

Capital Funding and Allocation Policy

Introduction

Depending on the size of a MAT, trusts are eligible for different capital funding – the amount of funding can depend on the amount of academies within the MAT and the number of pupils on roll – MATs can check which funding they are eligible for [here](#).

Types of capital funding for MATs and academies

There are three different capital funds for MATs:

- Devolved Formula Capital (DFC)
- School Condition Allocation (SCA)
- Condition Improvement Fund (CIF)

DFC

DFC is direct funding for individual institutions to maintain their buildings and fund small-scale capital projects. The funding is allocated to academies based on a formula which includes a lump sum and variable amount, with the variable amount based on weighted pupil numbers.

The DfE's 'Condition grants spend guidance' (2018) explains that the DFC provides schools with capital funding to address their own priorities, and that schools can decide individually how to spend their DFC funding; however, the guidance also states that responsible bodies, e.g. MATs, can pool their academies' funding.

DFC funding will remain within individual school control to allocate on small projects or to supplement larger projects.

SCA

The SCA provides funding to those bodies responsible for one or more schools to meet their own local condition priorities across their schools. SCA funding is allocated to the responsible body (MAT) based on a formula which includes the following three funding components:

1. Core condition funding – based on a flat rate of a set amount per weighted pupil.
2. High condition needs funding – for those with disproportionately high condition need per weighted pupil above a threshold. Condition need is based on the Property Data Survey programme (PDS).
3. Floor protection funding – to protect responsible bodies during the transition to the reformed system.

More information can be found in the [Condition funding methodology for 2018 to 2019](#). SCA funding will be received directly from the ESFA in 4 equal payments between May and August.

At the end of each financial year, the MAT's accounting officer or, for sponsors, the designated accountable officer – who signed the grant conditions – will be required to complete an 'End of financial year outturn certificate'; in addition, the ESFA will ask, as part of a data collection exercise, for details of how the grant has been used. Page four of this example '[Terms and conditions of grant funding for MATs and sponsors in receipt of an SCA in 2017-2018](#)' outlines the ESFA's rules in relation to the evidencing of spending the SCA.

CIF

The CIF is a bid-based funding stream for single academies and small MATs that don't receive the SCA – the CIF budget is calculated using the same criteria as the SCA for parity.

Following expansion this funding is no longer available to the Learning Trust.

Allocation Principles

MATs and the board of trustees should consider the following when calculating how funds will be disseminated across the trust:

- Tackling poor building condition
- Building compliance
- Climate change and energy efficiency
- Health and safety issues

It is good practice to implement and develop a capital management plan which includes the basis for disseminating the funds.

- Each school should develop a prioritised list of estate development [needs](#) over the next 5 years by December each year
- The information to draw from to produce the list should be -
 - The latest condition survey
 - The latest accessibility survey
 - Any Health & Safety reports
 - School staff input, approved by the school leadership team
- Each item should have a timescale, budget, impact statement and description
- The SBM group will meet once per annum to review each school's requirements and develop a Learning Trust schedule
- The schedule will cover all schools over 5 years

- This schedule will be presented to 3RSLT for an input and then the Board for approval annually
- Once approved the list will be shared with the Finance Director to allocate budgets
- The SBM in each school will then proceed to manage each project within the agreed budget
- Any overspend must be authorised by the COO up to £10k and by the Board in excess of this amount
- An annual progress report will be shared with staff, councillors and directors. The works programme will also be updated annually.

Significant Projects

Schools will be able to present a business case to the Board to help the Board consider effective allocation of this funding to a more significant project in any of the schools. In addition to the allocation principles above the Board will also take note of the curriculum and student roll requirements of each request. The Board will aim to ensure schools are supported with equity in the long term.

In addition an amount of £10,000 will be allocated annually to support environmentally friendly projects across the Trust.

Catering for emergencies

Provision for emergencies needs to be accounted for when disseminating funds. By investing funding in capital projects, it is hoped that the occurrence of emergencies will lessen; however, they do occur and funds can be made available for such an event.

Schools will be able to apply for emergency works in case of an urgent need. Funding will come from the Trust reserves in the first instance and then replaced from an agreed source. The agreed source could be the annual SCA allowance, annual repayments from the school's revenue or one off payment from the school reserves.