
EDUCATION CAPITAL

Background

1. Funding is available to carry out work at schools is received in two forms, funding received by the Authority, of which there are a number of streams, and funding allocated direct to schools, which is administered by the Local Authority. As much of this funding is hypothecated for individual schools or particular school sectors, the flexibilities available to the Authority to redirect all funding to target the highest priority works within the school estate is somewhat limited.
2. Funding to improve and maintain schools is provided annually by DfES to all Local Authorities, who then use an asset management programme to identify needs within schools and direct funding to meet these needs.
3. The Authority undertakes condition (fabric of the building), suitability (to deliver the national curriculum) and sufficiency (right number of places for the school population) surveys aimed at identifying and quantifying financially the needs within Darlington schools. Details of the surveys are passed to schools and form the basis of Local Asset Management Plan (LAMPAs) meetings between the Education Department and the individual schools. These LAMPAs meetings agree the priority works to be funded using both Authority and school specific capital budgets. This process ensures that schools spend their individual capital allocations in line with asset management priorities. To ensure this agreement can't be breached, the actual funding made available to schools is only released on a project-by-project basis in line with the priorities contained within the LAMPAs.

The Problem

4. Although capital funding levels to support work in schools have risen significantly in recent times, previous under-funding has left a legacy of a backlog of maintenance and unsuitable school buildings. The main issue the Authority faces therefore is the actual identified needs always exceed the available funding. This is being addressed in a number of ways with 20% of Darlington pupils expected to be in new schools by December 2006 and the outcome of the Review of Primary School Education in Darlington. The future for the secondary sector is clouded as Darlington schools are not included in the first waves of Building Schools for the Future (BSF). Therefore, the proposed way forward is dealt with in three areas and each of these is dealt with in turn.

Existing Commitments

5. **Annex 1** shows the commitments that the Authority has already entered into for 2005/06. These include the placing of fire stops in roof voids to avoid similar problems to those experienced during the fire at Middleton St George. In addition, the Authority must meet the cost of suitability works which are currently undermining the ability to deliver the national curriculum, meet financial commitments on the new Skerne Park Primary School, deliver

6. Capital works within the school amalgamation programme and meet the financial implications of the sufficiency works contained within the Primary Review. Finally, funding is still required to meet costs associated with advisory work on the PFI Programme. Within these programmes, one project for alterations to the newly amalgamated Whinfield Primary School includes proposals to borrow £280,000 under via prudential borrowing, with the repayments met from Education Department's resource allocation.
7. All these works have been assessed as being of exceptionally high priority and the non delivery of these programmes would seriously undermine the delivery of education and leave the Authority unable to meet financial commitments on previously agreed major building projects.

Primary Schools

8. Although the demand for works outstrips the available resources, the situation within the primary sector is felt to be manageable. The schools do not face the scale of works of the secondary sector and the impact of the new schools and the introduction of the Primary Review will help further. **Annex 2** shows the Asset Management requirements for Primary Schools and the works that would ideally be carried out during 2005/06. The planned funding column shows that of the total of £1.589m, it is proposed to allocate £1.152m during 2005/06. This will be met from modernisation funding of £0.970m and contribution from schools, Devolved Formula Capital (DFC), of £0.182m.

Secondary Schools

9. As with the Primary Schools demand for works outstrips the available resources. However, a similar review to that for Primary Schools is needed to determine the way forward. It was hoped that the funding from BSF would be the catalyst for the review; however, Darlington is not guaranteed any funding before 2011. Therefore, a review needs to be carried out to determine the future of secondary provision in Darlington. It is therefore proposed not to allocate any funding to particular schemes, but to create a contingency to deal with any emergencies whilst the review takes place. It is expected that the review will be complete by summer 2005. A contingency of £0.310m can be met from Education Modernisation resources and it is suggested that this is supplemented by a further £0.250m from corporate resources to make a contingency of £0.560m.

Conclusion

10. It is suggested to allocate the following amounts to different elements of schools' capital funding for 2005/06 and carry out a review of the provision in the secondary sector.

	Asset Management Plan Requirements	Priority 2005/06	Proposed Funding 2005/06	Proposed Funding to be met from			
				Modernisation	Schools (DFC)	Corp. Funding	Prud. Borrowing
				£m	£m	£m	£m
Existing Commitments (Annex 1)	1.750	1.847	1.798	1.401	0.117		0.280
Primary Schools (Annex 2)	2.643	1.589	1.152	0.970	0.182		
Secondary Schools (Annex 3)	3.690	1.122	0.752	0.310	0.192	0.250	
Total	8.083	4.558	3.702	2.681	0.491	0.250	0.280

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