

ITEM 6



DERBY CITY COUNCIL

EDUCATION COMMISSION 17 JANUARY 2005

Report of the Director of Education

Education Capital Funding 2005/06 to 2007/08

RECOMMENDATION

1. To note and comment on the Education Capital funding 2005/06 to 2007/08 to be reported to Council Cabinet shortly.

SUPPORTING INFORMATION

- 2.1 The DfES has announced capital allocations for the next 3 years at national and individual authority level. Derby City Council's allocation for 2005/06 has fallen by £1.4 million from £10.8 million in 2004/05 to £9.4 million for 2005/06. See Appendix 2 for funding breakdown. The Leader of the Council has written to the Education Minister expressing local disappointment. This will be discussed in significant detail in a capital review meeting with the DfES likely to be in the Spring Term.
- 2.2 In this context, it is also equally disappointing that Derby City has not been included in the next two waves of Building Schools for the Future –BSF- programme to re-build secondary schools. There is no clear indication of when Derby City is likely to join this programme. This will be discussed with the DfES in the spring term.
- 2.3 Not joining the BSF programme at an early stage is disappointing as we believe that we have a vision for schools in Derby which is widely supported and which would take us substantially forward in securing inclusive education that would deliver higher standards for all pupils in the secondary phase.
- 2.4 In Derby, there has been benefit of increased capital investment in schools over recent years, which highlights the importance of much higher levels of funding. However, despite this investment the backlog of condition issues in Derby schools remains around £40 million. Some of our schools are not fit to deliver twenty first century teaching and learning, and we urgently need to replace them to help us pursue the standards agenda and to provide high quality community facilities linked to integrated children's services.
- 2.5 The capital allocations attached as Appendix 2 show an increase in schools' devolved capital funding from £3.3 million 05/06 to £4.4 million by 07/08. However, devolved standards fund to schools for ICT will be part of the formula allocation from 2006. A primary school will receive around £36k and a typical secondary around £113k annually.

- 2.6 Taken as a whole, there are concerns that the Council shall have to use much of a decreasing capital allocation to keep inadequate schools open, and attempt to address a large condition backlog. The dialogue with the DfES is important to look for ways in which they are able to support us in taking some urgently needed steps towards our BSF vision – particularly in relation to the one special and two secondary schools. In the coming term, the Council shall be pressing DfES officials to look at whether funding to help meet this city’s aspirations can also be found from other programmes such as future years’ Targeted Capital Funding.
- 2.7 Also related to the availability of capital funding is the provision of school places and the Commission has been concerned that its topic review work on this matter should be taken forward. Reference was made at the last meeting to new guidance being drafted by the DfES which was likely to have a significant impact on place planning strategies. It has been confirmed that the guidance is being prepared and our comments have been sought on a pre-consultation draft. This will inform how the work on a strategy for Derby might now be taken forward.

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List of appendices:	Appendix 1 – Implications Appendix 2 – Capital Funding Allocations 2005/06 to 2007/08

IMPLICATIONS

Financial

1. The New Deals for Schools Funding falls from £5.8m in 2004/05 to £4.4m in 2006/07. This presents a real constraint in addressing the backlog of condition issues in school buildings.

Legal

2. There are no direct legal implications.

Personnel

3. Costs of delivering schemes will be charged to individual schemes where appropriate.

Equalities impact

4. Capital projects are targeted at improving learning environments to ensure greater equality.

Corporate objectives and priorities for change

5. Capital investment in schools will contribute to the corporate objectives of **education where provision responds to people's needs, so they can develop skills leading to better life choices and chances.**

Capital Funding Allocations – 2005/06 to 2007/08

Capital Funding Allocations - Comparison 04/05 & 05/06	2004/05	2005/06	% Inc. / Decrease
Schools Capital Modernisation Funding	£5,820,617	£4,897,378	-16%
Schools Access Initiative	£478,959	£432,604	-10%
LA Devolved Formula Capital Funding	£3,216,516	£3,340,167	4%
VA Devolved Formula Capital Funding	£480,599	£454,484	-5%
Voluntary Aided Schools Funding	£519,568	£277,965	-47%
Seed Challenge Funding	£303,895	£0	-100%
TOTAL	£10,820,154	£9,402,598	-13%

Difference between total Capital funding 04/05 & 05/06	(£1,417,556)
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Indicative Capital Funding Allocations	2006/07 *	% Inc. / Decrease	2007/08*	% Inc. / Decrease
Schools Capital Modernisation Funding	£4,389,338	-10%	£4,452,750	1%
Schools Access Initiative	£433,366	0%	£433,366	0%
LA Devolved Formula Capital Funding	£4,196,901	26%	£4,424,054	5%
VA Devolved Formula Capital Funding	£570,876	26%	£601,555	5%
Voluntary Aided Schools Funding	£283,228	2%	£285,777	1%
TOTAL	£9,873,709	5%	£10,197,502	3%

*Indicative allocations for 2006/07 and 2007/08