

Subject: Capital Funding for VA schools

From: Ruth Garman, School Buildings Officer

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For: Headteachers and Governors of VA schools

Reference: BUIL 1/20-21

Who is responsible for what?

Work to VA school premises is shared between the Governing Body and the Local Authority (LA).

Capital work

VA governing bodies are responsible for:

- The existing buildings (internal and external), including those buildings previously known as 'excepted' (kitchens, dining areas, medical/dental rooms, swimming pools, caretakers' dwelling houses).
- Perimeter walls and fences, even if they are around the playing fields.
- Playgrounds.
- Furniture, fixtures and fittings – including ICT infrastructure and equipment.
- Other capital items (which can include capital work to boilers or other services).

LAs are liable for:

- Playing fields (including sports pitches and hard-surfaced games areas).
- Buildings on those fields and related to their use.

Revenue work

All revenue work is LA liability, however the funding is usually delegated to schools. No statutory governor contribution is required for revenue work.

Is it capital work or revenue work?

The following examples are designed to help decide if works are capital or revenue:

- Localised repairs, patching/mending, to a roof should be met from revenue funds as they are normal repair and maintenance. Whole or substantial roof replacement could be regarded as capital works.
- Small repairs to a playground would be considered revenue, however whole resurfacing could be capital.
- A boiler breakdown can be funded through either revenue or capital, however if using capital funds, the repair must be above the 'de minimis'* threshold of £2,000.
- Replacing damaged furniture in a classroom would be revenue but the refurbishment of a whole classroom could be part of a capital project.
- IT hardware and software can be funded by capital works, however leasing of equipment must be a revenue cost.

*De minimis – this is the threshold below which any expenditure cannot be considered capital. All projects using capital funds must be above the £2,000 de minimis.

Governing Body liability

All capital grants have an element of governing body liability. Grants are awarded at 90% with the remaining 10% being the responsibility of the governors. For example, a project costing £5,000 may be awarded a grant of £4,500 with the remaining £500 being funded by the governing body.

Devolved formula capital (DFC) cannot be used for the 10% contribution, but revenue budget, fundraising, reserves, income from lettings, etc. can all be used for this 10% element.

Capital funding streams

School Condition Allocation (SCA)

This funding is calculated by pupil numbers in VA schools in the whole of the diocese. In the Diocese of St Albans, we ask schools to submit projects for consideration usually by the end of the calendar year, with the ESFA notifying us of allocations at the start of the financial year (April). Allocations are then made based on local needs and the urgency of the projects submitted by schools. Notification of a successful project, or not, will come from the Diocesan Schools Buildings Officer. SCA can be used for all types of capital works providing they are above the de minimis level and are the governors' responsibility. The project can be wholly or partly funded by SCA, and DFC can also be used within the same project.

Devolved Formula Capital (DFC)

DFC is a formula-based grant paid directly to VA schools. This funding can be used for any capital works as described above, but is subject to the same rules regarding the de minimis level and must only fund 90% of the project, with the remaining 10% being the governors' responsibility.

DFC can be rolled over to following financial years to allow for larger projects to take place. However this can only be done for three years; if at the end of the three-year period after a grant has been paid, the funds have not been used, the monies will be 'clawed back' by the Education & Skills Funding Agency (ESFA). As such schools are required to complete an assurance of funds spent, this is usually an electronic process with details sent directly to schools shortly after the end of the financial year.

Further information regarding capital funding for VA schools can be found in the 'Blue Book' produced by the Department for Education: [www.stalbans.anglican.org/wp-content/uploads/BlueBook - Capital Funding.pdf](http://www.stalbans.anglican.org/wp-content/uploads/BlueBook-CapitalFunding.pdf)

To ask any questions or discuss any aspects of capital funding, please contact me on rgarman@stalbins.anglican.org or 01727 818168.