

Capital Allocation Policy



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01. Policy Status and Review

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|----------------|-------------------------------------|
| Policy Owner: | Chief Finance and Operating Officer |
| Policy Author: | Chief Finance and Operating Officer |
| Approver: | Board of Trustees |
| Last Review: | August 2023 |
| New Review: | August 2025 |
| Ratified: | September 2023 |

The Board of Trustees has agreed to this Policy and, as such, it applies to all Boleyn Trust entities. Please note that should any further national guidance be issued by external agencies that are relevant to this policy, it will be updated accordingly prior to the review date shown below and re-circulated.

Please Note:

Boleyn Trust CEO and Accounting Officer: Tom Canning CBE
Boleyn Trust Chief Finance and Operating Officer: Steven Lock

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Chair of the Board of Trustees

02. Introduction

The Boleyn Trust (the “Trust”) has and is required to have an appropriate plan that demonstrates the strategic use of the allocated capital funds across their estate. The Trust is required to report the capital expenditure to the Education Skills and Funding Agency (ESFA) during and at the end of each financial year.

The Chief Finance and Operating Officer (CFOO) has overall responsibility for trust-wide Estate Management. All capital project work at the Boleyn Trust is centralised and the responsibility of the CFOO who draws on the expertise and experience of an outsourced provider, AMR Consult (AMR).

The CFOO is responsible for ensuring that all projects approved by the board of Trustees are implemented accordingly. The CFOO may delegate this duty to the Estate Manager and AMR.

03. Capital Expenditure Budget

Schools must plan their capital expenditure annually. The Trust will ensure that there is a clear link to the proposed capital expenditure identified in school development plans. This should include consideration of any Health & Safety issues, property condition as well as any other school improvement priorities.

The capital expenditure plan must be based on the condition survey and school development plan. Any reactive capital expenditure as identified by the Estate Manager and or the school site teams must follow the same process set out in this policy.

Examples of capital expenditure include:

- ICT hardware replacement.
- Furniture and equipment replacement.
- Vehicles; and
- Building adaptations and upgrades.

04. Capital Expenditure Process

All planned capital expenditure should be submitted on a ‘Capital Expenditure Request Form’ (see appendix 1) to the CFOO for review and comment. On receipt of a completed form, the CFOO and MAT Finance Specialist will authorise one of the following actions:

1. Request further information.
2. Approve or reject expenditure.
3. If approved, agree source of funding (revenue reserve or capital reserve).
4. Approve the method of Procurement, i.e., External Consultants (AMR) or Estate Manager.

There will be occasions where capital expenditure is funded from Revenue Income and Expenditure. In these instances, the expenditure will be capitalised and recorded on the balance sheet and the academy balance adjusted accordingly.

05. Types of Capital Funding

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 and a variable amount based on their pupil numbers multiplied by the appropriate rate per pupil.

Allocations for each academy will be monitored on the monthly management accounts. The funding will be used to collectively support refreshes of ICT teaching suites and other minor related ICT projects.

School Condition Allocation (SCA)

Multi Academy Trusts (MATs) with at least 5 academies and more than 3,000 pupils, 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 buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency, and health and safety issues.

School Condition Allocations will consider the information that has been collected through the Trust's Condition Survey programme. The survey data will demonstrate that the condition need correlates with pupil capacity numbers. It also gives a representation of the size and complexity of the estate that requires managing on an ongoing basis.

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 annually.
2. A 10% contingency fund is set aside from the annual allocation of SCA.
3. Priority projects identified from Condition surveys and Health & Safety audits (including Fire and Water), asbestos surveys.
4. Other non-priority projects are also identified for future cycles of SCA allocation.

06. Urgent Capital Works

Any significant capital funding that is required for urgent unforeseen works (e.g., unserviceable heating boiler replacement) will be funded initially from school reserves. Minor urgent capital works (e.g., replacement PC in excess of £1,000) will be taken from the individual academy reserves.

07. Other Capital Grants

Other Capital Grants received that have not been included in this policy will be applied under the conditions of the specific grant allocation requirement.

08. Annual Cycle

The table below sets out the intended annual cycle and the process for the capital allocation across the Boleyn estate, but the Trust reserves the right to direct priorities to suit the appropriate requirements.

| Month | Process |
|-----------|---|
| May | <ol style="list-style-type: none"> 1. Funding is allocated to the trust and paid in instalments in May, June, July, and August. 2. Condition surveys reviewed annually and resurveyed every 3 years. Cost of condition surveys are covered by the SCA fund. |
| June | 20% of the funding is set aside each year as a contingency fund to provide assurance against any unknown and unplanned emergencies that may emerge during the year. |
| July | Trustees to approve capital expenditure budget for each school (this is based on the school condition surveys and school development plan). Larger projects commence into August. |
| August | <ol style="list-style-type: none"> 3. Larger projects completed from the previous year's allocation. 4. H&S audit carried out annually. 5. Estate Manager to arrange with site staff access to buildings during holiday period for the forthcoming academic year. 6. Estate Manager to arrange for asbestos surveys if required |
| September | <p>Any new condition surveys to be presented to AMR.</p> <p>AMR to plan the Estate work for the year and present to the Board in October.</p> <p>CFOO and MAT Finance Specialist to review AMR dashboard monthly</p> |
| October | <p>All condition surveys, Health & Safety, and asbestos reports to be returned by end of October to CFOO.</p> <p>AMR to present to FARM Committee proposed schedule of works.</p> |
| November | AMR to start the tendering process of approved schedule of work. |
| January | Tenders sent out from appointed consultants on immediate projects and agreed with the CEO, CFOO and MAT Finance Specialist. |
| February | <p>AMR to present to CFOO and MAT Finance Specialist recommendations of previously agreed tenders.</p> <p>AMR to present to FARM agreed tenders for ratification.</p> |
| March | <ol style="list-style-type: none"> 1. Headteachers and Estate Manager are informed of the bid outcomes and next steps. |
| April/May | Work on smaller projects commences during Easter Holidays |

09. Appeals

The effective management of our Capital funds is key to the further development of individual academies and the whole organisation, the Trust will aim to ensure that related decisions are fair and fully transparent. The appeals process has two stages: Firstly, to its defined Committee, then a final appeal to the Trust Board.

The Trust Boards decision is final.

10. Appendices

Please ask the CFOO for the latest version.