

EFA GRANTS

Please note VAT is payable (and not reclaimable) on all capital projects – the only exceptions are in Appendix 6

Devolved Formula Capital (DFC)

Each year the school receives a Formula Capital allocation based on a lump sum plus an amount per pupil. This allocation shows the amount which can be spent on small scale capital work or as a contribution towards a larger project. The EFA grant 90% of this amount and governors must provide 10% of the cost.

The money can be rolled forward for three years, but any money not spent after three years will be lost. The DBE holds schools' DFC on their behalf and issues to schools an email advising them of the amount that is held and the school's balance. Whenever a project is approved, schools are advised of the DFC balance remaining. If information is required at other times, please email Sandra Jones (sandra.jones@chester.anglican.org).

All schools have agreed to pool their DFC. This enables us, in approved cases, to allow schools to expend money from their allocation for the following year.

At the financial year end, a declaration is required by the EFA about DFC spending. DBE officers undertake the administration of this. The declaration certifies that:

- the governors have spent the money on capital items
- the governors have made the statutory 10% contribution
- the governors have local planning or other approvals (such as Building Regulations)
- VAT has been paid where relevant (and has not been reclaimed from any other source)
- the trustees of the buildings have been consulted
- the school is not due to close in the next 12 months

and state how much the governors are carrying forward to the next financial year.

DFC includes the capital element for ICT expenditure. How much DFC is used for either ICT or buildings and grounds is for the governors to decide. DFC can be used to support schools' purchases of ICT infrastructure and equipment; for example, items such as desktop computers, interactive whiteboards or laptops and computer peripherals such as digital video cameras and printers. However the purchase of such items must still comply with the definition of capital. If the cost is less than £2,000, DFC cannot be used. Remember that **VAT must be paid if DFC is used**. DFC cannot be used for repairs of equipment or replacement of like with like, for example, after theft.

Leasing ICT equipment may provide better value for money, but this is revenue expenditure and DFC cannot be used

LCVAP (LA Co-Ordinated Voluntary Aided Programme)

Each financial year the LA receives a per capita allocation for each pupil in aided schools in their area, together with an indication of the amounts to be received in the following year. The money can only be used for work which is the responsibility of governors in aided schools.

Schools apply for this grant using form Capital/Bid which consultants are reminded to download in January each year from the DBE website. This must be returned by Easter for work which schools would like to begin in the following year. Officers of the DBE then negotiate with LA officers and officers from other dioceses (including the RC dioceses) in order to receive allocation for projects.

The bids always exceed the finance available and consequently not all bids are successful. The Asset Management Plan is used to demonstrate the priority of the work and the bid should refer to the school's building development plan agreed with the governors and their consultant. Normally we expect schools to contribute from their DFC allocation towards these projects.

Schools are notified of the outcome of bids usually by February or March prior to the work commencing. The money must be claimed in the year it is allocated (often projects overlap two years).

Other Grants

We await information from the Government on other capital funding streams.

KEEPING TRACK OF EXPENDITURE

The details for capital projects (excluding DFC) can be viewed on the Web, using the Voluntary Aided Schools Information Service (VASIS). Schools have received details of this from the EFA; further information can be received from DBE officers.

DFC-only projects are not shown on VASIS, but where it forms part of a project receiving other grant, it is shown as Non-Grant Aidable expenditure.