

**Report to:** Schools Forum

**Subject:** Use of the Capital Expenditure from Revenue Account (CERA) in 2012/13 and the protocol for future years.

**Date of meeting:** 1<sup>st</sup> May 2013

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## **1. Purpose**

- 1.1 The purpose of this report is to advise the Schools Forum on how the budget for Capital Expenditure from Revenue Account (CERA) was used in the financial year 2012/13 and a protocol for addressing urgent Health & Safety works in 2013/14.

## **2. Recommendation**

- 2.1 It is recommended that the Schools Forum:
- (a) Note the CERA expenditure incurred in 2012-13.
  - (b) Acknowledge the delegation of the CERA budgets to schools from 1<sup>st</sup> April 2013 in accordance with the new funding arrangements.
  - (c) Agree the protocol for addressing urgent Health & Safety works in maintained schools, in 2013-14 and future years, as detailed in section 5.

## **3. Background**

- 3.1 When the Dedicated Schools Grant (DSG) was introduced in 2006/07, the government at the time deducted the value of this CERA expenditure from the Local Authority’s revenue support grant and added it into the DSG, acknowledging that the local need for capital spending on education and schools should be charged to the DSG.
- 3.2 In the past the CERA budget has been used to address a wide range of issues in schools that related to emergency repairs, safeguarding and health and safety. The CERA budget has also been used to maintain Education property which lies outside of school boundaries e.g. grass verges outside of schools, East Lodge playing fields, etc. Where these costs cannot be charged to a specific school, alternative funding arrangements are being identified.

3.3 The CERA budget for 2012/13 was £340,000. The expenditure incurred in 2012-13 was £348,345, although as the financial closedown process in progress, there may be some further adjustments.

#### 4. Use of CERA funding in 2012/13

4.1 The table below shows the use of CERA funding in 2012/13 against a range of expenditure categories.

<b>Expenditure category</b>	<b>No of schools where allocation made</b>	<b>Costs £</b>	<b>Average spend</b>
Grounds Maintenance	Education land - not school specific	10,158	
Tree Maintenance	All schools	10,749	
Asbestos	3	31,650	10,550
Boiler & Heating	5	82,400	16,480
Building Repairs	8	70,724	8,841
Car Park Repairs	1	21,196	21,196
Emergency Structural/Building Repairs	1	138	138
Fencing/security works	2	52,886	26,443
Fire Precautions	2	18,278	9,139
Minor Repairs	4	2,300	575
Net Capacity	1	2,720	2,720
Roof repairs	2	37,933	18,967
Tree damage	1	1,750	1,750
Windows	1	5,463	5,463
<b>Totals</b>	<b>31</b>	<b>348,345</b>	

## 5. Protocol for 2013/14 and future years

- 5.1 Schools Forum is aware that, due to changes in School Revenue Funding, CERA funding is now directly delegated to schools.
- 5.2 Previously, CERA was used to address priority health and safety, safeguarding and emergency repairs that fell outside of the normal reactive maintenance that a school would be expected to fund and were over £5,000 for a Primary and £10,000 for a Secondary School.
- 5.3 Where such a priority arises in the future, the maintained school affected would be expected to fund the works themselves although in some instances there may be a case whereby the council would assist the school in addressing the problem.

Assistance from the Council may be provided from the capital budget to maintained schools in accordance with the following protocol:

1. (a) The schools financial reserves (capital and revenue) at 31 March of the previous financial year are less than 1% (Primary/Special) or 0.5% (Secondary) of the schools current delegated budget share; or  
  
(b) The expected costs of the works would cause the school to have an in-year and overall deficit balance on their reserves.
2. The work is of a capital nature and would either constitute an urgent Health & Safety risk to pupils and staff or be considered to be a risk of school closure, neither of which would have reasonably been foreseen.
3. Schools would be expected to contribute up to £5,000 for a primary school and £10,000 for a secondary school in accordance with the previously established thresholds used for CERA.

Where assistance is provided, the following principles will be applied:

4. The works would be evaluated by Housing and Property Services engineers/surveyors, who would prepare an estimated costing.
5. Where possible, a "managed" or temporary solution will be put in place, and the permanent solution would be put forward as part of the following year's Capital Improvement bid. In this case, the school would be expected to contribute as above, however this will be taken into account when calculating the school's contribution for the final project.
6. Where a project has been undertaken at a school without the prior approval of the Local Authority and as a result has led to unexpected emergency works being required, this protocol may be

used but the school will be expected to pay back the total funding over an agreed period.

- 5.4 These arrangements will be continue to be reviewed during the year and any proposed amendments for 2014-15 will be reported to schools forum.