2,212k overall underspend compared with June 2016 Cabinet Report forecast due to projects coming in below budget forecast.
(2)	Additional Places Stage 3	£9,500k slipped from 2016/17 to 2017/18 and £2,000k slipped from 2016/17 to 2018/19 compared with June 2016 Cabinet Report forecast due to delays in a number of projects as a result of the Lean Review that was jointly undertaken by EdSI and Acivico into the management and procurement of the Basic Need Programme. The Lean Review resulted in a mini competition being undertaken with the Constructing West Midlands framework lot 7 contractors, which took longer than the anticipated allocation process. £1,000k underspend due to projects coming in below budget forecast moved to Stage 4.
(3)	Additional Places Stage 4	£4,203k slipped from 2016/17 to 2017/18 and £2,472k slipped from 2017/18 to 2018/19 compared with June 2016 Cabinet Report forecast due to delays in a number of projects as a result of the Lean Review that was jointly undertaken by EdSI and Acivico into the management and procurement of the Basic Need Programme. The Lean Review resulted in the identification of some Stage 4 schemes as "pilot" schemes and some as "pipeline" schemes. A mini competition was then undertaken with the Constructing West Midlands framework lot 7 contractors to identify a delivery partner, which took longer than the anticipated allocation process. £997k overspend covered by underspend on Stage 3 (Harborne Primary School consolidated into Stage 4, which was previously split between Stage 3 and 4).
(4)	Additional Places Stage 5	<p>New requirement for 2017/18 driven by Education Sufficiency Requirements (Appendix 1) and further information is given in Appendix 3 (Project Definition Document for Basic Need Programme 2017-18).</p> <p>The number of primary places required according to the current forecast is 35 FE in 2017, 23 FE in 2018 and 23 FE in 2019. Solutions will be focused on temporary bulge classes or flexible expansions (e.g. 30 pupils across 3 schools). EdSI will seek to avoid introducing over supply while addressing localised need for places and supporting school improvement. It will depend upon solutions, still to be determined, as to how much of this need will require capital expenditure in Stage 5.</p> <p>In the context of increased primary school populations now moving into our Secondary school estate the number of secondary places required according to the current forecast is 15 FE in 2017, 20 FE in 2018 and 22 FE in 2019. Solutions will be focused on the sources of supply to co-design an approach with all partners via: -</p> <ol style="list-style-type: none"> 1. Additional offer at admissions

		<p>2. Exploitation of existing surplus and available places in schools</p> <p>3. School Expansions</p> <p>4. Fair Access Admission routes</p> <p>5. New Schools</p> <p>It will depend upon solutions, still to be determined, as to how much of this need will require capital expenditure in Stage 5.</p> <p>Additional school places will be delivered with a view to supporting school improvement so that every child has a great school.</p>
(5)	Basic Need Allocation 2015/16	DfE Basic Need 2015/16 carry forward reduced by £215k to £16,164k due to £200k appropriation of Ward End Park House and virement of £15k for highway works at Greenholm Primary School.

5. School condition Stage 1 to 4 Programme Update and Stage 5 Requirements

School Condition Requirements	June 2016 Cabinet Report					March 2017 Cabinet Report					Variance from June 2016 £'000	Notes (see below)
	Total	2012-16 Outturn	2016/17 projected	2017/18 projected	2018/19 projected	Revised total	2012-16 Outturn	2016/17 projected	2017/18 projected	2018/19 projected		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Capital Maintenance Stage 1 & 2	57,610	57,457	153	0	0	58,574	57,457	1,117	0	0	964	(1)
School Condition Stage 3	14,700	9,953	4,747	0	0	12,903	9,953	2,470	480	0	-1,797	(2)
School Condition Stage 4	13,220	128	10,280	2,812	0	15,645	128	12,729	2,788	0	2,425	(3)
School Condition Stage 5	0	0	0	0	0	18,000	0	0	8,487	9,513	18,000	(4)
Total Requirements	85,530	67,538	15,180	2,812	0	105,122	67,538	16,316	11,755	9,513	19,592	

School Condition Resources	March 2017 Cabinet Report					Notes (see below)
	Total £'000		2016/17 projected £'000	2017/18 projected £'000	2018/19 projected £'000	
Capital Receipts	1,000		1,000			
School contributions	72		72			
School Condition Allocation 2015/16	8,260		8,260			
School Condition Allocation 2016/17	12,316		6,984	5,332		
School Condition Allocation 2017/18	11,900			6,423	5,477	
School Condition Allocation 2018/19	4,036				4,036	(5)
Total Resources	37,584		16,316	11,755	9,513	

School Condition Notes

Note No.	Stage	Note
(1)	Capital Maintenance Stage 1 & 2	£964k overspend in 2016/17 compared with June 2016 Cabinet Report forecast due to the receipt of a number of unforeseen late costs on completed schemes e.g. increased scope on follow up to emergency projects at Great Barr School for structural repairs and at Redhill Primary School for roof repairs.
(2)	School Condition Stage 3	<p>Delivered/delivering 20 planned maintenance schemes with a total value of £3.8m, 21 Dual Funding Schemes with a total value of £1.6m (including £0.5m funded by schools), 27 Emergency schemes with a total value of £2m and capitalised £6m eligible school capital spend.</p> <p>£480k slipped from 2016/17 to 2017/18 due to delays in Planned Maintenance Programme. In total Stage 3 will be underspent by £1,797k compared with June 2016 Cabinet Report forecast primarily due to £1,500k Dual Funding profiled in 2017/18 being moved to Stage 4 as well as £100k underspend on the Planned Maintenance Programme, £47k underspend on the Kitchen Extract Programme and £150k underspend on the Asbestos Removal Programme.</p>
(3)	School Condition Stage 4	<p>Delivered/delivering 22 planned maintenance schemes with a total value of £4.3m, 49 Dual Funding Schemes with a total value of £1.9m (including £0.9m funded by schools), 46 Emergency schemes with a total value of £2.6m, support of 6 Priority School Building Programme schemes and one Building Schools for the Future scheme with a total value of £0.9m and capitalised £6.8m eligible school capital spend.</p> <p>£2,450k overspend in 2016/17 compared with June 2016 Cabinet Report forecast due to £1,100k overspend on unforeseen Emergencies, £807k due to unforeseen revenue capitalisation, £1,543k due to Planned Maintenance projects exceeding budget forecast, which was partially offset by £1,000k Dual Funding profiled in 2017/18 being moved to Stage 5. In total £2,425k higher than the June 2016 Cabinet Report.</p>
(4)	School Condition Stage 5	New £18,000k requirement for Stage 5 (£4,000k Planned Maintenance Programme, £1,000k Dual Funding Programme, £2,000k Emergencies and £11,000k for end of life buildings – for further information see Appendix 4 Project Definition Document for School Condition Programme 2017-18).
(5)	School Condition Allocation 2018/19	Surplus of School Condition Allocation 2018/19 will be used to fund future years.

6. Other Programmes Update

Other Requirements	June 2016 Cabinet Report	March 2017 Cabinet Report	Variance in
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	Total £'000	2012-16 Outturn £'000	2016/17 projected £'000	2017/18 projected £'000	2018/19 projected £'000	Revised total £'000	2012-16 Outturn £'000	2016/17 projected £'000	2017/18 projected £'000	2018/19 projected £'000	Total Position from June 2016 £'000	Notes (see below)
Repayment in respect of existing land commitments	5,923	2,923	3,000			2,923	2,923				-3,000	(1)
Universal Infant Free School Meals	2,821	2,708	113			2,814	2,708	106			-7	(2)
Early Years Capital	1,399	809	590			3,434	809	864	1,761		2,035	(3)
Education IT	500		500			500		275	225		0	(4)
Total Requirements	10,643	6,440	4,203	0	0	9,671	6,440	1,245	1,986	0	-972	

Other Resources
Capital receipts to fund land commitments
Universal Infant Free School Meals
Early Years 2 year old grant 2015/16
Capital receipts to fund Education IT
Total Resources

March 2017 Cabinet Report				
Total £'000		2016/17 projected £'000	2017/18 projected £'000	2018/19 projected £'000
0				
106		106		
2,625		864	1,761	
500		275	225	
3,231		1,245	1,986	0

Notes (see below)
(1)

Other Programme Notes

Note No.	Programme	Note
(1)	Repayment in respect of existing land commitments	£3m allocated for repayment of existing land commitments in 2016/17 was not required.
(2)	Universal Infant Free School Meals	This programme is now successfully completed. All Birmingham Schools were able to deliver universal free school meals to infant age pupils from September 2014.
(3)	Early Years Capital	The 2 year old early education grant 2015/16 is to be allocated in 2017/18 to early years providers to facilitate an increase in the number of free childcare places available to the most deprived 2 year old children.
(4)	Education IT	£0.5m was allocated in 2015/16 to support urgent investment in education IT systems. £225k has been slipped into 2017/18 due to the upgrade of the Education recovery system, which has limited the pace at which other ICT improvement expenditure can be deployed due to the rate of change the operational areas can accept.