



Department
for Education



Education
Funding
Agency

Targeted Basic Need Programme

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Section 1 - Overview

What is the funding for

As part of this programme, LAs in England can bid for funding to:

- Build high quality new schools on their own sites. These must be established as an Academy or Free School via the Academy Presumption arrangements; and
- Permanently expand existing good and outstanding Academies and maintained schools.

Location of schools and number of places provided

All LAs with areas experiencing pressure on school places are eligible to apply for the programme, although those LAs forecasting a high need for additional places relative to available capacity within the LA are encouraged to apply. The exact number of schools/places and the mix of new schools/expansion projects and their locations will be determined by the bids received from LAs.

School opening dates

The first additional places will be available from September 2014 and the remainder will become available from September 2015. In order to meet this timetable, we anticipate building work to commence in autumn 2013.

Section 2 – Funding

What the funding will cover

The funding will cover building and site costs. The funding will also cover abnormals, professional fees, fixtures, fittings and equipment (FF&E), ICT infrastructure, ICT hardware and technical adviser fees (including project management costs). Further funding will not be provided to cover additional S106 or S278 requirements.

The establishment of new schools

Where an LA needs to provide schools places and establish a new school, section 6A of the Education and Inspection Act 2006 places the authority under a duty to seek proposals to establish that school as an Academy or Free School. This is known as the Academy/Free School Presumption. LAs that are successful in securing Targeted Basic Need funding for a new school will seek proposals under the presumption to establish the Academy or Free School to their specification.

Pre- and post-opening start-up costs for new schools

The LA is responsible for funding all pre- and post-opening start-up costs. Under the 2013-14 School Finance Regulations, LAs should include provision in their growth funds to support increases in pupil numbers relating to basic need. Where an Academy or Free School is established to meet basic need, pupil numbers will be included in the subsequent allocation of DSG for the relevant LA, so the Academy will be funded on a recoupment basis.

Funding amounts

Funding will be based on EFA's Contractors' Framework rates. These rates are formulaically driven and take account of baseline designs. This methodology is based on EFA's analysis of outturn costs on recent schemes and is also used in the Priority School Building Programme. It ensures that a consistent funding allocation is provided that allows core facilities to be delivered. Examples of the level of funding to build new schools are available on the DfE website.

Additional funding

LAs must provide any additional funding beyond that allocated under the Targeted Basic Need Programme. Confirmation of the commitment to provide any additional funding will be required from the S151 officer (generally the Borough Treasurer or Chief Financial

Officer) in LAs with successful bids. Additional funding will not be provided to cover S106 or S278 requirements.

Funding for refurbishments, special schools and SEN provision

Funding levels for refurbishments and Special Schools/SEN provision will be discussed with successful applicants on a case by case basis. This is because of the large variations that can apply depending on a number of factors and, therefore, applying one level of funding would not be appropriate.

Section 3 – Eligibility for Funding

Organisations that can apply for funding

All applications for funding under the Targeted Basic Need Programme must come from LAs. The funding is intended to create new school places by building new schools and expanding existing good and outstanding schools in those areas with the greatest pressure on school places. LAs have the statutory responsibility to provide sufficient schools in their area and so they will rightly be responsible for making applications for an increase in provision.

Other organisations, such as faith schools, dioceses, Academy chains or individual Academies that are interested in providing new schools or expanding existing good or outstanding schools should express their interest to their LA. They would then need to submit a proposal to run any new Academy when the LA seeks proposals under the Academy Presumption process.

LAs that are already planning to seek proposals to establish a new Academy or Free School

Some LAs have already started the process to establish a new Academy or Free School. In many cases, they will already have agreed how the capital will be funded, whether from the allocations provided from the Department or other sources, such as prudential borrowing. We are already working closely with those authorities and will continue to do so.

Any new Academies or Free Schools that are being established under the Academy Presumption arrangements for September 2013 will not be eligible for funding from the Targeted Basic Need Programme. This is because funding is in place and they will already be well underway to being built.

We will, however, consider applications from LAs to the Targeted Basic Need Programme for new schools that will open as Academies or Free Schools from September 2014. Any such applications will be considered in competition with other applications and no priority for funding under the Targeted Basic Need Programme will be given.

Types of education provision that can be funded under this programme

The Targeted Basic Need Programme primarily aims to reduce the pressure on places at primary and secondary stages of education and priority will be given to applications that address pressures at these stages of education. We understand, however, that LAs may

want to make applications for provision that includes places outside of the age range from 5 to 16. For example, a proposal for primary stage provision may include nursery provision or a proposal for secondary stage provision may include post-16 provision.

Applications such as these can be made but must be supported by evidence of need and the proposals must offer quality provision and value for money.

Funding for expansions

Any funding of extra places through expansions must provide high quality places. Funding will be available, therefore, to expand schools that are rated by OFSTED as “good” or “outstanding”. However, only the strongest proposals will receive funding, that is where there is clear evidence of high quality provision and significant oversubscription for places.

If a school is new and has not yet been OFSTED inspected, then an LA can include this school within its applications to expand. An example is a new Free School that took its first pupils in September 2011 and has been over-subscribed for its intake in September 2012.

Academies Capital Maintenance Fund (ACMF) and Targeted Basic Need

All applications for the Targeted Basic Need Programme must come from LAs. The ACMF invites applications to address building condition issues including Health and Safety issues that cannot be met from routine maintenance or Devolved Formula Capital funding and also supports successful, popular Academies that are currently overcrowded and/or wish to expand their existing facilities and floor space to accommodate more pupils within their existing age range.

Academies can feature in applications for both the ACMF and the Targeted Basic Need Programme and any that do will be identified by the EFA. If an application to expand is successful under ACMF then it will not be considered further under the Targeted Basic Need Programme.

Section 4 Applying for funding

Application Process

LAs should first consider the information provided on the Targeted Basic Need Programme including the conditions of funding and the role and responsibilities that successful applicants are committing to. If they decide that an application to the programme is appropriate then they will need to complete an application form per project as outlined.

Where an expansion is proposed, LAs must consult other good and outstanding schools (including faith schools, dioceses, Academy chains and individual Academies) and provide evidence in their application and state why they have chosen a particular school/new build over other possible candidates.

What LAs must demonstrate to apply for funding

LAs have to demonstrate evidence of basic need and set out the wider strategic context in terms of why the proposed provision cannot be funded from within existing allocations. LAs also have to demonstrate that they can deliver the new schools and classrooms to time. As such, the land or site should already be in LA ownership (or that of a close partner organisation). If an LA has to go through a process to identify and purchase/lease a suitable site then this makes the delivery of additional school places unlikely within the available timetable. If a site is identified and purchase can be achieved quickly, then this will be considered. The provision of a suitable site or land will be a contribution to the project by the LA and DfE will not provide funding for this.

The site

The LA needs to ensure that it can deliver the additional pupil places within the timescale and budget available. To support this, we will be seeking information that the proposed land/site is suitable. This will include information regarding the land/site condition, size, ownership and planning considerations which will help establish its suitability. As the funding is fixed, the site would also ideally be cleared of any existing structures that are not needed as part of the new build school.

How applications will be assessed

The assessment will be based on the information provided within the application form by the LA. This will establish the LA's agreement to the conditions for funding and will also assess the additional information as required on the application form to support the application. Applications will be assessed on the basis of evidence of basic need, the wider strategic and capital context, an initial assessment of how the quality and diversity of new school places will be secured and the deliverability of the project.

Successful LAs in the capital bid stage

LAs who are successful at the capital bid stage will receive a provisional allocation of funding for new build schools. This funding is dependent upon the LA identifying a provider who will deliver high quality provision and approval by the Secretary of State. Capital allocations will be confirmed once the Secretary of State has approved the new school proposer "in principle".

Funding for LAs that make successful applications to expand good or outstanding schools will not be provisional.

Procurement process

In order to meet the timescales, LAs should start procurement once they receive a provisional capital allocation. Capital allocations will be confirmed once the LA has made a recommendation to the Secretary of State and a proposal is approved to deliver high quality provision. LAs must manage any associated risks by ensuring that they have the processes in place to ensure they will receive quality proposals.

New School Proposers

New school proposers will be selected via the Academy/Free School presumption process which is detailed at <http://www.education.gov.uk/schools/leadership/schoolorganisation>

We will provide updated guidance shortly, but there are some key points for LAs to note at this stage. All new school proposals that seek the Secretary of State's agreement to enter into a Funding Agreement must clearly demonstrate how they will make full use of their Academy freedoms to innovate and drive continued improvement. In particular, they must show:

- deliverability and value for money – the capability and capacity of the proposer to deliver their proposal on time and secure the best value for money;
- a focused and coherent educational plan that will raise standards and bring real quality to the places being added into the system; and
- the credibility and track record of the proposer and how the proposed governing body and governance model will drive improved standards.

The updated presumption process will provide the necessary safeguards to secure the best providers to ensure value for money from the major investment that the Targeted Basic Need Programme is providing to new school provision. As with the current presumption process, early and continued engagement between the LA and DfE will be essential at all stages of the selection process.

Section 5 Procurement and contracting

The EFA's role

Procurement and contracting will need to be delivered locally, not by the EFA. To support this requirement, the funding available includes an element for technical adviser fees which includes project management. This will be up to £150,000 per new build project.

Use of the EFA's Contractors' Framework

We will encourage LAs to consider all procurement routes and decide which is the most appropriate for them. The most appropriate route will be determined by the size of the project and the delivery timescales. Various frameworks exist which may be used including the EFA Contractors' Framework, SCAPE and other local and regional frameworks.

EFA baseline designs

We will encourage LAs to use the baseline design information where possible. The first set of baseline design information to illustrate best practice example of low energy, low cost buildings, was launched by the EFA in October 2012 and can be found on the website here:

<http://www.education.gov.uk/schools/adminandfinance/schoolscapital/buildingsanddesign/baseline>

Their objective is to drive efficiency through good design by placing an emphasis on durability, ease of maintenance and low energy bills.



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