

A Guide to Capital Funding and Building Maintenance for Voluntary Schools

Background

The National Society was founded in 1811, however many schools were founded after the 1841 schools' sites acts. These acts made it possible for landowners to donate schools in the knowledge when the school use ceased, the value would return to them. This was achieved by inserting a 'reverter' clause. This encouraged a philanthropic climate, and the construction of many new schools, often the Vicar and Churchwardens were appointed as trustees of these new schools. Over the course of the 20th century certain legislation was passed effectively giving the Diocese more oversight. Today the Diocese often works in partnership with the Vicar and Churchwarden, sometimes there may be a third-party landowner or trust to consider as well. When a school closes, moves site, or changes status, this background information usually comes to the fore, otherwise its largely irrelevant, other than for demonstrating why the Diocese has this role to fulfil as landlord.

Voluntary Schools - Governing Body responsibility

Governing Bodies (GB) are legally responsible for the day to day management of their school premises. GB's usually nominate a person to do this. We advise schools to undertake a 5-10-year premises plan, often referred to as a premises development plan (PDP), updated annually. The PDP would usually consider building suitability objectives, as well as data from condition surveys, and other sources Governors may have access to. Governors may find it helpful to walk around the building while carrying out this exercise. (PDP template are available). Once the plan is in place, annual applications can then be made for condition improvement funding, to the Diocese for VA schools, and the Local Education Authority (LEA) for VC schools. Academies would need to contact their MAT.

Condition Data Collection (CDC) Survey

The CDC survey is a quinquennial survey of UK school buildings, undertaken by the DfE. Although primarily to set levels for future funding allocations, the surveys also provide useful, basic, information to schools about the condition of the building and mechanical & electrical installations within. Contact the Diocese for more information, and for advice on how to access the data, from the Kyoukoud online interface. Not all surveys have been carried out at the time of writing.

Condition Surveys

The DfE recommend the CDC survey should not replace a more comprehensive condition survey, costs start at around £1500-£2,000, however this depends on the size of the school and/or federation. Condition Surveys also provide a useful platform for making funding applications and instructing work from your maintenance provider.

Routine Maintenance

The Diocese (as landlord, in partnership with your trustees) recommend schools do sign up to a comprehensive maintenance package, to provide you with back up and support when you most need it. Your maintenance cover will ensure your building compliance, and safety is kept up to date, a plan of regular pre-emptive maintenance is carried out, and in the event of unforeseen (and non-insurable) events, you will have a second layer of support; experience has shown to be an invaluable

resource. Many schools opt into the BMPP scheme, offered by the LEA, although other options may exist, the Diocese do not have a scheme to offer this year.

Capital Grant Funding

For non-routine maintenance, i.e. larger qualifying projects, you may be able to access capital funding, via the route set out in the second paragraph.

VA school Capital Funding

VA school Capital Funding is accessed via the Diocese. Formerly known as LCVAP, this is now School Condition Allowance (SCA) funding, aligning with the academy version. The Diocese send out proposal forms in the summer for schools to complete by October half term, however higher priority proposals might be considered all year round. Usually projects fulfilling the 'Safe, Warm and Dry' criteria will be given priority, building suitability improvement and alterations are also considered, the form is accessible online, or by contacting the numbers below.

Due to the aided status of VA schools, all capital allocations are made in 90% terms, so the school GB must raise the other 10%. It's recommended that VA schools continue to save and fundraise for the 10%, so they can meet their obligations comfortably, when needed, sometimes a project depends on it! Your maintenance scheme providers, or LEA, might consider supporting schools in this respect, in certain cases.

VA Schools and VAT

School Governing Bodies are usually exempted charities, due to this status, they are not permitted by HMRC to reclaim VAT on capital expenditure. The DfE 'uplift' VA capital allocations, to compensate for this, so do not try to reclaim VAT and fall foul of VAT rules. However, GB's are permitted to seek VAT exemption on applicable building/development types and supplies, please contact the Diocese for more information.

Devolved Formula Capital (DFC)

Devolved Formula Capital (DFC) is common for schools across the UK. The DfE apply a 3-year spending rule, which you will need to monitor closely. Schools are required to make annual DFC 'assurance' returns in April, ensure their 10% obligations are kept up to date, HMRC VAT rules are followed, and the project itself qualifies for capital funding; please referred to 'revenue/capital' crib sheet for more information. The DfE also carry out finance audits at random, to ensure the accounts are correct and comply with funding rules. After the 3 years has elapsed, the agency will attempt to 'claw-back' any unspent funds from schools.

VA (DFC) Pooling Scheme

The Diocese runs a 'Pooling Scheme', allowing VA schools to 'pool' their funds into a central scheme. This enables the Diocese to manage your DFC and all the processes noted in above paragraph; on your behalf. Please refer to the reverse of the DFC project form, available online, for guidance on how to access your "pooled" DFC

The advantages are that Diocese will manage the DFC on your behalf, whilst you are able to access it as before; your only responsibility is planning how to spend it! More seriously we have found the Pooling scheme is useful as it offers continuity as school finance officers come and go. It also helps

develop working relation, familiarity, and conversations can even lead to access to SCA funding, so well worth being involved.

Member schools have the flexibility in being able to borrow and loan DFC from each other via 'Cluster Agreements', which enable schools to extend the 3-year spending period, although certain rules do apply. This is supported by the DfE, please contact the Diocese for more information.

The Diocese send out quarterly statement, so you know what you balance is (ad hoc queries welcome), and once a project is set up, we'll send out 10% invoices as and when required, at the quarter end. A Diocese Officer will be on hand to answer any questions that may arise, contact details are given below.

The Diocese charges an annual 1% service charge for subscribing schools, and a 2% project management fee for applicable projects. If you would like to joint pooling scheme, we welcome new applicants annually, although happy to take your query at any time. We are also interested in feedback from existing customers, so we can improve and streamline our services.

For DFC enquiries, please contact Ben Tooke- Finance Officer ben.tooke@dioceseornorwich.org, for more information on premises management and SCA capital funding, please contact Sam Witton – Schools' Estates & Finance Officer samuel.witton@dioceseofnorwich.org (Tel.) 01603 882321.

Academies should contact Howard Nelson - Chief Operating Officer, howard.nelson@dnearg.org.

