



Education
Funding
Agency

Academies Capital Maintenance Fund 2014 to 2015

Information for multi-academy trusts

November 2013

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1.0 Background

In 2012 to 2013, we invited four of the largest multi-academy trusts (MATs) to participate in a pilot scheme whereby the overarching trust received an allocation of Academies Capital Maintenance Fund (ACMF) capital funding, rather than requiring them to submit individual applications. In 2013 to 2014 we extended the pilot to include 10 trusts covering 272 academies, each of which was responsible for at least 10 academies each. All ACMF allocations cover the financial year.

2.0 Review of the MAT pilot 2013 to 2014

In July and August 2013, EFA officials met with senior representatives of all 10 MATs participating in the 2013 to 14 pilot. In September 2013, we distributed a survey to collect further feedback on how they were managing their ACMF allocation. Nine out of the 10 MATs indicated that the block ACMF allocation model is working well for them. We also held discussions with five MATs not taking part in the pilot.

The most common benefits identified by the participating MATs are:

- The guarantee of funding is a major attraction. It allows trusts to plan and budget more effectively, and the allocation can be more easily consolidated into their accounts and reporting systems.
- Affirmation of their independence and self-reliance, with priorities identified and decisions made by trusts rather than EFA.
- Flexibility in how the funding is deployed (within the terms of the ACMF funding agreement) – though one or two remarked that timescales were too tight in their first year to make the most of flexibility.
- Resource savings can be clearly identified, though not easily quantified. Most trusts have more work to do to identify procurement efficiencies (see below), but other savings are already being made: through sharing of expertise in property management and maintenance; and through less time and money wasted on preparing and submitting unsuccessful ACMF applications.

Most MATs are prepared to accept the potential risk of an overall decrease in ACMF funding (compared with what might be secured through successful bids). They believe that this risk is mitigated through the advantages of block funding listed here.

A more detailed report on the review of the ACMF MAT pilot is available on request.

3.0 Arrangements for 2014 to 2015

MATs with 10 or more academies will be offered a block allocation of ACMF funding for the 2014 to 2015 financial year. We will count the number of academies in a trust as of 1 December 2013. Those academies covered by a Master Funding Agreement with the trust will be included, as well as those schools with an academy order

signed by 1 December 2013 that will also be covered by the Master Funding Agreement.

In the interests of fairness and consistency, we cannot carry out the analysis and calculations required until the overall capital maintenance allocations (covering all schools and academies) have been confirmed and announced in December. We expect to be able to disseminate indicative MAT allocations by 20 December 2013.

The methodology for calculating 2014 to 2015 allocations for MATs will be broadly the same as for 2013 to 2014. In determining the formulaic allocation for each trust, a notional allocation for each academy in the trust will be calculated based on pupil numbers multiplied by a per pupil rate, and then weighted depending on the scale of recent capital investment on the site. This is consistent with the wider calculation used to determine the funding for local authority capital funding for their maintained schools, LCVAP allocation for VA schools, and the overall academies' share of capital maintenance funds. Note that this methodology is likely to change from 2015 to 2016.

In November 2013 we will send a provisional list of open academies, and those with an academy order, to trusts with 10 or more of these academies. We will ask the trust to confirm the accuracy of the list, which we will update and use to calculate indicative ACMF allocations.

We appreciate that trusts may not be able to decide whether to opt out of a fixed ACMF allocation until they have received an indicative figure. However, MATs can make good use of the intervening period by:

- Reviewing or developing your strategy for property maintenance and expansions
- Identifying and costing the priority projects within their trust
- Start or continue to collect and record detailed condition information on their academies
- Consider how they can reduce costs and improve procurement efficiency through bulk purchasing and other methods
- Work with other trusts where there are benefits to be gained from collaboration and pooling of resources
- Where not already in place, develop the administrative, management and training mechanisms that will be required to handle an ACMF allocation

We will publish an ACMF handbook for MATs which will contain further guidance and sources of information to support the effective use of ACMF allocations to MATs. This should be available early in 2014.

MATs that qualify for an ACMF allocation but would prefer for their academies to bid for funding in 2014 to 2015, must let us know by 17 January 2014, with reasons for

their decision. These trusts will have until 31 January for them or their academies to submit separate ACMF applications.

Trusts who believe that they qualify for an MAT ACMF allocation but have not received an indicative allocation by 21 December 2013, should contact us immediately.

4.0 MATs with fewer than 10 academies

In the coming months we will review the threshold figure of 10 or more academies qualifying for a formulaic ACMF allocation. This will be considered alongside the development of policy for capital and maintenance funding for academies for 2015 to 2016 onwards. In the meantime, we encourage smaller MATs to adopt a strategic approach to capital funding across the whole of their estate. All trusts can benefit from consideration of the activities suggested in the section above.

5.0 Use of funding

MATs that are issued with an ACMF allocation will be required to sign an ACMF funding agreement linked to their allocation. They will also have to report to EFA on their use of funds during and at the end of the financial year.

The allocation will be a capital grant and must be used exclusively for capital expenditure to purchase or improve assets owned by the trust or secured on a long lease. The trust can deploy these capital funds across its estate in accordance with its priorities, noting the key priorities for the ACMF – **tackling building condition issues and/or supporting popular and successful academies to expand.**

We expect trusts to have a suitable plan that demonstrates the strategic use of the allocated funds across their estate. Funding may be deployed alongside other financial sources – including reserves, endowment funds, and external sources such as basic need funding from local authorities.

There is no expectation that trusts will be required to direct their funding according to the amounts identified per academy in the formula used for building up the ACMF allocation.

Trusts will need to follow HM Treasury guidelines in the procurement of goods and services, to secure best value for money. In particular, contracts of work, equipment, stores and services etc. awarded by the trust must be placed on a competitive basis, unless there are good reasons to the contrary. Tendering procedures must comply

with EU Procurement Directives and UK Procurement Regulations where applicable, and any additional guidance issued by the Department.

6.0 Timescales

Allocated funds should be spent by 31 March 2015. MATs that fail to spend the funding within agreed timescales may have their unused funding withdrawn to redeploy elsewhere.

Academies joining the trust after 1 December 2013 will be eligible to apply for subsequent rounds of ACMF in 2014 to 2015, subject to any specific criteria for the relevant round that the Department or its representatives may specify. The allocation made for a trust will not be increased later in the year.

We will pay the agreed allocation through three payments as follows: May 2014 (30%), September 2014 (50%) and December 2014 (20%). Payments are made so that funds are cleared and available for use by the chain by the 21st day of the month.

7.0 Key dates

Action	Date
Provisional list of academies sent to qualifying MATs	By Friday 22 November 2013
Indicative MAT ACMF 2014 to 2015 allocations sent to qualifying MATs	Mid-December 2013
Deadline for queries and allocation opt-out	Friday 17 January 2014
MAT ACMF 2014 to 2015 allocations and Funding Agreements sent out	March 2014