

Attention school finance officer

For your attention and action

Dear Colleague,

Closedown 2019-20

The following is the 2019-20 accounts closedown procedures for maintained schools, the tasks generally replicate the processes being undertaken each month by schools and generally replicate those of previous years. See month-end processes checklist at end of this communication. This information and attachments are being provided now to enable schools to plan and maximise staff time over the next few months as we move toward the end of the financial year.

The end of the Spring term and the Easter break are, as is most common, not aligned this year with the last school day for the spring term not until 3 April while the financial year will end on Tuesday 31 March 2020. Schools are reminded to take care during the last week of the spring term as all accounting transactions and entries into the school's SAP accounts relating to the last three days of that term will be in the new 2020-21 financial year.

The financial accounting period 2019-20 will close on 31 March 2020, schools will have access to and be able to access their accounting systems to this date. Schools are again asked and strongly advised to complete the necessary closedown tasks as early as possible and not process any accounting transactions, (raise POs, goods receive, pay invoices, process journals etc.) after 31 March, trying to post them into their 2019-20 accounts. This in effect means schools accounts, requiring school input will cease to be available for use at close of business on 31 March 2020. Payroll charges, procurement card transactional details and other end of month payments relating to March processed by the local authority (through Hampshire IBC) will however be made into schools' accounts and posted into what will be at that time the "old" financial year (2019-20).

The need for schools to generate accruals is now considered immaterial to either schools' individually or the local authority's overall accounts. Therefore, schools will not be asked to, be expected to or permitted to raise any accruals. The only exception will, again, be a supply teacher accrual for March 2020 work (estimated at about £150k for all maintained schools), no other accruals will be raised. No accrual return is required from schools. Other local authority sections supplying services (meals and cleaning costs) to schools have been asked to ensure that their charges are processed into school accounts before end of the financial year or, if not material, carried over into next year (2020-21). Schools are therefore asked to give priority to any internal trading documents they receive during the final months of the financial year and process them promptly.

For schools scheduled to convert to academy status in the period 1 February to 1 April 2020 inclusive, due to accounting procedures adopted to calculate school balances to be transferred to the academy no supply teacher accrual will be made.

Given the above, it is expected that the schools' balances will be compiled and provisional confirmed before the end of May 2020. Schools will, of course, continue to have access to their financial records and will be able to include a near exact 2019-20 balance in their budget plans

for 2020-21, long before any confirmation of the figures is issued by the local authority.

As mentioned above any year-end processes required to be undertaken by schools are based on the monthly processes previously circulated on the local authority's finance website and repeated at the end of this communication.

In addition to these year-end (monthly) tasks you need to undertake in your school's financial records you are also required to make the following returns:

- Capital return - A capital return pre-populated from your SAP account will be made available to schools around 25 March 2020. Schools will be asked to confirm the figures and return to TechnicalFinance@Oxfordshire.gov.uk by return but no later than **27 March 2020**. More on this will follow nearer the time.
- A return for Leasing Expenditure, Details of Vehicle Purchases and Disposals during 2019-20 accompanies this email (the format is an Excel workbooks) and is, once completed, to be return to TechnicalFinance@Oxfordshire.gov.uk by 28 February **2020**. You do not need to wait until year end to submit these forms. Once all transactions have been recorded schools can complete and send these forms into the Centre.

Guidance notes relating to individual returns will be included within the Excel workbooks. Where schools do not have anything to report on the returns a "NIL" response by e-mail is still required.

- Local Expenditure Accounts – Schools are required to reconcile expenditure processed through this account and ensure that the account is topped-up before year-end.
- Schools are required to complete an annual non-pay benefits return (reference P11D return). The IBC is required to make annual returns to HM Revenue and Customs (HMRC) showing all (non-pay) benefits provided to employees for itself and its partner organizations (including Oxfordshire). In order to make the return, details of all benefits and the employees who received them need to be provided, and a request for this information and explanation of what is required are attached. It is not expected that schools will have much to report or list on this return. Again, these returns should be sent to benefits@hants.gov.uk by **30 April 2020**.
- All forms included with this document will also be lodged on the local authority's Intranet.

With schools and the local authority required to comply with Whole of Government Accounting the time scale for these returns and closedown continues to be challenging and unfortunately, we have the complication of the financial year ending before the term ends.

The work undertaken by schools' supplements that which is completed by the local authority's Corporate Finance and is included as part of the local authority's year-end accounts (Section 251 Outturn Statement) and draft Consistent Financial Reports produced for schools.

During the CFR 2018-19 submission process to the DfE a number of issues were identified relating to individual schools' financial data. These issues required manual intervention within the CFR specific software before the schools reports could be uploaded into the DfE's website. An e-mail "Consistent Financial Reporting 2018-19" was sent to all schools on 26 June 2019

asking that specific action be taken to prevent any repeat in this financial year. If you have not already done so please refer to the e-mail and make any necessary adjustment to your school's SAP accounts. For your convenience the e-mail is repeated in full at the end of this document.

Closedown Key Points

There are a few points concerning the returns and closedown process I should like again to bring to your attention.

1. Please use the e-mail address stated as it has been specifically set up for this type of purpose.
2. Where schools miss any deadline, or errors have occurred, the local authority (LA) may be required to make its own adjustments to comply with accounting policies and closedown instructions. This may cause some additional work within the school as you may need to provide a reconciliation statement between your financial figures and those published in Section 251 Outturn statement. PLEASE ENSURE WHEN SUBMITTING CLOSEDOWN PAPERWORK A SCHOOL CONTACT IS PROVIDED ALONG WITH A TELEPHONE NUMBER.
3. Please make sure that any paperwork required to support the returns is also e-mailed.
4. Your school's Consistent Financial Report (CFR) will be generated centrally by local authority's Corporate Finance, agreeing the figures to the local authority's published Section 251 figures.
5. As part of the local authority's overall accounts International Financial Reporting Standards (IFRS) regulations require schools accounts to reflect the cost of any annual leave outstanding at the end of the financial year. Likewise an adjustment will need to be made for any flexi time, time off in lieu or other time due to staff which will be taken in the following financial year. It is expected that these adjustments will continue to be made at an aggregate level not directly into individual schools' accounts. No return is required from individual schools but schools may see the accounting entries in their online financial records.
6. All transactions generated by schools into their financial records must be processed by 31 March 2020. Any transactions to be entered after that date must be recorded in the 2020-21 financial year's accounts.
7. Although a period (month) 13 relating to 2019-20 will be opened in the local authority's accounts, schools are not permitted to make any entries in this period, no agreement from local authority's Corporate Finance to do so will be given. Any actual transactional entries made into this period will be undertaken by local authority's Corporate Finance only.
8. It is important that all those within schools responsible for closedown read and fully understand these guidance notes and any implications before beginning any of the identified month end/year-end closedown tasks.

Hopefully, based on the above and the guidance notes that follow you will appreciate that there is relatively little additional work related to closedown other than the routine monthly tasks currently being undertaken by you.

School Financial Accounts Closedown 2019-20

As in previous years the majority of the closedown work required within schools financial records will already have been taking place on a monthly basis.

Below is the monthly processes guide circulated with previous years closedown notes. In addition to the normal monthly processes to complete at year-end you are required to submit the following returns to the "Technical Finance" e-mail so that the local authority can reconcile and close your schools financial accounts:

- Capital Return – This return will be pre-populated from your capital accounts within your school's financial records. You must ensure that you have correctly posted your capital transactions within these accounts. This separate analysis is required to enable the capital accounts to be reported correctly on the local authority's balance sheet. Schools will be required to verify the figures and return it before the end of term in March. A separate e-mail as to what can and cannot be charged to Devolved Capital and what checks a school must make on their capital spending has previously been circulated separately to all schools. Please review its contents and take any appropriate action. Again for your convenience this e-mail is repeated in full at the end of this document.
- Accruals return – these are no longer required from individual schools. Please note that the local authority will accrue for supply teacher costs. Food with Thought (FwT) and centrally provided Cleaning Services costs relating to March 2020 will, where applicable, be processed into SAP prior to the end of the year. Schools need do nothing.
- Leasing and Vehicle returns. All school must make these returns even if the return is "NIL". No entries are posted into individual school financial accounts for any of the data entered on these forms. **Deadline provisionally set for 29 February 2020.** Please note that this deadline is significantly earlier than previous years. However, review of accounts has shown that it is unlikely to cause schools issue as the number of applicable transactions occurring in March is minimal.
- The local authority is required to review the information it holds relating to ICT capital items in schools. A sample of schools may be contacted to provide summary information as to the ICT equipment they have. This request will require limited information that should be readily available from the school's equipment inventory.
- Annual Leave return is not required.
- No return for the balances held within any cost centre on the EDxxxxNON node is required. All balances will be directly lifted from relevant cost centres, transferred to the balance sheet and where appropriate then from the balance sheet reinstated to the new financial year 2020-21.
- Schools are required to complete a non-pay benefits return (reference P11D return).

Once all schools financial accounting entries have been confirmed and processed the necessary final accounting adjustments will be made within each school's accounts, transferring your school's in-year balances to your school's reserves held on the local authority balance sheet. These will be the last accounting entries relating to 2019-20 for schools to be processed.

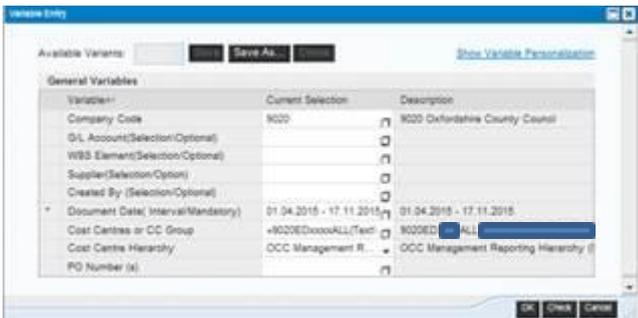
Any transactions raised by schools made into the 2019-20 accounts after the dates shown will be moved to the new financial year 2020-21.

KEY DATES

DATE	WHO	ACTION
End of each month	School	Undertake and process all month end tasks as required (see below MONTH-END PROCESSES CHECKLIST)
17 to 21 February 2020	All	February half term holiday
Provisional 14 Feb 2020	School	Review possible capital coding errors (cost centre and/or gl coding) and correct
By end of Feb 2020	Corporate Finance	Supply accruals posted to school accounts. Estimates based on April 2019 actual.
28 Feb 2020	School	Deadline for submission of leasing expenditure, details of vehicles purchases and disposals
Provisional 14 March 2020	School	All transactions relating to school's <u>capital</u> accounts to be completed
25 March 2020	Corporate Finance and Schools	Pre-populated Capital return to be sent to all schools from the centre. Schools should validate their capital return figures and return to Centre by 27 March
	School	Last date for schools to enter invoices relating to goods and services in 2019-20 for spend to be included in 2019-20.
	School	Last day for LEBA transactions for 2019-20 to be recorded via the IBC Portal for LEBA accounts to be reconciled and claims submitted for approval
Provisional 27 March 2020	School	Schools to notify local authority of any changes or discrepancies on draft capital return
	All	Last date for internal trading requests to schools for internal goods and services provided or received in 2019-20
Provisional 29 March 2020	School	Last effective day of period 12 (March). Schools cannot make any changes to their accounts after this date and therefore <u>all monthly processes must be completed by the end of the day.</u>
		Last chance for school to review remainder on monthly processes and resolve any issues.
		Last day to bank income received locally and complete the local banking for on the IBC Portal
		Schools to review and authorise invoices submitted for payment for goods and services received in 2019-20
		Last day for approving LEBA claims for 2019-20

DATE	WHO	ACTION
		<p>Deadline for submission P11D non-pay benefits returns</p> <p>Last date to raise a customer invoice for goods and services provided in 2019-20</p> <p>To complete internal trading requests received Incomplete documents will be deleted by 31 March 2020</p> <p>TERM ENDS</p>
1 st April 2020	Corporate Finance	Period 13 (2019-20) opens <u>but not to be accessed by schools.</u>
	All	New financial year 2020-21 begins.
	Corporate Finance	<p>For 2019-20 accounts, Corporate Finance will begin their reconciliations of the school accounts.</p> <p>Adjustments will be made to the schools accounts for the following:</p> <ul style="list-style-type: none"> • Clearing unattached gl codes, if school have not cleared these codes. Adjustments to ensure these items appear within the schools reporting • Capital postings – If schools have not performed their monthly processes to clear revenue postings against capital cost centres and capital postings against revenue cost centres we will make adjustments to balance the accounts to issued figures. • Re-align costs in community focused cost centres if not resolved by school • Movement to reserves and third party balances. These may be posted to the central control accounts to ensure they do not appear on schools reports. • Any other adjustment that is requested by the Finance Business Partner – CEF.
6 to 17 April 2020	School	Schools Easter (April Holiday)
27 April 2020	Corporate Finance	Work commences on the schools CFR returns for 2019-20.
June 2020, date to be confirmed	Corporate Finance	Schools balances 2019-20 reported to Schools Forum
13-17 July 2020, date to be confirmed	Corporate Finance	Estimated date for final submission of Consistent Financial reporting (CFR) returns for 2019-20 to DfE.

MONTH-END PROCESSES CHECKLIST

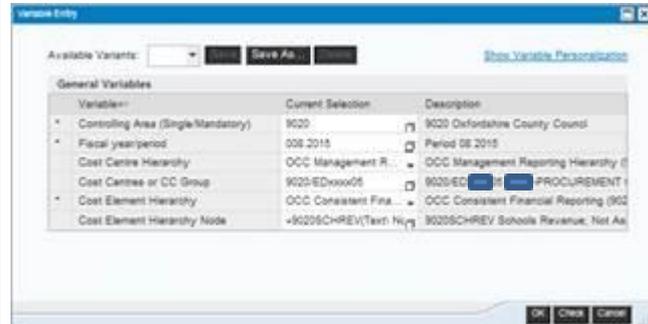
Finance Officer Inputting Data	Transaction	Date
Supplier Invoices & Credit Notes input and approved?	<u>Schools > Pay Invoice</u>	
Check workflow messages	<u>My worklist</u> <i>(Please note, new vendor requests will show under the 'Notifications' tab)</i>	
Review Blocked Invoices	<u>estore > Reports > Purchasing Analysis</u> <i>(Scroll to far right of report)</i>  <i>If any are blocked, right-click on the value > Go To > PO Header Details.</i>	
Reconcile and top up Local Expenditure Account (Please see Hints and Tips for further guidance)	Finance > Petty cash > Enter petty cash transactions > Petty Cash Payments <i>Each cheque should be recorded separately.</i> Finance > Petty cash > Petty cash reconciliations and reimbursements > Reconcile petty cash account <i>The value showing on the 'Less this claim' row should equal the desired 'top-up' amount.</i>	
Ensure that income has been input through Cash Receipting & banked	<u>Finance > Manage customers > Record local banking</u>	

Bursar / Finance Manager / Headteacher	Transaction Code	Date
Review Workflow for outstanding Purchase Orders and Internal Trading documents	<u>My worklist</u>	
Review Outstanding Commitments	Finance > Reports > Revenue Monitoring > Revenue monitoring by subjective <i>Drill down in to commitments right-click on value > Go To > Commitments</i> <i>This can be done either on the individual line or on the total value.</i>	

Review Procurement Card Transactions – statements issued 27th monthly

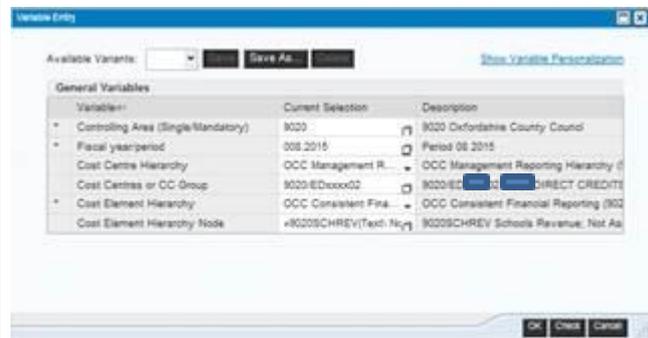
SDOL – Smart Data Online

Review transactions once in SAP:
Finance > Reports > Revenue Monitoring > Revenue monitoring by subjective



Review payments received via the Direct Credit Account (cost centre '02')

Finance > Reports > Revenue Monitoring > Revenue monitoring by subjective



Drill down in to actuals right-click on value > Go To > Actual Transactions

Review postings against the old 6 digit cost centre plus check postings on blocked cost centres

Finance > Reports > Revenue Monitoring > Revenue monitoring by subjective
(9020/EDxxxx in variable screen Cost Centres or CC Group)

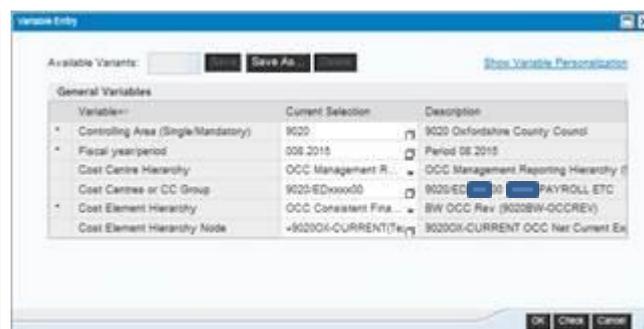
Check Excodes for postings to non-CFR accounts

Finance > Reports > Revenue Monitoring > Revenue monitoring by subjective
(In the variable entry screen, under the Cost Element Hierarchy Node include the Not Assigned Cost Element – if there are any, these should appear at the end of the report)



Check '00' cost centre for transactions other than payroll

Finance > Reports > Revenue Monitoring > Revenue monitoring by subjective



Drill down in to actuals right-click on value > Go To > Actual Transactions

Payroll reconciliation	See guidance notes in BPS Help and User Guidance	
Check capital expenditure coding	Finance > Reports > Revenue Monitoring > Revenue monitoring by subjective <i>(Variable screen select capital; you will need to move cost centre from the free characteristics into the report)</i>	
Start Budget Monitoring	Various If you require further assistance please contact your EFS Finance Adviser.	

I hope the above and notes are straightforward but if you have any problems or concerns please do not hesitate to contact your school's named Education Finance Services (EFS) finance adviser (telephone number specific).

There are pro-forma returns attached to the e-mail circulating this document to schools.

Please bring the contents of this document and associated returns to the attention of those in your school responsible for its financial administration.

Consistent Financial Reporting 2018-19

E-mail circulated 26 June 2019

Attention finance officer,

Dear Colleague,

The Consistent Financial Reporting (CFR) exercise for 2018-19 has been successfully completed. All school individual reports have all been compiled, agreed to the outturn figures and sent to the DfE for inclusion in the national benchmarking database and for use alongside the local authority's Section 251 Outturn Statement. Submission was well before the statutory deadline (due 19 July).

Over the following few months, the national database will be updated to include income and expenditure data from all schools across the country and you will be able to access comparative information, comparing your school and those of a similar type nationally. If you have difficulty in accessing the CFR website or require help in interpreting the output, please do not hesitate to contact your Education Finance Services finance adviser or me.

The CFR figures will be lodged on the LA's schools finance webpages (Schools Finance – Year end procedures and CFR) where schools can access not only their own school's but all other maintained schools figures so allowing schools to undertake locally based financial benchmarking. Rather than wait for the data to be uploaded to our web and to help schools with future planning decisions I have attached a summary copy of all maintained schools (as recorded in the financial year 2018-19) financial information submitted to the DfE. I have also included column narration and have shaded the Devolved Capital columns for ease of use.

There are, as in previous years several points to note.

1. Unlike the SAP accounting system used by schools, the CFR return submitted to the DfE "knows" the difference between income and expenditure and therefore expects all figures to be entered as positive numbers unless the amount is actually a reduction (negative). So income figures shown in the CFR return has been converted to a positive number, not shown as a (SAP) negative amount. Positive year-end balance is a surplus while a negative year-end balance is a deficit.
2. Use of SAP gl codes that are not included in the local authority's CFR structure. Schools should use only those SAP gl codes that are formally linked to the CFR accounting structure.
3. There is some understatement of the accounts where income has been coded against SAP expenditure codes and vice versa. By mixing income and expenditure

on the same SAP gl coding understates the levels of income and expenditure incurred by the school. Income amounts should only be coded within SAP against appropriate SAP income gl codes and expenditure against corresponding SAP expenditure gl codes.

4. Several SAP gl codes relate specifically to internal transactions (either income or expenditure) that take place between or within the local authority and schools. These SAP gl codes who's narration includes the working "internal" should be used to only for this purpose and not for recording external organisation suppliers costs.

Should you require assistance with this matter please do not hesitate to contact your EFS finance adviser who will be happy to help.

Hope the above is of use but if you have any query or questions about this matter please do not hesitate to contact me.

Regards.

Devolved Capital 2019-20 Update
E-mail circulated 11 November 2019

Attention finance officer,

Hi,

Devolved Capital 2019-20

Devolved Capital allocations for 2019-20 have been confirmed by the DfE and the amounts transferred into schools SAP accounts, using schools cost centre 80 and gl code 5711. VA schools will be aware that their allocations are dealt with by their Diocese finance contacts.

Allocations for 2019-20 are made on the same basis and at the same rates as used since 2011-12. Each school, irrespective of size, receives

- a fixed lump sum of £4,000.
- primary schools £11.25 per pupil,
- secondary schools £16.875 and
- special schools and pupil referral unit £33.75.

The following paragraphs and annex, are again issued to schools to help provide clarification as to how Devolved Capital monies can and should be used, what is considered legitimate to be charged against schools capital allocations and what schools may need to do in terms of their accounts to comply with the accounting requirements.

Devolved Capital remains a capital grant from the DfE that allocates capital funding directly to schools. Schools are required to treat and account for it accordingly.

The grant has been allocated in order to meet capital expenditure on school buildings in terms of major improvements, remodelling or new builds where the amount is greater than the local authority's minimum capital spend threshold – de minimis level and the purchase of capital equipment such as ICT and other long term improvements to the school property. (The full expression is de minimis non curat lex. This is a Latin phrase meaning "the law does not care about very small matters". It is used to describe a component part of a wider transaction, where it is in itself insignificant or immaterial to the transaction as a whole.)

However schools cannot use Devolved Capital for;

- Routine repairs,
- Redecoration,
- General repair and maintenance (included in delegated schools budgets),
- General repairs to vehicles (including the cost of replacement tyres)
- The purchase of books and training materials
- Hire of accommodation
- It cannot be used for expenditure on small value capital items that fall below the local authority's de minimis level for schools of £2,000 (this level is much lower than that applied to the local authority's other services but is consistent with numerous other local authorities and the advice given by the Diocese to VA schools.)
- Lease/rental arrangements and
- Any and all individual invoices valued at £50 or less (excluding VAT) cannot be charged to Devolved Capital.

"De-minimis" level is a figure set by the local authority which distinguishes a revenue expenditure item from a capital expenditure item. Below this threshold (de minimis) expenditure on small value capital items counts as revenue expenditure. However, where a number of items of the same class bought at the same time, or where an item can be shown to be part of a larger, governor approved, Devolved Capital scheme and the total value exceed this threshold, can be counted as capital. To be governor approved, the school must be able to demonstrate this by reference to a relevant governor or governor sub-committee meeting minute.

Based on the information provided in this e-mail schools are advised to review their Devolved Capital spend and take any appropriate action.

Capital expenditure must either substantially:

- a) Lengthen the useful life of the asset
- b) Increase the open market value of the asset
- c) Increase the extent to which the asset can be used

Further clarification as to what can and cannot be charged to your school's Devolved Capital money is given in the annex at the end of this e-mail.

Expenditure items currently charged against the school's Devolved Capital allocation but do not meet the definition of Devolved Capital given in the annex must be transferred to an appropriate revenue cost centre and gl code. Failure to do so and the local authority will adjust the school's accounts at year-end.

The school may accumulate Devolved Capital allocations over a maximum of three years. Schools may also add to their Devolved Capital monies by using revenue funding for capital purposes, however schools may not use Devolved Capital for revenue spend. In order to apply revenue funding to capital the school must first incur the capital cost. It is not possible for schools to transfer unspent balances between revenue and capital.

The following table summarises when schools must spend their Devolved Capital allocations by:

Allocation Year	To be spent by:
2016-17	31 August 2019
2017-18	31 August 2020
2018-19	31 August 2021
2019-20	31 August 2022

Revenue Contribution to Capital: Schools wishing to make a revenue contribution to their capital must inform the Education Finance Manager (me), including the amount and demonstrating where the amount is included in the school's revenue budget. The school will then be informed of the SAP accounting entries to make or made on their behalf by the local authority. These accounting entries are usually processed at year-end.

Capital Revenue Swap: A school considering a capital revenue swap, moving unused capital monies to support revenue spending, is required to contract the Education Finance Manager (see end of e-mail for detail) to confirm the feasibility of such a request. Again, these types of SAP accounting entry are usually processed at year-end.

What do schools need to do for the financial year 2019-20?

1. Each school should review all amounts charged against their Devolved Capital cost centre(s) within SAP to date. Where there is uncertainty surrounding the amounts charged advice should be sought from your Education Finance Service (EFS) finance adviser to confirm the amount charged can be capitalised.
2. Where the type of expenditure involved does not meet the definition of Capital or the amounts do not exceed the de minimis threshold the school is to transfer the amounts to an appropriate cost centre within the school's revenue account.
3. Schools should complete this work as soon as possible. By doing so, schools will find close down at year-end simpler and with no nasty shock will be waiting in the accounts.
4. Schools should also review their revenue expenditure. Items of expenditure that comply with the definition and requirements of capital as contained in this letter can be recoded to an appropriate capital cost centre and capital gl code. In addition the school will need to move any external income (from funding-raising) relating to this item or make a revenue contribution to their capital account. But before these types of transaction can be made the applicable expenditure must have been incurred within the capital account. It is not expected that there will be many of these within schools accounts, likely items may include vehicle and new one-off high value pieces of equipment.
5. The above should be completed by 31 December 2019, as in previous years the schools SAP account will be reviewed by the EFS finance adviser and if further action is required the school will be contacted.

The local authority in order to comply with the financial and audit regulations and whole government accounting will ensure that the amounts charged into SAP relating to Devolved Capital expenditure meet the above. Where amounts remain incorrectly charged at the end of the financial year these erroneous entries will be recoded “en bloc” to an appropriate revenue cost centre of the school concerned.

If in any doubt you are strongly advised to contact your school’s EFS finance adviser for guidance and clarification.

Please bring the contents of this e-mail to the attention of those detailing with the school’s finances.

I hope this information is of use.

Regards.

Annex A

Devolved Capital can be spent on

1. Fund small capital projects, where capital expenditure is deemed to be any building related project above £2,000 in value.
2. Pay for a substantial project, by saving up allocations for a maximum of 3 years and also by advancing the next year’s allocation.
3. Contribute to a project where additional funding is coming from other sources
4. Fund items of capital equipment, including ICT

Expenditure may include:

- Health and safety works – major roof repairs, re-wiring, upgrading of fire and security systems, re-surfacing of play areas.
- Refurbishment – including the upgrading of the boiler plant or installation of the cabling required to provide IT equipment
- Provision of additional permanent accommodation
- Conversions – such as the re-designation of school areas to different uses.
- To extend and/or enhance the scope of building projects being undertaken through the local authority’s capital programme
- Security – including the improvement to or provision of lighting, fencing and CCTV.
- Energy efficiency and conservation projects
- ICT equipment including interactive whiteboards and ICT refresh programmes.

To be deemed as capital expenditure the total cost of a project must exceed £2,000 and result in an addition to or the improvement of the fixed assets of the school.

Capital expenditure must either substantially:

- a) Lengthen the useful life of the asset
- b) Increase the open market value of the asset
- c) Increase the extent to which the asset can be used

In addition the DfE advises that schools are to consider the potential as well as actual condition needs when considering best use of their Devolved Capital funding. These considerations should include:

- Support for pupils with behavioural problems.
- Addressing the needs of the school workforce – accommodation needs, supporting non-pupil contact time and innovative use of space.
- Supporting the extended schools agenda
- Supporting the 14-19 agenda.
- Improvement to school grounds as well as buildings – with the exception of VA schools.

Devolved Capital cannot be spent on

1. Day-to-day general revenue maintenance, redecoration and repairs that are to be funded from delegated school's budgets
2. The purchase of books or training materials.
3. The funding of operating leases where the risk stays with the leasing company.
4. The repayment of school loans.
5. The hire of temporary accommodation.
6. Expenditure on small value capital items where the amount falls below the local authority's de minimis level - minimum capital spend threshold - of £2,000.
7. Revenue spending. This includes items such as:
 - printer cartridges,
 - printer and photocopier paper,
 - licences (including SIMS and Microsoft),
 - Internal traded service charges,
 - CD and DVD purchases,
 - digital cameras,
 - rental and warranty payments and
 - routine repair and reinstatement.
8. No single item with a purchase value of £50 or less can be charged to Devolved Capital.

Please note this listing is not exhaustive.