

Diocese of St Edmundsbury & Ipswich  
Funding of Church of England Voluntary Aided School Premises

## Overview

1. Governing Body liable for capital costs (except playing fields) and Local Authority liable for revenue costs (and playing field capital costs). In the case of capital works, the Governing Body will be the client/employer (with responsibility for the associated statutory construction works responsibilities such as control of asbestos, health and safety, fire safety etc.).
2. Governing Body capital sourced via grant funding from DfE (via Education & Skills Funding Agency), which is distributed on a Diocesan area basis, through Diocesan Buildings Officers.
3. Two types of grant capital available to every school- SCA (School Condition Allocation) & DFC (Devolved Formula Capital). Actual grants are at 90% level, with the Governing Body liable for the remaining 10% contribution (usually sourced from its delegated budget). This 10% contribution is required by the DfE in recognition for additional control that VA Governing Bodies have over their sites, including employment of staff.
4. There is a '*de minimis*' lower threshold of £2,000, below which a project cannot be considered as capital.

## SCA

1. SCA is distributed by ESFA on a Diocesan area basis across the country. Our Diocese is grouped with the Diocese of Norwich.
2. The two Dioceses work together to agree the division of grant, based on methodology published by the ESFA. Principally this is based on census data and CDC condition data.
3. All VA schools are encouraged to bid for funding towards high priority capital projects, and guidance on prioritisation of funding is issued by the Diocese. A pre-requisite to bidding is that schools must have developed an Asset Management Plan (see VA schools section of Diocesan website). On receipt of the bids, these are prioritised by the Diocese and funding is provisionally allocated to individual projects at individual schools.

4. The Diocesan Buildings Officer asks schools to proceed with design and procurement (normally the GB must appoint a professional consultant for this) and reports the result of the procurement to the Diocese for its approval to proceed with the works.
5. Following approval, contracts are let and work completed, with invoices paid by the Diocese on behalf of the schools. On completion, 90% grant monies are claimed by the Diocese from ESFA, and the Diocese invoices the school for its legally-required 10% contribution.
6. VAT is usually payable on all capital projects- see separate VAT guidance.
7. Projects must be completed and invoices paid within the timescales agreed when approval to proceed is given by the Diocese.

#### DFC

1. An annual DFC allocation for each school is calculated using an ESFA formula, based on amount per pupil (from census data) and a lump sum per school.
2. Each allocation must be spent within three years, or it is lost.
3. All but two CEVA schools ask the Diocese to hold DFC funds on account on their behalf. Capital projects are ordered by the school and invoices paid by the Diocese using the 90% grant held on account, with the school providing its 10% contribution when costs are complete. By placing the DFC funds on deposit for schools, interest is earned and available to schools to spend.
4. The school is free to choose how its DFC is spent, within the ESFA rules (*de minimis* etc.).
5. An annual 'Assurance Return' is sent to ESFA each year by the Diocese, to confirm how much DFC has been spent and carried forwards. The ESFA may choose to audit a small number of schools.

Author: D Jones, Diocesan Buildings Officer, St Edmundsbury & Ipswich Church of England Diocese, Updated 08/08/2023

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