

Revenue Implications for NCC -Transfer of Forest Fields Community Centre to Schools

This decision seeks to transfer the Forest Fields Community Centre over from Resident Services to Children and Adults. This will entail a transfer of all running costs and liabilities from the point of transfer/agreement both of this report and in agreement with Forest Fields School.

Current repair/maintenance liabilities identified as Boiler works were agreed and have been completed through Resident Services prior to transfer. An outstanding window repair of circa £0.005m has not to date been completed and this work has been agreed to be completed by the school directly with a one off transfer of £0.005m as settlement, any costs in addition to this will need to be met by the school.

An SLA is due to be agreed with the school prior to point of transfer to enable consistent community use of this asset.

The savings linked to this decision have already been recognised in the review of Community Centres and are captured as part of the 2020/21 Budget Saving process and is already incorporated within the Medium Term Financial Plan.

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Revenue implications for Forest Fields Primary School

All schools in Nottingham city are funded under the schools local funding formula which is funded from the Dedicated Schools Grant.

If the proposal to transfer ownership of the Forest Fields Community Centre were to transfer to the Forest Fields Primary School, within the local funding formula the school would be eligible for split site funding of £0.007m per financial year. This is as per the revised split site funding criteria approved by Schools Forum in the financial year 2015/16.

The Department of Education (DfE) have just consulted on moving towards a hard national funding formula to allocate funding to schools from the financial year 2023/24. Under this proposal the DfE have announced that they intend to introduce a national split sites funding criteria. Therefore, beyond the financial year 2022/23 the value the school will be eligible to receive for being on a split site cannot be quantified. Further consultation is to be undertaken before the introduction of the new national split site funding criteria.

The school would also be entitled to funding for the business rates of the community centre as it would be being used for educational purposes. The cost of the business rates in the financial year 2021/22 is £0.003m. This would be pro-rated in the financial year from when the school took ownership. Within the local funding formula business rates are estimated and then adjusted to reflect the actual cost in the following financial year.

Forest Fields Primary School have agreed to accept £0.005m to pay for the cost of repair of the damaged window at the community centre. Should the actual cost of the repair be more than the £0.005m the shortfall will need to be met from the schools budget.

All other costs associated with the community centre would also need to be funded from the schools budget for example: utilities, cleaning costs, repairs and maintenance costs and insurance costs, to the extent that these costs are not covered by income generated by lettings.

At the end of the 2020/21 financial year Forest Fields Primary had a revenue surplus balance of £0.396m. However, the school's latest medium term financial plan suggests this surplus may be fully utilised over the next 3 years. The school will need to build the financial implications of taking on the community centre into their financial planning to ensure the school budget remains in surplus.

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