

Oxfordshire County Council
Schools Forum – 28 June 2018
Maintained Schools Devolved Capital Balances 2017-18

1. Item for Information

2. Purpose of Report

This report provides a brief summary of the Schools Devolved Capital Balances, actual spend for the 2017-18 financial year. Schools Revenue balances for 2017-18 are reported separately.

Academies and schools that have converted to academy status during 2017-18 are omitted from this report. For academy converting schools Devolved Capital balances are passed to their successor academy.

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 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 2017-18 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 long-term premises and infrastructure needs,
- the long-term benefits of improving them and
- the potential implications on the school's revenue budget.

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

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).

- 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 2017-18

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

	Balances as at 31 March 2017	Movement	Balances as at 31 March 2018
	£000	£000	£000
Nursery	62	25	87
Primary	757	-9	748
Secondary	-4	17	13
Special	128	-17	111
	943	16	959

- 5.2 Maintained schools had been allocated £0.75m for Devolved Formula Capital in 2017-18.
- 5.3 In line with recent past practice and the on-going uncertainty over future years Devolved Capital allocations (2019-20 onward) there continues to be no early release of funding to enable schools to progress capital projects (in advance of formal confirmation of future years Devolved Formula Capital allocations). Schools have not therefore been able to bring forward capital projects, unless they were able to find sufficient funding elsewhere.
- 5.4 Analysis indicates that schools have marginally increased their Devolved Capital balances during 2017-18 by £0.016m equivalent of 2% of the amount passed as the year's allocation to schools. In addition to spending these monies or adding to balances schools have utilised £0.216m from private income streams (including £0.035m from S106 funding) and have transferred a further £0.392m from their

revenue monies² to support capital spending. Total income from all available sources was £1.358m.

5.5 In summary schools used these financial resources to:

• Acquire land and existing buildings	£0.0m
• New construction, conversion and renovation	£0.964m
• Vehicles and equipment purchases	£0.0m
• ICT	£0.378m
TOTAL	£1.342m

5.6 Six schools had 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 2018-19,
- external income/grant,
- a revenue contribution (4 schools) or
- possibly a combination of all three (2 schools).

5.7 Under the Devolved Capital scheme, schools may carry forward unspent allocations relating to only three financial years³. Six schools have balances exceed the above guidance but have acceptable reasons for continuing to hold these monies. These are summarised as below.

- School is expected to expand to meet basic need requirement
- To meet legislation/regulation changes requirements
- 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 school capital balances are now around one year's total schools' allocation while Devolved Capital plans submitted by schools indicate that most schools anticipate exhausting any Devolved Capital balance they have within the near short-term future.

6. Schools Devolved Capital Allocations 2018-19

6.1 The DfE "Condition funding methodology for 2018 to 2019" document⁴ published in March 2018 confirms that allocations for 2018-19 will be made on the exact same basis as used in the seven previous financial

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.

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

⁴ DfE document reference DFE-00291-2017

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 received by the local authority and passed immediately into schools SAP accounts in June 2018.

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:

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