

Devolved Formula Capital (DFC)

- DFC is allocated in response to the continuing need for additional resources to be spent on improving the condition and suitability of school accommodation. The Education Funding Agency (EFA) is responsible for administering the formulaic devolved capital programme. Allocations for 2014 -15 have been made on the basis specified by the EFA. This provides for a fixed lump sum of £4,000 for every maintained school, irrespective of size. Additionally, primary schools will receive £11.25 per pupil, and secondary £16.88.

The grants may be used for improvements to buildings and other facilities, including ICT, or capital repairs/refurbishment in accordance with priorities set by each school and in line with the local asset management plan. In deciding how to prioritise this funding it is essential that schools do not neglect their buildings, but consider all their longer term premises and infrastructure needs, including ICT, and the longer term benefits of improving them. All capital investment at maintained schools should contribute to raising educational standards and should be in line with the priorities agreed locally, and set out in the LA's Asset Management Plan (AMP), which are Condition, Suitability and Access. Decisions on the use of DFC will be made by schools, following local discussions in the context of the AMP and in relation to the priority needs of school buildings.

Summary of eligible expenditure:

- DFC must not be used for general maintenance, redecoration or routine repairs;
- DFC must not be used for the purchase of books, ICT software or training materials/services;
- DFC is distinct from any element for routine repairs and maintenance that may be included in delegated Fair Funding budgets;
- DFC must not fund operating leases in respect of equipment or facilities. Finance leases are classed as borrowing, for which explicit approval from the Secretary of State must be sought;
- DFC may not be used for the hire of temporary accommodation, unless it is part of a larger project which has a short-term requirement to re-house classes.
- DFC cannot be used for expenditure where the amount falls below the LA's minimum capital spend threshold of £2,000.
- DFC cannot be used to fund the cost of salaries or wages.

The above DCF related paragraphs apply to community and voluntary controlled schools only. In accordance with EFA funding arrangements, allocations of DCF to Voluntary Aided Schools are not made through the LA and relevant schools should therefore contact their diocesan authority for guidance in this area

Further Guidance:

- Bracknell Forest Council Corporate Finance Department has produced a guide to capital expenditure. This includes examples of capital and revenue expenditure.
<http://boris.bracknell-forest.gov.uk/capital-expenditure-guidance.pdf>
- Schools must obtain permission in advance to fund a project using DFC.
A DFC project approval form is available from:
Link Schools – School Management – Planning and Property.

- Schools also need to account separately for their capital spending.