



Education
Funding
Agency

Academies Devolved Formula Capital (DFC)

‘At a glance’ overview

May 2013

What is Devolved Formula Capital?

Devolved Formula Capital (DFC) is capital funding that is calculated on a formulaic basis for all maintained mainstream nursery, primary and secondary schools, special schools, Pupil Referral Units (PRUs), academies, free schools, Studio Schools, Community Technical Colleges (CTCs), and University Technical Colleges (UTCs).

How can DFC be used?

The purpose of DFC is to provide each academy with its own capital money to address its own priorities, including capital on ICT items. DFC funding can be used for improvements to buildings and other facilities, including ICT, or capital repairs/refurbishment and minor works in accordance with priorities set by each academy. This includes capital expenditure on playing fields.

If there is any doubt about what constitutes capital expenditure for a particular item, the academy should seek advice from its external auditors.

Do all academies receive DFC?

All academies that opened either before or on 1 April 2013 will be paid DFC directly by the EFA. The only exception to this are those academies that do not have a predecessor school and opened as an academy after 30 September 2012. These academies will not receive DFC in 2013 to 2014.

What about academies that opened after 1 April 2013?

Academies that were previously maintained schools and converted to academy status after 1 April 2013 will receive DFC from their local authority for the remainder of the 2013 to 2014 financial year. Academies that were previously Voluntary-Aided schools and converted to academy status after 1 April 2013 will receive DFC via the Voluntary-Aided schools programme.

How is DFC calculated?

DFC allocations are made on the basis of an amount per academy plus an amount for each pupil (pupil amounts vary according to the phase of education, and whether or not they have special education needs at a special school, attend a Pupil Referral Unit, or boarding school). Pupils with special needs registered at mainstream schools attract the same rate of funding as other mainstream pupils. Funding rates for the formula of DFC funding remain unchanged from 2012-13 and are shown in the table below:

| DFC Formula Allocation Elements | |
|--|--------|
| Per academy | £4,000 |
| Per primary pupil | £11.25 |

| | |
|--------------------------|--------|
| Per secondary pupil | £16.88 |
| Per SEN / Boarding pupil | £33.75 |

Secondary pupils are allocated 1.5 times the amount for primary pupils, and special school and boarding pupils are allocated three times the amount of primary pupils. Where a middle academy is deemed to be a primary academy it will attract the primary pupil amount and where it is deemed to be a secondary academy it will attract the secondary pupil amount. The higher rate is allocated to all boarding pupils. Pupils with statements of SEN not in a special school (academy) will receive the standard primary or secondary rate.

Which figure for pupil numbers to you use?

The DFC calculation is based on the School Census dataset collected in January each year. In order to be able to confirm DFC allocations at the start of each financial year 2013 to 2014, the calculation for each school uses the final data set from the January 2012 School Census data. Final data from the January 2013 School Census is not available until later in the year so cannot be used for DFC. The only exception to this is academies that were not open in January 2012 and do not have a predecessor school.

Is there any adjustment for academies that have modernised?

There is no longer any “modernisation” adjustment for DFC. The current funding rate has applied since April 2011.

What period does DFC cover?

DFC for 2013 to 2014 covers the period from 1 April 2013 to 31 March 2014.

How do I find out my DFC allocation?

Individual DFC allocations are listed in a spreadsheet published on the Department’s website. Allocations for academies (mainly free schools) which opened in September 2012 and do not have a predecessor school will be listed separately in September 2013.

When will academies receive their DFC payment?

All academies with DFC allocations will be paid on 20 June 2013 as a direct single payment. For academies (mainly free schools) which opened in September 2012 and do not have a predecessor school, payments will be made in September 2013.

How will the DFC payment appear on the remittance advice?

The remittance advice will state ‘devolved formula capital’ and the amount paid.

How do academies account for their DFC spending?

Academies are expected to report through their governance and reporting procedures how they have used their allocation. They do not need to complete or return a form to the EFA on DFC expenditure.

Does the DFC allocation have to be spent by 31 March 2014?

No. DFC may be carried over into the next financial year.

Can academies pool DFC funding with other academies or maintained schools as part of wider expenditure programme?

Yes. Pooling DFC funding with other academies and schools is allowed. However, any pooling arrangements should be underpinned by robust agreements that take account of any particular local circumstances.

What do I do if I have a question about DFC?

If you have any questions about your DFC allocation, please send an email to our [Enquiry Service](#).