

A Guide to Capital Funding and Building Maintenance for Voluntary Schools



A Brief History of Church Schools

The founding of the National Society in 1811 marked the start of the Church of England's involvement in Education. The 1841 Schools' Sites Act encouraged the wealthy landowners to invest in their communities, which was a major boost in establishing many of the church schools that we know today. The schools were set up on Trusts, setting out the objectives of the Trust, and usually appointing the local Incumbent and Churchwarden as Trustees. The 1981 DBE Measure has invested greater responsibility for the Diocese in this respect, easing the burden from the Clergy and Churchwardens.

Voluntary Schools - Governing Body responsibility

Governing Bodies are legally responsible for the day-to-day management and safety of their school site and buildings. A Governor is usually appointed to have oversight in this area. We advise Governors to use an Asset Management Plan for logging building issues, and for resolution planning. Many schools opt to subscribe to the BMPP scheme which covers building compliance, there is also a higher tariff offer which covers building maintenance on a rotational basis, more on that later.

Condition Surveys

It's recommended that schools commission a full condition survey at least every 5 years. A condition survey will give you information about the condition and longevity of buildings and establish where the maintenance priorities lay. This is considered as a prerequisite for Voluntary Aided schools in applying for School Condition Allocation (SCA) funding. Please contact the Diocese if you would like to source a condition survey.

Condition Data Collection Survey

The Condition Data Collection Survey (CDC) is a national survey of the condition of schools. This survey is undertaken by the Department of Education (DfE) every 5 years. It is a high-level survey, primarily designed to provide information to the Treasury to set future funding levels and is not considered a full buildings survey. However, it is well worth reviewing as it may flag up building's

issues, that need to be resolved and can be used as a reference to provide justification for capital funding (SCA) applications.

Building Maintenance

The Diocese strongly recommend all schools sign up to a maintenance programme. Experience has shown that certain events will not be covered by your insurance policy, and a maintenance scheme can offer a valuable defence against unforeseen problems and provides a safety net against unforeseen issues that can and do arise. Many schools choose to buy in to the BMPP scheme, offered by NPS (in conjunction with NCC). Other options do exist, for both legal buildings compliance (servicing, legionella, fire safety etc), and maintenance. Both are vital.

Devolved Formula Capital (DFC)

Devolved Formula Capital (DFC) is school level funding, common across all schools. DFC is often utilised on buildings/facilities, ICT equipment, canopies, external fixed play equipment, refurbishment, boundary fencing, access control, in accordance with a school's asset management plan. Schools should ensure their DFC is used appropriately, the minimum value of a capital project is £2,000 +Vat, and on capital rather than revenue items. The Diocese webpage contains guidance on the distinction between capital and revenue items. Schools are required to use their DFC within three years of its allocation otherwise the DfE may attempt to claw back.

VA (DFC) Pooling Scheme

Voluntary Aided (VA) schools usually access their DFC through the Diocese rather than their MAT or LA.

DFC is allocated in 90% terms, and schools are required to fund the remaining 10% from fundraising or revenue budgets. In some circumstances VA schools can apply for a 4th year extension, or loan unused funds to schools by way of a "Cluster Agreement". For schools that invest their DFC in the Diocese Pooling Scheme, we will keep track of the 3 years rule, contacting schools with "funds at risk" so projects can be set up in a timely way.

The Diocese 'Pooling Scheme' is available for Voluntary Aided schools. DFC funds are centrally banked and accessed via the Diocese. For Pooling members, the Diocese will undertake a range of services on your behalf, such as the DfE year-end assurance returns, tracking the three-year rule and quarterly 10% invoicing. We will also send you a quarterly pooling statement. To access your funding please request a project form from the School Estate and Finance Officer.

If you would like to find out more, please request an information pack.

School Condition Allocation (SCA)

SCA is a County or Diocese level funding for larger capital projects, which are beyond the scope of DFC. Fundamentally the funding allocation is made to make sure schools stay Safe, Warm and Dry. VC schools' access SCA funding differently, via the county council. The Diocese can put you in touch with the appropriate Council Officer. Voluntary Aided school SCA proposal forms are sent out in July, for return by October, for the funding year commencing the following April.

Common projects include re-roofing projects, boiler replacements, and boundary and access improvements. Proposals to extend, adapt and improve existing buildings may also be considered on a discretionary basis, as well as proposals that support schools move towards Net Carbon Zero.

Please refer to the “Prioritisation of SCA Proposals” for more guidance. The Diocese School Estates and Capital Funding (SECF) Committee review all new proposals considering a range of factors that include eligibility, priority factor, school size, SCA allocation history, and value for money.

For more complex projects VA schools will be required to ringfence DFC to fund any upfront design costs such as surveys, architectural/consultant fees, and statutory fees. If your project is successful in attracting funding, these costs will be absorbed by the project and refunded to you.

Before embarking on a SCA project, we recommend VA schools to budget and fundraise their 10%, so they are always prepared for rising costs, which are not uncommon. If you have an essential project, yet concerns about the 10% affordability, please get in touch with the Diocese to discuss the options that are available to you.

Compliance and Monitoring (VA schools)

From April 2021, in conjunction with the launch of SCA funding, Diocese are required to undertake an annual buildings compliance & monitoring process. The vast, majority of voluntary schools are in a building compliance subscription scheme, meaning the responsibilities are offset to a professional provider, most commonly the BMPP scheme. If you are not a member of a recognised maintenance service that covers buildings compliance, the return is slightly more onerous, in demonstrating your building is legally compliant.

Capital Funding and VAT for VA Schools

The LA may recover VAT (under s33 of the VAT Act 1994), where it is incurred by the LA in relation to expenditure for which it is responsible i.e. where it receives the supply. However, VAT incurred by a GB on expenditure for which the GB is responsible is not. As Governing Bodies are not usually VAT registered, they are therefore regarded as an end user for the purposes of VAT and are prohibited from recovering VAT. As an exempt charity however, they are permitted to seek VAT exemption on applicable development, but this is only the case in a very limited set of circumstances. Please contact the Diocese for more information.

Spire Property Consultants

Spire is a trading subsidiary of the Diocese, providing architectural and property advice to the Diocese. Spire also provides a range of property services independently of the Diocese, and to schools. To find out more please visit their website [Spire Property Consultants](#).

School building resources are available from the Diocese Website
<https://www.dioceseofnorwich.org/schools/school-buildings-sites/>

For DFC enquiries, please contact Ben Tooke- Finance Officer ben.tooke@dioceseofnorwich.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.

Diocese Academies should contact Stephen Beeson - Chief Executive stephen.beeson@DoNESC.org