

CABINET – 20 DECEMBER 2011

ADDENDA 2

BUSINESS STRATEGY AND SERVICE & RESOURCE PLANNING 2012/13 – 2016/17

Report by Assistant Chief Executive & Chief Finance Officer

Introduction

1. The Department for Education (DfE) announced the 2012/13 capital funding allocations on 14 December 2011. As set out in the first addenda, this announcement was not expected until the final settlement in January 2012.

2012/13 Funding Allocation

2. The capital grant allocations for education have been confirmed for 2012/13 at £9.844m for maintenance and £8.875m for basic need. This is a £3.513m reduction from the allocation received in 2011/12. This reduction is mainly due to a change in the methodology for allocating funding for pupil places. The methodology now includes both numbers on roll and capacity data. Also, the structural maintenance allocation has been reduced to reflect schools that have converted, or are about to convert, to academy status.

5-Year Programme Planning

3. As the capital programme is planned across a 5-year period the estimated future years settlement figures will be further risk adjusted to reflect this reduction. The impact of this will be addressed as part of the capital budget setting process and will be included in the Cabinet's budget proposals presented in January 2012.

Additional Transport Announcement

4. The Department for Transport announced an additional funding allocation of £0.696m for 2011/12 for integrated transport. This allocation is not ring-fenced and will also be considered as part of the capital budget setting process.

RECOMMENDATION

5. The Cabinet is RECOMMENDED to:

- (a) Note the implications set out in the addenda in forming their budget proposals in January 2012;**

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Assistant Chief Executive & Chief Finance Officer

Background papers: Nil

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