

Oxfordshire County Council
Schools Forum – 22 June 2017
Maintained Schools Devolved Capital Balances 2016-17

1. Item for Information

2. Purpose of Report

This report provides a brief summary of the Schools Devolved Capital Balances, actual spend for the 2016-17 financial year. Schools Revenue balances for 2016-17 are reported separately.

Academies and schools that have converted to academy status during 2016-17 are omitted from this report.

3. Recommendation

- 3.1 The Schools Forum is recommended to note and where necessary comment on the report by e-mail to the paper's author (contact details below).

4. Background

- 4.1 Devolved Formula Capital is allocated, through the local authority, to schools according to a Department for Education (DfE) formulaic model and is used to meet the continuing need for additional resources to be spent on improving the condition and suitability of school accommodation and the purchase of ICT equipment.
- 4.2 Allocations for 2016-17 were made on the same basis and at the same rates¹ as used since 2011-12. Each school, irrespective of size, received
 - a fixed lump sum of £4,000.
 - primary schools £11.25 per pupil,
 - secondary schools £16.875 and
 - special schools and pupil referral unit £33.75.
- 4.3 The allocation gave schools direct funding for the priority capital needs of their buildings, which can take the form of capital repair, remodeling or new build and investment in ICT equipment. How to use these monies, schools must give consideration to all their longer term premises and infrastructure needs, the longer term benefits of improving them and the potential implications on the school's revenue budget. All capital investment at maintained schools is expected to contribute to raising educational standards and be in line with the priorities agreed in both the individual schools and local authority Asset Management Plans (AMP).

¹ The current funding rates are significantly lower, by 80%, than those allocated before 2011-12.

- 4.4 The above applies to community and voluntary controlled schools only. Devolved Formula Capital funding arrangements relating to Voluntary Aided schools are made, using the same DfE formulaic methodology but administered through these schools diocesan authority.
- 4.5 Eligible Devolved Formula Capital expenditure is detailed in guidance paperwork issued to schools twice a year.

5. Schools Devolved Capital Outturn 2016-17

- 5.1 A summary of maintained schools Devolved Capital balances is set out in the table below.

	Balances as at 31 March 2016	Movement	Balances as at 31 March 2017
	£000	£000	£000
Nursery	115	-53	62
Primary	912	-155	757
Secondary	152	-156	-4
Special	128	0	128
	1,307	364	943

- 5.2 Maintained schools had been allocated £1.13m for Devolved Formula Capital in 2016-17.
- 5.3 In line with recent past practice and the continued uncertainty over future years Devolved Capital allocations (2015-16 onward) there continues to be no early release of funding to enable schools to progress capital projects (in advance of future year Devolved Formula Capital allocations). Schools have not therefore been able to bring forward capital projects, unless sufficient funding could be found elsewhere.
- 5.4 Analysis indicates that schools have reduced their Devolved Capital balances during 2016-17 by £0.364m equivalent of 32% of the amount passed as the year's allocation to schools. In addition to spending these monies and their annual allocation schools have utilised £0.165m from private income streams and transferred a further £0.296m from their revenue monies² to support capital spending. Total income from all available sources was £1.591m.
- 5.5 In summary schools used these financial resources to:

² Although the local authority delegated previously centrally held funding used to meet capital expenditure (CERA) to all primary schools in 2016/17, it is too early to assess whether schools have integrated this funding within their overall asset management planning.

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| • Acquire land and existing buildings | £0.025m |
| • New construction, conversion and renovation | £1.403m |
| • Vehicles and equipment purchases | £0.005m |
| • ICT | £0.522m |
| • TOTAL | £1.955m |
- 5.6 Eleven schools have a deficit Devolved Capital balance at the end of the financial year. All are to be managed by either, being the first call against those schools Devolved Capital allocations for 2017-18, external income/grant or a revenue contribution or possibly a combination of all three.
- 5.7 Under the Devolved Capital scheme, schools may carry forward unspent allocations relating to only three financial years³. Several schools have balances exceed the above guidance but have valid reasons for continuing to hold these monies. These are summarised as below.
- School is expected to expand to meet basic need requirement
 - The threshold is exceeded but by a value that is significantly less than one year's capital allocation
 - A carry forward request has been made against a future capital project

Overall schools capital balances are now considerably less than one year's total schools allocation and Devolved Capital plans submitted by schools continue to indicate that most schools will exhaust any Devolved Capital balance they have within the near short-term future.

6. Schools Devolved Capital Allocations 2017-18

- 6.1 Allocations for 2017-18 will be made on the same basis as used in previous financial years. Each school, irrespective of size, has again received a fixed lump sum of £4,000 along with an additional amount per pupil, primary schools £11.25, secondary £16.875 and special schools and pupil referral units £33.75. These funds are expected to be passed into schools SAP accounts in June 2017.

For all academies covered by the local authority's Dedicated Schools Grant this type of funding is administered through the Education and Skills Funding Agency (ESFA).

Contact Details of Lead Officers/Authors

If you have any queries or comments in advance of the Schools Forum meeting about this report, please contact:

³ Schools are required to seek LA approval to hold Devolved Capital funds relating to earlier periods

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