



Department
for Education

DfE Capital Funding

**Technical note for DFC and maintenance
(financial year 2014 to 2015)**

January 2014

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Introduction

The Department for Education announced maintenance funding and devolved formula capital grants on 24 January 2014. These are:

- devolved formula capital (DFC) for financial year 2014 to 2015;
- maintenance for financial year 2014 to 2015;

This note sets out, in detail, how these formulaic capital allocations have been calculated.

Devolved formula capital (DFC) – 2014 to 2015 budget: £200 million

Devolved formula capital (DFC) is capital funding that is calculated on a purely formulaic basis. DFC is based on the school census dataset collected in January of each year. In order to be able to confirm DFC allocations in advance of the start of the 2014 to 2015 financial year, the calculation for each school uses the final data from the January 2013 school census.

The data published in January 2014 shows, for the 2014 to 2015 financial year, how much DFC local authorities will get to pass on to their maintained schools, and the Education Funding Agency (EFA) will get to pass on to academies, sixth form colleges and non-maintained special schools. The allocations are provisional, and the allocations to local authorities for their schools and to the EFA for academies are based on the published lists (in November 2013) of open academies and those due to open on, or before, 1 April 2014. Final DFC allocations for financial year 2014 to 2015, taking into account all academies open at the beginning of April 2014, will be published later in that month.

DFC is calculated for all maintained mainstream nursery, primary and secondary schools, special schools, pupil referral units (PRUs), academies, city technical colleges, sixth form colleges and non-maintained special schools. Independent schools and direct grant nursery schools do not receive DFC.

For financial year 2014 to 2015, the calculation of DFC uses a per school sum of £4,000 and a per pupil sum, which varies.

Secondary pupils are allocated 1.5 times the amount for primary pupils, and special school and PRU pupils are allocated three times the amount for primary pupils. Where a middle school is deemed to be a primary school it will attract the primary pupil amount, and where it is deemed to be a secondary school it will attract the secondary pupil amount. The higher rate is also allocated to all boarding pupils and pupils at non-maintained special schools. Pupils with statements of SEN used to be paid at the higher rate, but since financial year 2008 to 2009 they have been paid at the standard rate. The rates for each phase can be seen below:

	Per non-boarding FTE	Per boarding FTE	Lump sum per school
Nursery / primary	£11.25	£33.75	£4,000
Secondary	£16.88	£33.75	£4,000
Special / PRU	£33.75	£33.75	£4,000

Note: FTE = full time equivalent

The governors of voluntary-aided (VA) schools raise 10% of the total DFC allocation and, therefore, only 90% of the allocation is provided for these schools by DfE. However, as VA schools do not have access to any VAT refund scheme for their capital costs, the DFC paid to the schools includes an element of funding for VAT.

Local authorities are required to pass on the DFC allocation for each of their maintained schools. VA schools will receive their DFC allocation direct from the EFA. The schools can agree the detailed management and/or payment arrangements with their local authority or, in the case of VA schools where appropriate, their diocese. Local authorities will receive a DFC allocation for all those maintained schools that convert to academy status after April 2014, and are required to pass this on to schools in the usual way, regardless of conversion status. Final DFC allocations will be confirmed during April 2014, when it will be clear which schools have converted to academy status by the beginning of that month.

Local authorities will not receive a DFC allocation for any new maintained schools opening after the January 2013 schools census, but will be free to provide a DFC allocation to such schools, using other funds, if they choose to do so. Local authorities will not have their DFC allocation reduced for any schools closing after the January 2013 schools census. Financial year 2014 to 2015 DFC allocations for new academies without predecessor schools, including free schools, which are established after the January 2013 schools census, will be announced by DfE in mid-2014, and based on the January 2014 schools census dataset.

Maintenance – 2014 to 2015 budget: £1.2 billion

The overall maintenance budget is split across various sectors using weighted pupil numbers, as outlined for DFC in the previous section. Maintenance is calculated for academies, non-maintained special schools, sixth form colleges and independent specialist providers and allocated as separate budgets. The remaining budget for maintenance is then allocated to local authority and VA schools. Maintenance funding for Sure Start is included within the local authority maintenance budget.

The allocation for each local authority and VA school is based on the relative proportion of DFC paid to the schools in the respective local authority. For example, if a local authority receives 1% of the national DFC budget, then it will receive 1% of the maintenance budget. The proportions of the local authority and voluntary aided pots are adjusted using a location factor to reflect the relative costs of building in different regions across the country. The allocation also includes a lower weighting for schools which have been modernised, as reported in the Schools Building Survey in October 2011. This dataset has been updated with validated data held by the EFA on schools that have been recently modernised, collected as part of the Property Data Survey Programme.

For financial year 2014 to 2015, funds have been retained centrally for academies' capital maintenance. This central pot, the academies capital maintenance fund (ACMF), which totals £442 million, has been calculated using pupil numbers from the January 2013 school census relating to all open academies, plus those schools with academy orders whose conversion applications have been approved (unless it is clear that their application has been withdrawn), and those prospective sponsored academies with approved expressions of interest where the intended opening date is up to 31 March 2015. These open and prospective Academies are all identified in the information published by the department on 8 November 2013: [further information is available here](#).

Although the ACMF has been calculated to include many of the new academies that, as of November 2013, we expect to be established in the coming months, there are many schools not on the list that will convert to academy status during the course of the twelve months from April 2014 to March 2015. Accordingly, local authorities are expected to treat fairly those schools considering conversion and to honour any commitments of capital funding that they have made in respect of building projects at those schools.



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