

From: Patrick Leeson, Corporate Director for Education and Young People's Services

To: Education and Young People's Services Cabinet Committee

15 April 2015

Subject: Basic Need Funding Allocation

Classification: Unrestricted

Past Pathway of Paper: None

Future Pathway of Paper: None

Electoral Division: All

Summary: This report sets out the annual schools capital funding Basic Need Funding Allocation, announced by the Department for Education in February 2015.

Recommendations: The Education and Young People's Services Cabinet Committee is asked to consider and note the report.

1. Introduction

This report sets out the recent positive news of a capital funding allocation for Basic Need which more accurately reflects the level of need in Kent for creating additional school places for the rising school-age population. This allocation follows substantial lobbying of Government Ministers by KCC Officers during the past year and by Paul Carter, Leader of Kent County Council and Roger Gough, Cabinet Member for Education and Health Reform.

The total Basic Need capital funding allocation for Kent amounts to £92m. The previous allocation, announced in February 2014, for 2015-16 and 2016-17, provided insufficient capital funds for the planned school building programme to 2017, resulting in significant prudential borrowing being built into the medium term capital programme in order to meet the shortfall. The recent allocation provides a fair level of funding for 2017-18 and top-up funding for 2015-17, such that the level of prudential borrowing can be reduced.

2. Basic Need Funding Allocation

2.1. On 12 February 2015, the Basic Need capital allocations were announced by the Department for Education (DfE) to support the capital requirement for

providing new school places by expanding existing maintained schools, or academies, and by establishing new schools.

2.2. A national Basic Need Allocation of £1.3 billion has been provided by the Department for Education to local authorities for the financial year 2017-18. This has been allocated principally on data collected from local authorities in the 2014 School Capacity Survey (SCAP). This survey collects information on the capacities of schools in each planning area of each local authority, as at May 2014, and local authorities' forecasts of pupil numbers for several years ahead. Basic Need funding is allocated on the basis of a comparison of forecast pupil numbers with school capacity, with shortfalls in capacity attracting funding.

2.3. The Basic Need allocation 2017-18 for Kent is **£38,653,638**

2.4. The Department for Education has also made additional allocations for 2015-16 and 2016-17. The 2015-17 Basic Need funding allocation included £300 million held back by Central Government for those LAs with unexpected increases in forecast pupil numbers. This is also being allocated, alongside the funding for 2017-18

2.5. The Basic Need 2015-16 top up allocation for Kent is **£16,251,855**

2.6. The Basic Need 2016-17 top up allocation for Kent is **£ 34,642,059**

2.7. The Department for Education has also made additional payments to local authorities that have built new Primary schools, or whole Primary school expansions of seven year groups that opened in 2013-14. The Department is making these payments to recognise that the allocations methodology would otherwise only cover the cost of five of the seven year groups for these projects.

2.8 The additional allocation (to be paid in 2017/18) for Kent is **£2,274,368**.

The table below shows a comparison between the Basic Need funding allocation announced in February 2014 and that recently announced:

Basic Need Allocations	2015-16	2016-17	2017-18	Total
Government Grant previously announced allocation (Feb 2014)	-13,390	-14,059		-27,449
Government Grant new allocation			-38,654	-91,822
Government Grant top up allocation	-16,252	34,642		
Government Grant additional payment			-2,274	

3. Conclusion and Next Steps

The recent central government capital funding allocations for Basic Need are higher than the assumptions made in the medium term capital programme and help to reduce the reliance on KCC prudential borrowing. Alternative options can now be explored for how the funding is allocated across the breadth of school building programmes and a delivery strategy can be developed to implement the next phase of the Basic Need programme to 2017-18. This is excellent news for the County and the confidence we can have in delivering the necessary school expansion programme for the future in providing sufficient places for Kent pupils. However, it should be noted that although the allocation is more generous than anticipated it simply enables us to do what is required to deliver the necessary growth in school places as set out in the Education Commissioning Plan.

4. Recommendation

The Education and Young People's Services Cabinet Committee is asked to consider and note the report

5. Background Documents: none

6. Contact Details

Report Author

Kevin Shovelton - Director of Education Planning and Access

Telephone: 03000 416677

Email: Kevin.shovelton@kent.gov.uk

Relevant Director: Patrick Leeson

Name and title: Corporate Director, Education & Young People's Services

Telephone no: 03000 416384

E-mail: Patrick.leeson@kent.gov.uk