



South East Cornwall Multi Academy Regional Trust

# Capital Allocation Policy

Date	Changes
05/03/19	Adopted by Trust Board
Feb 2020	Reviewed by CFO
27/03/20	Approved by Trust Board
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30/03/21	Approved by Trust Board following review by the Resources Committee
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## Introduction

Trusts are expected to have a suitable plan that demonstrates the strategic use of the allocated funds across their estate and will have to report to the ESFA on their use of capital funds during and at the end of the financial year.

Therefore, schools within the Trust should ensure that there is a clear link to their proposed capital expenditure in their school development plans. This should include consideration of any Health & Safety issues, property condition as well as any other school development priorities.

In order to account for capital changes correctly, all planned capital expenditure greater than £1,000 should be captured on a 'Proposed Works Form' (see appendix 1) and submitted to the TSS (Trust Shared Services) prior to any expenditure. On receipt of a completed form, the TSS will authorise one of the following actions:

1. Request further information or contest the request
2. Agree in principle and propose the school use its own capital
3. Agree in principle and propose the type of capital funding which is most appropriate

The types of capital funding available to Academy Trusts are listed below.

### Devolved Formula Capital (DFC)

Devolved Formula Capital (DFC) remains based on a per academy basis. Each academy receives a lump sum of £4,000 and a variable amount based on their student numbers multiplied by the appropriate rate per student.

Nursery/ Primary £11.25, Secondary £16.88, Post 16 £22.50.

Allocations for each academy will be transferred directly to the academy without any adjustments by SMART.

The funding will be used to maintain buildings and to fund small scale capital projects.

### Energy Efficiency Projects

The Department for Education has a partnership with Salix through the SEELS (Salix Energy Efficiency Loan Scheme) programme to provide funding for schools and colleges to reduce energy costs through the installation of energy efficiency technologies. The funding is provided via an interest-free loan which is paid back through the predicted savings on energy usage.

Further information can be found at <https://www.salixfinance.co.uk>

### School Condition Allocation (SCA)

Multi Academy Trusts (MATs) with at least 5 academies and more than 3,000 students, receive a School Condition Allocation (SCA) to deploy strategically across their estate to address their priority maintenance needs. Investment will be prioritised on keeping the academy buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency, and health and safety issues.

School Condition Allocations consider the information that the ESFA have collected through the Property Data Survey programme (PDS) about the condition of schools. For most responsible bodies, the survey data shows that condition need correlates well with student capacity numbers, which

are also a representation for the size of the estate that needs managing on an ongoing basis. All responsible bodies therefore get a core condition funding component based on student numbers.

The guaranteed annual School Condition Allocation (SCA) replaces annual Condition Improvement Fund (CIF) bidding process for academies, which was not guaranteed, thereby providing some certainty for capital expenditure planning.

## Summary of procedure for SCA funds

1. Funding is received from the ESFA
2. A 10% contingency fund is removed from the annual allocation of SCA or a top up to 10% if there is a residual in the fund from the previous year
3. Priority projects identified from PDS, Condition surveys and Health & Safety audits
4. Other non-priority projects are also identified for future cycles of SCA allocation

## Annual cycle

The table below sets out the annual cycle and the process for the capital allocation across the trust.

Month	Process
May	Funding is allocated to the trust and paid in instalments in May, June, July and August.
June	Up to 10% of the funding is divided off to top up and ensure there is always 10% of current allocation available to provide assurance against any unknown and unplanned emergencies that may emerge during the year. If previous fund has not been spent then nothing is added into it and it is carried forward.
August/ September inset days	<p>Condition survey and H&amp;S audit to be carried out biannually.</p> <ul style="list-style-type: none"> <li>• CFO (Chief Financial Officer) to arrange with SMART Head of Estates and SMART Estates &amp; Facilities Officer regarding access to buildings primary and secondary during this time.</li> <li>• Cost of condition surveys covered by the SCA fund.</li> <li>• Cost of H&amp;S audits covered by SLAs with each school.</li> <li>• CFO to arrange with SMART Head of Estates for asbestos surveys and similar to be aligned to this period also.</li> </ul>
End of October	All condition surveys, Health & Safety and asbestos reports to be returned by end of October.
Early November	<p>CFO, SMART Head of Estates and SMART Estates &amp; Facilities Officer to meet early November to prioritise findings into:</p> <ul style="list-style-type: none"> <li>• Immediate (the current academic year) – quotes will be sought for these following the meeting.</li> <li>• Required (the following academic year) so that common works maybe grouped and quotes sought for more than one site</li> </ul>

## Appendix 1 – Proposed works form (works over £1,000 in value)

 <b>Proposed works form</b> <i>This form will be submitted to CFO in order that proposed works of estimated value greater than £1,000 can be agreed</i>			
<i>To be completed by the Headteacher/ Head of school/ Nursery Lead/ Operations Manager/ Client Manager. PLEASE LEAVE NO BLANK SPACES</i>			
<b>School Name</b>		<b>Contact Name</b>	
<b>One line description of proposed works</b>			
<b>SECTION 1 – Total Estimated Costs</b>	£	<b>Of which we expect to be funded externally</b>	£
If over £1,000 but less than £5,000, please complete Section 1 only, email the form to the CFO and await confirmation If over £5000, please complete Section 1 and Section 2, email the form to the CFO and await confirmation. On confirmation from the CFO please continue and complete Section 3 and Section 4, provide any required attachments and email the form to the CFO			
<b>1a</b>	<b>The Scope of the Project</b> - Please describe your project and proposed timescales. <i>Ensure that you have checked the school's on site asbestos register.</i>		
<b>1b</b>	<b>Please state the expected impact of the project.</b> Where appropriate this could include estimated improvement in efficiency or energy reduction or benefits to Safeguarding and/ or Health & Safety practice.		
<b>1c</b>	<b>Please provide evidence that the project has been identified in the School Development Plan</b>		

<b>CFO comments:</b>

<b>For Office use only – Current Stage of this form = Proposed → Approved → (SCA / DFC / External Bid)</b>
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<b>SECTION 2 – For projects of estimated value higher than £5,000</b>		
<b>Estimated risk:</b> If the planned work was unsuccessful what would be the approximate costs of returning the facility to its current use.		£
<b>Lettings potential:</b> Could the new facility generate additional revenue? What estimated income p.a. is built into your proposal?		£
<b>Commitments:</b> Please detail any terms and conditions of any external funding and the length of time this commitment would be in place.		
<b>Charitable status:</b> Confirm that the proposed use remains in line with that which is permitted in our Articles of Association (a copy is available on the SMART trust website)		
<b>Impact on services:</b> What are the requirements in terms of:	<ul style="list-style-type: none"> <li>a) Additional drainage points,</li> <li>b) Additional ICT network points</li> <li>c) Additional phones</li> <li>d) Additional standard voltage electric points</li> <li>e) Additional high current electric points</li> <li>f) Additional heaters</li> <li>g) Additional gas outlets</li> <li>h) Additional WC</li> <li>i) Additional CCTV/ security</li> <li>j) Additional fire precaution measures</li> </ul>	
<b>Zoning Requirements:</b> Will the facilities be open to visitors without DBS checks? If so, what is the cost of separation zoning required to ensure separation? Will access be via school reception? If so, what costs are required in terms of safe routing of visitors to and from the facility?		
<b>Health and Safety:</b> Is the area of planned works identified on the school's asbestos register? If so, have considerations been made for testing and/or removal? Will the proposed works take place during the school holidays? If not, what provisions will be made for minimising disruption and covering safety of pupils, staff and site during the works.		
<b>Project cost:</b> Have 3 written quotes for works been obtained? Please indicate your preferred option and include copies of all quotes when returning the form to the CFO	<ul style="list-style-type: none"> <li>1)</li> <li>2)</li> <li>3)</li> </ul>	
<b>Source of Funding:</b> Please indicate which budget this will be sourced from		

<p><b>CFO comments:</b></p> <p><i>Example comments (approval/ type of funding to be used/ if externally funded then a copy of the bid to be sent to the CFO)</i></p>
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<p><b>For Office use only – Current Stage of this form = Proposed → Approved → (SCA / DFC / External Bid)</b></p>
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