

DRAFT
STAFFORDSHIRE LEARNING INFRASTRUCTURE FRAMEWORK

**Meeting the needs and aspirations of Staffordshire's parents
and families to access first class education and childcare,
close to home, when they need it**

Capital Investment Scenario for mainstream school places only

This short document provides an illustration of the possible capital implications for funding mainstream school places in Staffordshire over the next 15 years.

June 2015

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Introduction

Local authorities are statutorily responsible for ensuring sufficient schools and therefore school places. The county council assesses demographic changes, plans and finances new school places, largely from funding provided by the Department for Education and from housing developers under the planning system.

This Capital Investment Scenario provides an illustration of the possible capital implications for funding additional mainstream school places over the next 15 years.

Using birth and housing data, the county council's forecasts increasing demand for mainstream school places between now and 2030/31. **Our forecast is that an additional 21,000 school places will be needed by 2031:** around 13,000 primary and 8,000 secondary places.

Capital implications

To provide additional places, existing schools will be enlarged and new schools created over the next 15 years at an **estimated capital cost of £333m**. This figure can only be an estimate because it is not possible today to be precise today about the detail and cost of every school building project over the next 15 years.

The figure relates to estimated build costs and excludes any annual building cost inflation and omits other potential costs such as land acquisition and highways improvements). The capital cost figure is dynamic and will be affected by decisions on the preferred local solutions, actual project costs, changes to the numbers of houses planned, etc.

Capital Investment Scenario

The Capital Investment Scenario (in Figure 1 overleaf) comes with significant caveats: other than the capital reserves held by the county council totalling £42.6m, **it is difficult to estimate the amount of future funding** over the next 15 years from central government or from planning obligations with any certainty. The figure, therefore, provides an illustration of the funding challenge and gap to be managed for the provision of more mainstream school places:

Based on the assumptions shown in Figure 1, **the county council would need to fund a capital gap of between £47m and £79m** over the next 15 years from its own resources or borrowing, from larger contributions from central government and from planning obligations from smaller housing developments. Spread over the next 15 years, the **funding gap is equivalent to between £3.1m p.a. and £5.3m p.a.**

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Estimated Capital Costs and Receipts	Capital in (rounded)	Funding Gap (rounded)	Assumptions
Staffordshire mainstream estimated cost		£333m	1. With the County Council's Basic Need Capital Programme of £38m plus £2m from Section 106, the funding gap reduces from £333m to £293m.
Capital Programme: grants from government to 2017/18	£38m		
Capital Programme: current Section 106 reserves	£2m		
Sub-total		£293m	
S106 from SDAs 2016-2020 (see note below)	£54m		2. Assuming future Section 106 contributions totalling £162m from major housing developments on Strategic Development Allocation (SDA) sites, the balance would reduce to £126m.
S106 from SDAs 2021-2025 (see note below)	£54m		
S106 from SDAs 2026-2030 (see note below)	£54m		
Sub-total		£131m	
Basic Need 2018/19-2019/20	£8.6m to £14m		3. Assuming an annual Basic Need settlement from central government from 2018/19 onwards ranging between £4.3m p.a. (the latest allocation for 2016/17) and £7m p.a. (the current 3-year average) would reduce the balance to between £42m and £75m.
Basic Need 2020/21-2024/25	£21.5m to £35m		
Basic Need 2025/26-2029/30	£21.5m to £35m		
Capital funding gap based upon above assumptions between now and 2030/31		£47m to £79m	4. Spread over 15 years, the funding gap would be equivalent to between £3.1m p.a. and £5.3m p.a.

Figure 1: Capital Investment Scenario by financial years (as at 19 June 2015)

Note: These figures refer to a forecast of Section 106 funding from housing developers to mitigate the impact on school places of large housing developments on Strategic Developments Allocation (SDA) sites.