

Education Capital Investment Plan 2024/25

(Funding Prioritisation, Development and Implementation of
the Capital Investment Programme)

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1. Introduction

This plan reviews the principles and priorities set out and previously agreed by Members, in determining the use of capital funding for education provision. Capital funding for the provision of education placements to meet the Council's statutory duties is one element of the WCC Capital Strategy and therefore prioritisation and value in investment needs to be understood and planned for to meet residents needs and maximise benefits.

This paper refreshes the 2019 revision and sets out the terms of investment going forward from 2024/25 and lays out our priorities for Education Capital Investment. This document accords with the current understanding of Government policy. The approval of these principles and priorities will enable officers to continue to progress capital investment in the most effective and efficient way.

Unless it relates specifically to an individual bid, Government funding is not ring-fenced for particular schools or settings. The Authority must determine schemes/projects based upon national and local priorities. The Department for Education (DfE) have announced Basic Need for the current year plus two further years (2024 – 2026) which has allowed scope for supporting the forward planning of need to support the provision of school places. At the time of this update report Basic Need allocations are known up to 2025/26 (for places for September 2026). At the time of this update, the School Condition Allocations (SCA) have been announced up to 2023/24 and take into account the number of schools that have converted to academy status. High Needs Provision Capital Allocations (HNPCA) have been announced up to 2023/24, this does not support the Local Authority (LA) in forward planning future provision to meet the needs of children and young people with special educational needs and / or disabilities (SEND)

We are proposing to allocate capital funding in line with the priorities identified in section 6 below. No schemes will be formally approved unless funding sources are understood and approved. The full list of specific schemes will be included in the review of the capital programme and will be submitted to Council as part of the budget approval process for 2024/25 and annually thereafter.

This document is intended to update Members and maintain transparency in the funding of education capital schemes and the opportunities and pressures that exist and require decision making.

2. Vision and principles

Strategic Vision for Education in Worcestershire

Worcestershire County Council believes that all children should have the opportunity for the best possible education to allow them to fulfil their full potential. The County Council will work with all types of providers to ensure there is a sufficiency of good quality education places in Worcestershire, including early years and childcare, mainstream school provision, provision to meet the needs of children with SEND and post-16 provision.

Core Principles

Where WCC identifies the need for additional provision or places, the decision on which provider to commission will be based on the following clear core principles:

- Improve educational outcomes for all children and young people

- Improve the learning experience of children and young people
- Support good or outstanding provision
- Be sustainable in the long term
- Be cost effective / value for money

3. Statutory duty for sufficiency of places

Worcestershire County Council has a duty (under s13-14 of the Education Act 1996) to ensure there are sufficient school places to accommodate the children and young people who reside in the county and to ensure these places are of good quality with sufficient capacity to promote parental choice and diversity.

Section 14 of the Education Act 1996 places a duty on LAs to secure educational provision for children and young people with special educational needs. Section 315 requires LAs to keep their arrangements for SEND provision under review.

Section 6 of the Childcare Act 2006 places a duty on LAs to secure sufficient childcare, so far as is reasonably practicable, for working parents, or parents who are studying or training for employment for children aged 0-14 (or up to 25 for children with SEND) and Section 7 (as substituted by section 1 of the Education Act 2011), places a duty on English local authorities to secure early years provision free of charge for eligible 2, 3 and 4 year olds. Section 1 of the Childcare Act 2016 which places a duty on the Secretary of State to secure the equivalent of 30 hours of free childcare over 38 weeks of the year for qualifying children.

4. Capital funding

The education capital programme currently consists of a number of funding sources:

- DfE Capital Grants for:
 - Basic Need (BN);
 - High Needs Provision Capital Allocation (HNPCA); and
 - School Condition Allocation (SCA)
- Section 106 (Housing Developer Contributions)
- Prudential borrowing where agreed by Council for specific schemes

The Basic Need (BN) grant allocation is based on the data collected from LAs in the annual School Capacity Survey (SCAP), the information on the capacities of schools in each education planning area (EPA) and the LAs' forecasts of pupil numbers for several years ahead. The funding is allocated on the basis of a comparison of forecast pupil numbers with school capacity, with shortfalls in capacity attracting funding. The allocations for financial year 2023/24 are based upon the projected need for new school places by September 2024. Further information on mainstream forecast methodology, known children and forecast information can be found on the website: [School statistics and data collection | Worcestershire County Council](#)

The High Needs Provision Capital Allocations (HNPCA) grant is currently allocated to LAs proportionally, based on the estimated share of future growth in the children and young people in each LA who may require High Needs provision as a percentage of the national total. HNPCA is primarily to assist LAs in delivering new places needed and to improve the suitability and sufficiency of high needs

provision. However, the funding is not ringfenced. For the first time in June 2023, the DfE, requested LAs submit Net Capacity Assessments (NCA) and forecasts for Specialist provision, including special schools and resourced provision commissioned by the LA. HNPCA funding beyond 2025 is contingent on the outcomes of future Spending Reviews and additional capital funding beyond this period cannot be guaranteed. It has not yet been confirmed if this information will be used to allocate the HNPCA longer term.

School Condition Allocation (SCA) is allocated to the LA to meet the need of schools maintained by the Council (see section 5 for further details). The grant is amended each year to take into account the number of schools that have converted to academies.

Table 1 – Capital allocations 2021/22 – 2025/26

DfE Grants	2021/22	2022/23	2023/24	2024/25	2025/26
Basic Need	£4,919,520	£8,094,871	£7,127,675	£5,302,887	£4,116,886
Condition	£4,040,055	£4,081,482	£3,845,629	£3,600,000*	£3,300,000*
HNPCA	£1,539,044	£5,284,717	£5,421,935	£2,000,000*	£2,000,000*
Totals	£10,498,619	£17,461,070	£16,395,239	£10,902,887	£9,416,886

* 2024/25 and 2025/26 condition and HNPCA allocations are indicative based on previous years but cannot be guaranteed.

The Council may elect to supplement these external funding sources with prudential borrowing, in circumstances where grant funding is insufficient to fully meet the expenditure required for an approved scheme. Borrowing to fund capital expenditure has general fund revenue implications, and as a result, must be kept to a minimum. Prudential borrowing can only be utilised with approval of the Council.

The Council may receive other education capital grants occasionally for example the School Nursery Grant or the Early Years Expansion and Wraparound Programme. These will be prioritised to meet the demand as per the conditions of the grants provided.

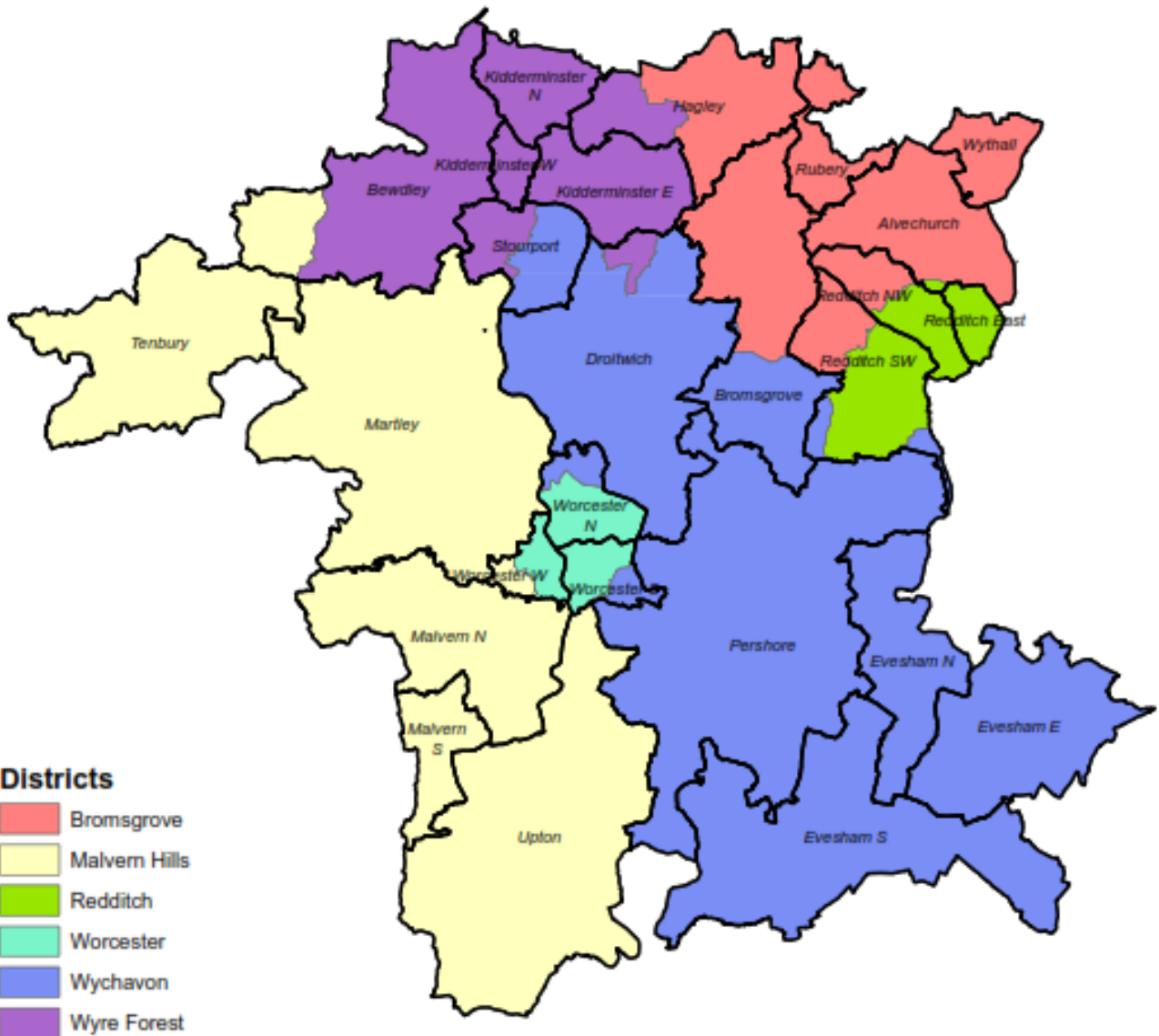
5. Establishments with access to these resources

DfE Capital Grant – School Condition Allocation (SCA)	Community, Foundation & VC Schools maintained by WCC
DfE Capital Grant – Basic need i.e. additional school places as a consequence of demographic growth	All tax-payer funded schools in Worcestershire (including Academies and Free Schools)
Section 106 Developer Contributions	All tax-payer funded schools in Worcestershire (including Academies and Free Schools) i.e. Funding identified for named establishments or specific projects in the agreement
Devolved Formula Capital	All tax-payer funded schools in Worcestershire (including Academies and Free Schools but these are funded directly) This is fully devolved to local school decision making.

6. Prioritisation of Projects for Grant Funding

Basic Need is designed to ensure that the Council can fulfil its statutory duty to ensure a sufficiency of school places. This grant can be used to support the creation of additional places at all tax-funded school in Worcestershire, including Community, Voluntary, Academies, Free Schools and Special Schools.

Worcestershire currently operates 26 Education Planning Areas (EPAs) that are made up of schools located in close proximity to each other, which pupils could reasonably attend. The use of EPAs allows the LA to more accurately assess the current and future pupil demand for school place provision. The map below shows how these Education Planning Areas relate to District Council boundaries.



Whilst individual schools in a specific planning area may be full, the LA may not seek to address this from Basic Need if there are sufficient places in neighbouring schools from within the same planning area.

High Needs Provision Capital is designed to ensure that the Council can fulfil its statutory duty to ensure a sufficiency of provision to meet the needs of children and young people with SEND. This grant can be used to support the creation of additional places at all tax-funded school and colleges, including Community, Voluntary, Academies, Free schools and Special Schools.

School Condition Allocation is to address the poor condition of an asset against a set criteria. In Worcestershire, condition surveys are commissioned on a 5-year cycle to help prioritise the capital maintenance programme. The survey data collected provides details on the condition of all school buildings where the County Council are the responsible body, from which the annual maintenance programmes are compiled.

Due to the limited funds received by the Council and that the majority of this comes from DfE grant funding, we will continue to only grant fund the top two priority areas: basic need and building maintenance. These are discussed in more detail below.

The Council will not fund maintenance works at schools undertaking the conversion process to become an Academy school, unless funds have already been committed to a scheme. The exception will be Basic Need to which they are entitled.

a. Basic Need – priority one

The County Council has a statutory duty to ensure there are sufficient school places across all statutory phases and ages. The Education Sufficiency and Place Planning Team will identify the need for additional provision or places and quantify the requirement. Basic Need places will be identified because of natural demographic changes. Basic Need will not apply as a result of parental preferences for particular schools, where other schools in the education planning area have surplus places.

The LA will only consider expansion of schools rated outstanding or good on their last Ofsted inspection, unless in exceptional circumstances, for example no other school within a reasonable area can be expanded further. This is because the LA believes that the focus of schools in category should be on improving and supports Government priorities to expand successful schools.

The LA will give consideration to temporary or long-term change. If it is a temporary change, then capital investment should be relevant e.g. temporary accommodation. If it is to satisfy a longer term need then permanent build options will be explored (subject to funding being secured).

The programme will fund all relevant work needed to achieve the change under this proposal, including feasibility, new accommodation and furniture and equipment. Funding will not support addressing other issues at the school even if they are seen as desirable. The school may fund works themselves, as part of the overall scheme but they will be expected to agree to these costs as part of the process.

Basic Need will not be used to fund accommodation for provision of early-years/extended services/community facilities; these will be the responsibility of the school or funded through S106

contributions. Governing bodies will be supported to explore the possibility of delivering these services using other local facilities in partnership with other providers.

b. Provision to meet the needs of pupils with SEND – priority two

The LA has a statutory duty to secure educational provision for children and young people with SEND and to keep their arrangements under review. The Education Sufficiency and Place Planning Team working with the SEND Services Team will identify the need for additional provision or places and quantify this requirement. Provision and / or places will be identified because of demographic changes and changes in complexity of need.

The LA will only consider expansion of schools rated outstanding or good on their last Ofsted inspection, unless in exceptional circumstances, for example no other school within a reasonable area can be expanded further. This is because the LA believes that the focus of schools in category should be on improving and supports Government priorities to expand successful schools.

The LA will give consideration to temporary or long-term change. If it is a temporary change, then capital investment should be relevant e.g. temporary accommodation. If it is to satisfy a longer term need then permanent build options will be explored (subject to funding being secured).

The programme will fund all relevant work needed to achieve the change under this proposal, including feasibility, new accommodation and furniture and equipment. Funding will not support addressing other issues at the school even if they are seen as desirable. The school may fund works themselves, as part of the overall scheme but they will be expected to agree to these costs as part of the process.

The LA will also respond to provision of accommodation/specific equipment associated with the admission of pupils with SEND attending schools where it is essential to support them in giving them access to the curriculum and addressing their personal needs in terms of accessibility. Investment here will be considered where the capital cost exceeds the £15,000 threshold up to which this has been deemed the responsibility of the school.

c. Building Maintenance – priority three

The priority for the LA will be to ensure that the buildings are weather-tight, meet health and safety and other regulatory standards and remain operational all year round. In accordance with the LA's Scheme for Financing Maintained Schools¹(revised September 2023) responsibility for repairs and maintenance is clearly defined.

Based on the contents of the necessary condition survey reports, priority is given to those schemes falling within the condition categories D (Bad - life expired and/or risk of imminent failure) and if funding permits, C (Poor - exhibiting major defects and/or not operating as intended) with a priority of 1 or 2. Priority 1 being urgent and normally considered an emergency repair need. Priority 2 being essential work required within two years of the date of the survey that will prevent further deterioration of the situation.

There has been substantial investment made over recent years to remove or replace temporary buildings on school sites. Following this, the few that remain will be considered either at the point of

¹ [Worcestershire Schools Forum | Worcestershire County Council](#)

renewal of necessary planning permission, and/or confirmation of their Basic Need requirement, and/or when the condition of the buildings is such that it is no longer economic to repair or maintain. Where a need for the accommodation is still identified as a Basic Need for school places, the Council will consider options for replacement including like for like or permanent build.

Proposals to rebuild school buildings (in part or fully) are few. Where such instances occur, the LA will only consider projects where a detailed business case demonstrates that the condition of the building will make it uneconomic to repair or refurbish.

Worcestershire schools have been successful in being identified for the DfE School Rebuilding Programme (SRP). Pershore High and Waseley Hills High schools were selected as part of the first 50 schools announced in February 2021. Waseley Hills High School is subject to a full re-build due to begin on site in Spring 2024. Pershore High School is a partial re-build due to begin in Autumn 2024.

In December 2022, the LA welcomed news that a further two county schools had been selected for inclusion in the SRP round four of 239 schools. Arrow Vale High School and Baxter College (Secondary) will feature for partial rebuild.

7. Section 106 (s106)

This is funding that can be received by the LA from housing developers as a result of new housing. The LA can only request this where the housing will result in additional pupils that education providers are unable to accommodate (mitigate). The funding will be subject to a legal agreement with the developers and District Councils and will often state the education provision eligible for funding, the time frame for spending, and the likely amount due. This funding possible will be used to support the LA's Basic Need Capital Programme.

The primary aim of S106 Education Contributions is to mitigate the forecasted impact of additional children forecast from new housing developments upon the existing educational infrastructure. The Worcestershire Education Planning Obligations Policy² sets out the approach the LA will take in assessing the impact of new housing developments on education provision and identifying appropriate mitigation.

S106 can only be spent on capital works to address the mitigations required to accommodate additional pupils from the new housing developments. This can include where contributions have been requested and agreed, early years provision, mainstream school age provision, provision for pupils with SEND and post-16 provision.

The LA will work with the identified (catchment / related) education settings and schools to identify options to mitigate the requirement for additional places or provision. Funding will only be released when it has been received by the LA from the developer which may not be for a number of years post S106 agreement.

Where there is large scale housing development, the S106 funding may contribute to or fund new education provision.

² <https://www.worcestershire.gov.uk/council-services/planning-and-developments/planning-policy-and-strategy/school-planning-obligations>

8. Free Schools

The LA has a statutory duty, where it identifies the need for a new school in its area, it must seek proposals to establish an academy (free school).

Where it is not possible to expand existing schools in an area to meet increased demand or where a large-scale housing expansion takes place, the LA is likely to commission a free school in line with Government policy. Where this expansion is as a result of Basic Need, either through demographic or housing growth, the school will be commissioned and funded from within the Council's overall Capital Programme, including s106 contributions. The LA will liaise with the Regional Schools Director (RSD) and the Education & Skills Funding Agency (ESFA) to identify potential partners (sponsor) to run the school on behalf of the LA, but the decision as to the sponsor will ultimately rest with the Secretary of State for Education.

The LA would procure the school via its formal procurement procedures and the specification would be in accordance with the DfE's Building Bulletin Design Guidelines. For new first or primary schools of 2FE or greater size, the LA would expect these to include nursery provision, as increased pre-school numbers are unlikely to be able to be met within existing provisions. This is in line with the DfE expectations.

The Free schools programme provides teachers, parents, charities and community groups with the opportunity to set up new, independent, state-funded schools that raise educational standards. Academy Trusts may bid to the DfE to create a free school as part of the free school programme. The LA would work with potential sponsors and supply information currently in the public domain. As these proposals are not as a result of Basic Need, the LA would not fund the capital costs.

The LA will consider any free school wave opportunities to apply for new schools, where this would benefit Worcestershire and meets the criteria set out within each wave.

9. Consultation and Communication with Stakeholders

Once a year, education sufficiency reports are written and presented to Cabinet to highlight where there are sufficiency needs and the actions being proposed to address these issues. Capital investment is recommended where additional provision or places are required to mitigate the demand.

Where additional provision or places are required, the Education Sufficiency and Place Planning Team in conjunction with County Council property officers, will consult with education providers directly and / or through open market expressions of interest to identify options to mitigate the demand.

All Directorate investment proposals are subject to review and comment by the WCF (Children's Services) Leadership Team and the Cabinet Member with Responsibility for Education.

WCF (Children's Services) Leadership Team meets regularly, and an Education Capital update report is submitted at least 3 times per year on the position of the overall capital investment programme. Once agreed, the main education capital programme at the beginning of each financial year is presented to Cabinet and full Council for approval, the outline is available on the County Council website.

10. Project Implementation and Performance Monitoring

For projects funded from DfE Grant funding, usually the LA will agree appropriate funding with the school / setting and a legal agreement put in place and the school / setting will manage the programme of works.

The Council still retains Landlord responsibility for schools where it is the owner of the land and/or premises, including academies who have leased the assets from the Council. In these cases, schools and academies will need to seek the LA landlord approval before undertaking any capital projects.

Schemes managed by schools / settings using their chosen property consultant must have robust project management methodology in place to ensure that projects are managed well and within agreed tolerances.

Regular monthly meetings to include relevant LA officers and school appointed property consultants take place to discuss, update and monitor progress of agreed schemes.

Updates are also provided to WCF ELT quarterly or more frequently as required as part of the Capital Investment Programme review.

11. Education Capital Programme

The Education Capital Programme is part of the overall WCC Capital Programme. Updates to the Capital Programme, including additions, removals and funding source changes progress through a governance pathway that concludes with approval at Full Council. This is through the regular Resource Report, or the annual Budget Setting paper. The Capital Programme agreed by Council in February 2024 can be found on the [Council website](#)³.

³ [Executive Decisions by Cabinet | Worcestershire County Council](#)