



Department
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DfE Capital Funding

Technical note for universal infant free school meals (financial year 2014 to 2015) and basic need (financial years 2014 to 2017)

December 2013

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Introduction

The Secretary of State announced capital funding grants on 18 December 2013. These are:

- universal infant free school meals capital for financial year 2014 to 2015; and
- basic need for financial years 2015 to 2017. This extends the previous allocations, meaning that basic need funding has now been confirmed for financial years 2014 to 2017.

This note sets out, in detail, how these formulaic capital allocations have been calculated.

Details of these capital allocations can be found at: [here](#)

Universal infant free school meals capital – 2014-15 budget: £150 million

The total universal infant free school meals capital budget is split across various sectors using pupil numbers from the January 2013 school census. Pupils counted for this funding are those in national curriculum year groups Reception, 1 and 2, or aged 4-6 as at 31 August 2012 where the national curriculum year group is not known, in all maintained primary and secondary schools, special schools, pupil referral units, academies and free schools. Pupils at maintained nursery schools, direct grant nursery schools, independent schools and general hospital schools are not included. Pupils are counted on a full-time equivalent basis, with part-time pupils counted as 0.5 FTE.

A weighting is applied to the counts of pupils at voluntary aided schools to reflect the fact that the governors of voluntary-aided (VA) schools raise 10% of capital costs and, therefore, only 90% of the allocation is provided for these schools by DfE. However, as VA schools do not have access to any VAT refund scheme for their capital costs, the calculation includes an element of funding for VAT.

The total universal infant free school meals capital pot of £150 million is then allocated to the ACMF and to local authorities in proportion to the resulting pupil counts. In a similar manner as maintenance capital funding, the ACMF element is calculated from the pupil counts relating to all open academies, plus those schools with academy orders whose conversion applications have been approved (unless it is clear that their application has been withdrawn), and those prospective sponsored academies with approved expressions of interest where the intended opening date is up to and including 1 September 2015.

The ACMF element of the universal free school meals capital funding has been calculated to include many of the new academies that, as of December 2013, we expect to be established in the coming months. There are many schools not on the list that will convert to academy status between now and September 2014. Local authorities are expected to treat fairly those schools considering conversion and provide commensurate funding in respect of those schools.

Basic need – 2014-15 budget: £0.8 billion; 2015-16 budget: £1.1 billion, 2016-17 budget: £1.25 billion

The basic need allocation supports the capital requirement for providing new pupil places by expanding existing maintained schools, free schools or academies, and by establishing new schools.

A pot of £1.6 billion was allocated to local authorities for the financial years 2013 to 2014 and 2014 to 2015. The department is confirming the £800 million allocation for the second of these two years.

A single pot of £2.35 billion has also now been provided by the DfE for the 2015 to 2016 and 2016 to 2017 financial years, split £1.1 billion in the first year and £1.25 billion in the second. The department has set aside top slices of £100 million and £200 million, in order to be able to provide additional funding to local authorities which face significant and unexpected increases to pupil numbers during these years (or other exceptional and unexpected circumstances), leaving £2.05 billion to be allocated to local authorities for the two years.

The 2015 to 2016 and 2016 to 2017 financial year allocation has been based principally on data collected from local authorities in the 2013 School Capacity Survey (SCAP) collection. This collects information on the capacities of schools and academies in each planning area of each local authority, as at May 2013, and local authorities' forecasts 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.

Adjustments are made to avoid double-funding places. Additional places which have been funded in planning areas through the Targeted Basic Need and Building Schools for the Future programmes are added to the capacities measured by the SCAP; and for free schools which opened in September 2013 we add the places that will be in use by 2017. These are school places for which funding has been provided but which are not reflected in the SCAP data.

Shortfalls are calculated by comparing the forecast pupil numbers in academic year 2017 to 2018 in each planning area to these capacities, and aggregating these shortfalls to give shortfall estimates for each local authority. These shortfalls are then adjusted to take account of the funding which authorities received from the 2013 to 2015 basic need pot, based on the assumption that authorities will, with that earlier funding, be able to create 75% of the places their SCAP 2012 data (which underpins the previous 2013 to 2015 allocations) indicated they would need.

The resulting local authority remaining shortfalls represent the number of additional places that it is estimated LAs will need between academic years 2015 and 2017. Shortfalls for pupils of secondary age are weighted 1.25 times higher than shortfalls for primary pupils. Adjustments are also made to reflect the relative costs of building in different regions across the country, and a small additional higher weighting (1.03 times) is applied to reflect the greater difficulty of finding new sites for schools and expanding existing schools in London. The £2.05 billion basic need funding to be allocated is distributed in proportion to the resulting figures.



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