



FROM CIF TO SCA – READING BEHIND THE LETTERS



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There are many things to consider when a multi-academy trust expands, not least of which is the ongoing condition management of its buildings and facilities. Martin Hier, Director of Surveyors to Education, discusses what moving from Condition Improvement Funding to School Condition Allocation funding means for multi-academy trusts.

When a multi-academy trust (MAT) moves from the bid-driven Condition Improvement Fund (CIF) to formula-allocated School Condition Allocation (SCA) funding, not only does the way in which funds are obtained change, but also the amount and accounting governance.

The biggest change is that SCA funding provides a regular guaranteed income for condition improvement at MAT level, giving greater flexibility as to which projects are undertaken and when. However, with greater flexibility comes greater responsibility

because the MAT becomes fully accountable for the condition and maintenance of its estate.

SCA eligibility

To receive SCA funding, MATs and voluntary aided (VA) bodies must:

- have more than five schools at the start of September in the previous financial year, and
- have at least 3,000 pupils counted in the spring census.



There are exceptions, however. If you are in a MAT with more than five schools but fewer than 3,000 pupils, you can become eligible for SCA funding by qualifying as an 'opted-in chain'. Local authorities (LAs), non-maintained special schools, and special post-16 institutions are also eligible for SCA funding.

Eligibility should not be assumed until it has been confirmed, with all responsible bodies being notified between September and October of the previous financial year.

Calculating SCA funding

In contrast to CIF, where funds are won in a competitive bidding framework based on greatest need, SCA funding is determined by weighted pupil numbers, as follows:

- **age-phase and type of pupils** – reflecting relative capital costs of their provision
- **school modernisation** – schools that are considered 'modernised' and were not included in the Property Data Survey will have a 50 per cent weighting applied to each of their pupils, reflecting that these schools will generally have a lower maintenance need
- **school location** – applied to reflect the different capital costs around the country, and
- **VA schools** – which receive increased allocations because they don't have access to the VAT refund scheme.

For SCA funding, fully weighted pupils for each school are calculated as: $\text{pupil numbers} \times \text{phase weight} \times \text{modernisation factor} \times \text{location factor} \times \text{VA factor}$.

How much SCA funding will I receive?

SCA funding is split into three separate pools.

1. **Core SCA condition funding**¹ is based on the assumption that condition need correlates well with pupil numbers, which are also a good indication of the size of the MAT estate. This funding is given directly to eligible MATs and chains in four equal instalments from May to August.
2. **High condition-need funding** is additional funding available to those with disproportionately high condition need, as identified in the 2012–14 Property Data Survey.
3. **Floor protection funding**, which was applied in 2015/16 to make sure no responsible body received less than 80 per cent of the funding it received in the 2014/15 maintenance allocations. This amount is fixed.

Risks and benefits of moving to SCA funding

The major benefit of SCA funding for a MAT is that it will receive regular annual funding that it can spend as it sees fit across its estate.

Financially, this provides stability and gives the trust the flexibility to prioritise those areas of its estate that are in most need. In contrast to CIF, where funds are granted for specific projects within single academies, SCA funds are pooled, and it is the responsibility of the governing body to allocate the funds to meet its condition and expansion needs.

The main risk is that the MAT becomes more directly accountable for the condition of its estate. Whilst there is no specific project funding agreement as there is for CIF, the MAT must still demonstrate to the Education and Skills Funding Agency (ESFA) each year how it has spent the money.

"School Condition Allocation funding provides a regular guaranteed income for condition improvement at MAT level."



CORE REQUIREMENTS

1. STRATEGIC PLANNING

To prioritise the allocation of annual SCA funds, it is important to have a three- to five-year strategic estate plan that maps out the order and detail of the condition, refurbishment and expansion work that needs to be carried out.

2. CONDITION ASSESSMENT

Having a complete picture of the physical condition of your estate will help you understand the current state of the building fabric. It will identify any areas of non-compliance and remedial works required and provide evidence to support funding applications.

Carried out by qualified chartered building surveyors, a condition survey is a technical assessment that provides objective information about the physical, mechanical and electrical condition of the estate buildings.

3. DUE DILIGENCE

Whilst taking on a new academy might make educational sense, without the necessary due diligence, it could lead to a MAT taking on unplanned and unforeseen liabilities without the required condition funding to put it right.

Due diligence surveys are a necessary prerequisite to ensure there are no underlying health and safety issues, but, on a positive note, identifying condition inadequacies could open additional funding opportunities from central government, such as via the DfE's Strategic and Complex Projects Team.

4. PROJECT MANAGEMENT

Obtaining the best value from your capital projects is an important skill set to preserve funds whilst maximising improvements.

Whether an upgrade to a toilet block or building a new modular classroom block, you will need to engage with third parties to carry out the work, from design and planning to gathering initial estimates, batch tendering, contractor selection and on-site construction. ■



¹ The SCA funding methodology for financial year 2020/21 was updated by the ESFA in April 2020. For information, visit https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/879328/Condition_funding_methodology_2020-21.pdf

Surveyors to Education (S2e; www.s2e.org.uk) specialises in academy surveying, funding and estate planning. However, there are similar providers, so please research the market thoroughly before committing to any changes.

