

**Written Ministerial Statement**  
**DEPARTMENT FOR EDUCATION**  
**School capital funding**

**Secretary of State, Department for Education (Rt Hon Michael Gove MP):**

Today I am announcing details of the capital funding of around £4 billion that will be made available to create new school places and to carry out maintenance and repair work to existing school buildings.

The number of pupils in England is rising and is set to continue to rise well into the next parliament. Ensuring that every child is able to attend a good or outstanding school in their local area is at the heart of the Government's comprehensive programme of reform of the school system. We have previously made available core annual allocations of £800 million to help local authorities meet the demand for additional school places together with a further of £500 million in 2011-12 and £600 million in 2012-13. Today we are allocating capital funding for basic need of £1.6 billion covering the two years 2013-14 and 2014-15.

It is vital that this money is targeted where it is needed and so we have worked with local authorities to improve the way that funding for new school places is distributed across the country.

Until now, we have not had detailed information about the specific areas within local authorities where the demand for school places is expected to increase. This meant that we could not target funding in the most effective way possible to meet pockets of demand within local authorities.

Over the past 12 months, we have worked with local authorities to ensure that funding is distributed more fairly across the country. Local authorities told us that funding should be allocated based solely on projected shortfalls between the places available and the places required within the smaller planning areas that they use when assessing the need for new school places. They also said that funding should be confirmed for at least two years in order to aid better planning.

We redesigned the annual school capacity survey, which local authorities submit to the Department each year, to ensure that, for the first time, we have detailed information about the pressure points within individual authority areas.

As a result of these changes, the distribution of funding to local authorities for additional school places should be fairer, more accurate and better value for money. Some local authorities will see their funding go up, while others will see funding levels go down. This reflects changes in the number of new school places required in different areas of the country as well as the use of more detailed data and it is right that money is allocated where it is needed.

These changes in allocation will get the best value from our core funding for new places. But, in view of the urgent need for more school places following the steep rise in birth rates in many parts of the country, this extra investment needs further enhancement. That is why, in his Autumn

Statement on 5 December, the Chancellor announced that the Government will provide additional investment of £982 million for schools in England over the remainder of this parliament.

With this additional money, we are now launching the Targeted Basic Need Programme to fund the provision of new, high quality school places in the areas that need it most. The programme will offer additional support to those local authorities experiencing the greatest pressure on places and will help them to prepare for further rises in pupil numbers. The programme will deliver new Academies and Free Schools, as well as enabling investment to expand existing good and outstanding schools.

Local authorities will be able to bid for funding to increase the number of high quality school places available in areas with the most acute levels of need. All new schools will open as Academies or Free Schools and successful local authorities will be required to run a competitive process in order to select the best provider. This will enable greater parental choice where it is most needed, thereby driving up standards across the local area.

This, together with the additional local authority allocations we made in 2011-12 and 2012-13 will bring the total amount of funding allocated to local authorities for new school places over the current spending review period to over £5 billion. This is more than double the £1.9 billion spent by the previous government over an equivalent period. We are also setting out our expectation today of greater transparency so that local authorities' decisions about where to add places are more transparent and accessible to the public. Local authorities will be required to make available details of how they have used their basic need allocations to create additional places and in which schools.

In addition, we must also ensure that existing school buildings are kept in good condition. In 2013-14, as in the previous two years, an additional £1.2 billion will be made available to local authorities and Academies to maintain and improve the condition of existing school buildings across the country.

The previous government did not collect comprehensive and consistent data about the schools most in need of repair and investment. That is why we are in the process of gathering extensive information about the condition of the school estate through the Property Data Survey. In the meantime, funding for condition and maintenance will be allocated on a simple and transparent per-pupil basis. In addition to this £1.2bn in 2013-14, a further £200 million of devolved formula capital funding will be given directly to maintained schools and Academies in 2013-14 to maintain the condition of their buildings.

Today's announcement also includes capital funding for 16-19 provision. £80 million will be made available for 2013-14 and 2014-15 to maintained schools, Academies, sixth form colleges and independent specialist providers to fund additional places needed as a result of demographic changes. This funding will also support the provision of new places for students with learning difficulties and disabilities.

£61 million of capital maintenance funding will be allocated to sixth form colleges in 2013-14. Alongside this, £15 million of capital maintenance funding will be allocated to independent specialist providers for 2013-14 and 2014-15.

Capital allocations for 2013-14 and 2014-15 have been published on the Department for Education's website and I will also place a copy of this and accompanying documents in the House Libraries.