

Devolved Formula Capital (DFC) in VA Schools.

What is DFC?

- DFC is an annual funding stream allocated to schools from the DfE to help fund capital projects. The current formula is £4,000 per school plus £11.25 per pupil . A premium of 8% is added for VA schools to partly offset VAT.
- For the majority of VA schools, DFC is held and managed (on behalf of the School Governors) by ODBE. **For those schools which hold their own funds, they must still seek prior ODBE approval before spending it.**
- DFC funding can only be spent on capital projects with a minimum spend of £2,000 net of VAT.
- DFC funding is to be used by schools to address their own priorities, such as improvements to buildings and other facilities, including ICT, capital repairs/refurbishment and minor works or contributing to a larger capital project to improve condition.
- DFC cannot be used for funding revenue items.
- DFC funding is subject to a 3 year spend rule. If the funding is not spent within a 3 year time frame, it can be retracted by the DfE.
- All DFC projects must be approved by ODBE in advance.

How to access DFC funding held by ODBE.

- Schools must identify a project that they wish to use DFC to fund/partly fund. Ideally, this should be planned expenditure in line with the school's budget planning cycle and School Development Plan. *(If you are unsure as to whether the project spend will be classed as capital, contact ODBE's Premises Officer who can advise).*
- Check your DFC balance to ensure that funds are available. If your DFC funds do not cover the whole amount, the project can be funded via a combination of DFC and school revenue budget.
- Complete a DBE Project Approval Form (attached).
- To complete the form you will need to obtain three quotes for the planned works. If you need some support with obtaining quotes, please speak with ODBE's Premises Officer.
- Please bear in mind that the governors of the school must fund 10% of the allocation and will be invoiced when the allocation is received from the DfE – this could be met from the school's revenue budget or another revenue source.
- Forward the completed DBE Project Approval Form to ODBE's Premises Officer: duncan.marshall@oxford.anglican.org
- If the proposed project meets the requirements and complies with relevant legislation, the Premises Officer will then send approval in writing. The project will be given a project code must be included on all correspondence, invoices etc.
- If there are any issues with the proposed project, the Premises Officer will advise of the best course of action.

DFC FAQs

How can I find out how much is in my DFC account?

Statements are sent to Governors (at the school address) on a quarterly basis detailing the balance on the account and latest transactions.

If you require a current DFC account balance please contact ODBE's Premises Officer.

Will you notify me if I am likely to be in breach of the DFC '3-year rule' where I am risk of monies being retracted?

We will review DFC balances for schools on a yearly basis in January and let you know if you are likely to be in breach of the 3 year rule.

A simple 'rule of thumb' is to ensure that you hold no more than 3 x your annual allocation in your account. For example, if your allocation is £5,500 per annum then you should aim to hold no more than £16,500 in your DFC account.

Can I apply for a DFC project retrospectively?

No. All expenditure on capital within schools needs to be approved in advance. If you have undertaken work as an urgent/emergency matter and would like support or advice please contact ODBE's Premises Officer

Is the £2K minimum for a capital project on net (without VAT) or gross (with VAT) cost?

The total for the proposed capital project needs to be a minimum of £2,000 net. Please note that VAT is payable on all capital projects.

Why does ODBE invoice our school for 10% Governor Contribution of a DFC project total?

The Governing Body of a VA School is responsible for managing the school's buildings and premises. Funding for capital works are paid by the DfE up to a value of 90%. Where ODBE manages the DFC account on behalf of the school, a 90% grant for DFC is sent directly from the DfE to us. Your school is then invoiced for the 10% to make up the full cost of the project.

Can I cluster my DFC?

You can save up to 3 years of DFC for a specific project. This is not something we encourage as the purpose of DFC is for continued investment in premises. More substantial projects (above £25K) should ordinarily be managed via the School's Capital Allocation (SCA) process rather than DFC.



DBE Projects Approval Form

School Name:	
Project Title:	
Brief description and justification for spend:	
Anticipated Project Start/End Dates:	

Main tender details. Please attach quotes and, where appropriate, plans.		
	Contractor/Supplier	£ Amount (excl. VAT)
1.		
2.		
3.		
Preferred/selected contractor/supplier:		

<p>Financial Details</p> <p>Currently available DFC (in school account):</p> <p>DFC total requested for project (£):</p> <p>Other sources of funds (if DFC funds not sufficient or part of co-funded project):</p>

We certify that the details submitted here are correct, that the work is in accordance with our School Premises Plan and that the DFC account of our School should be duly debited. We will seek ODBE’s approval prior approval for any changes to the agreed figure.

Signed: Headteacher Date:

Signed: Chair of Governors Date:

Please return this form with attachments via email to: Duncan.Marshall@oxford.anglican.org

