



South East Cornwall Multi Academy Regional Trust

Capital Allocation Policy

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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 CBU (Central Business Unit) prior to any expenditure. On receipt of a completed form, the CBU 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 Multi 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/loans/SEEF>

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 take into account the information that the ESFA have collected through the Property Data Survey programme (PDS) about the condition of schools. For the majority of 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
5. Bidding process opens to schools for the remainder of SCA funds

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&S audit to be carried out biannually.</p> <ul style="list-style-type: none"> • CFO (Chief Financial Officer) to arrange with COO (Chief Operations Officer) and SMART Estates & Facilities Officer regarding access to buildings primary and secondary during this time. • Cost of condition surveys covered by the SCA fund. • Cost of H&S audits covered by SLAs with each school. • CFO to arrange with COO and SMART Estates & Facilities Officer for asbestos surveys and similar to be aligned to this period also. • This cycle will commence in August/September 2019.
End of October	All condition surveys, Health & Safety and asbestos reports to be returned by end of October.
Early November	<p>CFO, COO and SMART Estates & Facilities Officer to meet early November to prioritise findings into:</p> <ul style="list-style-type: none"> • Immediate (this year) – quotes will be sought for these following the meeting. • Required (next year) so bids that assist will score 10 points. • Non-urgent (longer term) so bids to assist will score 5 points.


Early December	Quotes received in time for Trust Board (Resource Committee meeting) to agree prioritisation of emergency projects and consider bidding process.	
	Immediate projects	Start the bidding process
	<ul style="list-style-type: none"> • Timescale is agreed for each immediate project 	<ul style="list-style-type: none"> • Agree the points allocation and bidding criteria for the remaining funds. • Criteria to include correct financial processes have been followed, correct tendering etc. • Criteria to favour those projects that assist the work identified by the surveys
January/February	Work can begin on the smaller immediate projects	Remaining funds are published to Head teachers and Local Governing Committees together with the bid criteria for this year. A week of clarification questions is allowed for after this is published. To ensure this is fair and equitable, no further support is offered by CBU after the clarification week closes.
February half term		Schools to prepare bids and submit to CFO by February half term.
March	Report prepared for progress of immediate projects	CFO, COO and SMART Estates & Facilities Officer to meet to score the bids against the criteria and produce a recommendation report to the Trust Board Resource Committee.
March	Progress reported to Trust Board Resource Committee	Trust Board Resource committee meet to agree allocation of funding to bids. Schools are informed.
April		Work on smaller projects can start (unless score for tendering process was low and SMART Estates & Facilities Officer need to repeat this).

Assessment criteria

The table below sets out the scoring process for bids received from schools. This should assist schools in ensuring that all relevant information has been included in the bid application.

Criteria	Detail of the bid	Score
Assists in meeting a condition requirement that is required for next year	20%	1-10
Assists in meeting a non-urgent condition from condition survey	15%	1-5
Have scoped the likely timescale from start to finish and likely dates work would take place	5%	5
Plan for minimising disruption and covering safety of pupils, staff and site during the work.	10%	5
Use of other funding streams to contribute to this project. (1=up to 5%, 5=more than 50%)	15%	1-5
The project contains estimates of the savings that will occur through greater efficiency e.g. reduction in lighting, heating or energy costs.	5%	5
The project improves safeguarding / health and safety practice or teaching & learning environment	15%	5
Clarity of the long term impact of the work and how it links to long term development of the school.	5%	5
Immediate funding invested from SCA this year (1=more than 4x DFC allocation, 2= more than 3x DFC allocation, 3= more than 2x DFC allocation ,4 = more than DFC allocation, 5= none)	10%	1-5

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

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

CFO comments:

For Office use only – Current Stage of this form = Proposed → Approved → (SCA / DFC / HPCF/ External Bid)

SECTION 2 – For projects of estimated value higher than £5,000

Estimated risk: If the planned work was unsuccessful what would be the approximate costs of returning the facility to its current use.

£

Lettings potential: Could the new facility generate additional revenue? What estimated income p.a. is built into your proposal?

£

Commitments: Please detail any terms and conditions of any external funding and the length of time this commitment would be in place.

Charitable status: 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)

Impact on services:
What are the requirements in terms of:

- a) Additional drainage points,
- b) Additional ICT network points
- c) Additional phones
- d) Additional standard voltage electric points
- e) Additional high current electric points
- f) Additional heaters
- g) Additional gas outlets
- h) Additional WC
- i) Additional CCTV/ security
- j) Additional fire precaution measures

Zoning Requirements: 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?

Health and Safety: 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.

Project cost: Have 3 written quotes for works been obtained?

1)

2)

Please indicate your preferred option.

3)

CFO comments:

Example comments (approval/ type of funding to be used/ if externally funded then a copy of the bid to be sent to the CFO)

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Appendix 2 – SCA bid form for approved projects

Please copy/paste your approved planned works form here

SECTION 3 - Project Finance		
Please do not leave any blank fields. If a question does not apply to your bid please state "Not Applicable"		
3.1 Have written estimates or quotes or tenders been obtained?		
If "Yes" please indicate the contractor you are planning to use and attach copies:	Yes	No
Please give details of total costs involved, indicating source of funding		Amount
3.2 Project Cost and Timescales		£
Please indicate the anticipated month of commencement of project <input type="text"/> Please indicate the anticipated month of completion of project <input type="text"/>	Works	
	Professional Fees	
	Statutory fees (see guidance)	
	Furniture and Equipment	
	ICT	
	Other (Please state)	
	Contingency i.e. an allowance for unknown factors (max 10% of the project)	
	TOTAL PROJECT COST	£
3.3 Please indicate your sources of funding		
Devolved Formula Capital		
PTA Funding		
Other (please state)		
Total amount of your funding		£
Amount of Funding Requested (total project cost less your sources of funding)		£
SECTION 4 - Project Approvals		
4 Headteacher and Chair of Local Governing Committee sign off		
Name	<input type="text"/>	
Date	<input type="text"/>	
Please return your completed and signed application form to jlumbard@smart-trust.net		

For Office use only – Current Stage of this form = Proposed → Approved → (SCA / DFC / HPCF/ External Bid)