

department for

education and skills

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Dear Colleague

SCHOOLS CAPITAL: CONSULTATION ON CHANGES TO BASIC NEED FUNDING

I enclose a consultation paper on changes to the way we make allocations for capital funding for the provision of new pupil places (otherwise known as Basic Need).

The intention is to replace the current system, which is highly complex and bureaucratic to operate, for both LEAs and the Department, with a system that is simpler and more transparent.

The current system was designed to support a narrow definition of Basic Need and is inflexible. Good progress has already been made in implementing the schools capital strategy, including the development of local Asset Management Plans, enabling greater use of formulaic funding. This consultation is a further step in implementing that strategy.

The consultation paper sets out four models, with the preferred approach being either one of the two models that would allocate resources by simple formula. We expect to implement a new system next year, affecting allocations from 2004-05.

We hope that you will let us have your comments on the possible options set out in the document. A consultation response form is enclosed for the purpose. The consultation paper and response form are also available electronically and details about where to access them and how to respond by email are given in the documentation.

Yours sincerely

Philip Watson

Philip Watson
Schools Capital and Buildings Division



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