Capital Allocation Policy

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1. Aims

1.1. This policy sets out the Trust's approach to planning, prioritising, funding and delivering capital investment across all Nexus MAT academies. It defines what the Trust funds, how competing proposals are assessed, and the governance through which capital is allocated and projects are delivered.

1.2. Nexus MAT is a Responsible Body under the regulatory framework for school estate management. The Trust is accountable for how well its estate is managed over the long term. This policy, alongside the documents above, creates a structure for the Trust's strategic, data-led approach to capital and asset management.

2. Vision and Strategic Context

2.1. The Trust's estate must support and enhance the educational experience of every pupil by providing safe, sustainable, accessible and fit-for-purpose facilities. This aligns with the Trust's educational vision of "Learning together to be the best we can be," ensuring every academy has the infrastructure to foster excellence and community engagement.

2.2. Every capital investment must demonstrate a clear line of sight to the Trust's strategic objectives as set out in the five-year Strategic Plan and annual business plan. Decisions are evidence-based, informed by condition data and planned proactively rather than reactively.

2.3. Capital and estate activity is organised around three strategic pillars:

2.3.1. **Estate Management**: rigorous, data-led management of the physical estate. Regular condition surveys and health and safety audits inform the capital plan. Estate data is held and maintained centrally through the digital asset management system.

2.3.2. **Sustainability**: a firm commitment to net zero and climate resilience. Decarbonisation, fossil fuel replacement and adaptation to climate risk are embedded capital planning priorities, not discretionary additions.

2.3.3. **Civic and Community**: the Trust's estate serves its communities. Investment decisions reflect wider social value, including SEND provision, accessibility and community use.

2.4. The Trust's Infrastructure Strategy sets the medium-term strategic priorities. Each academy has an asset management plan that translates Trust priorities into school-level actions. The Trust capital plan consolidates these into a single, Board-approved programme of delivery. The Trust maintains a quantified maintenance backlog broken down by risk and timescale, reviewed annually.

3. Sources of Capital Funding

3.1. The Trust receives annual capital funding through Devolved Formula Capital (DFC) and School Condition Allocation (SCA) grants, and holds capital reserves managed in line with the Trust's financial policies.

3.2. Additional funding streams are pursued where appropriate. All such funding is managed in line with this policy. Where specific grant conditions require a different approach, those conditions take precedence.

3.3. This policy applies to all capital projects regardless of value.

4. Prioritisation of Capital Funding

4.1. Capital proposals are assessed against a consistent priority framework. The framework reflects the Trust's primary duty to maintain safe, compliant and operational buildings before pursuing improvement or enhancement. The determining test is the consequence of deferral: where delay creates material risk to the safe operation of a school, the project takes precedence. This framework applies across all academies and is the basis on which competing proposals are ranked and justified.

4.2. Projects within the approved capital plan are managed through the plan's governance. Proposals outside the plan must demonstrate strategic alignment before being considered.

Priority	Condition / Scope	Key Inclusions
Critical / Highest	Legislation compliance, health and safety, and low-carbon heating replacement where there is a risk of school closure	Building safety (dangerous structures, Laingspan, Intergrid, RAAC); asbestos removal; gas, electrical, water and drainage safety; fire safety; ventilation and air quality where closure is at risk; security and safeguarding where a material risk exists; accessibility improvements required by statute under the Equality Act 2010

Priority	Condition / Scope	Key Inclusions
High	Life-expired condition replacement where there is a risk of complete or partial school closure	Structural integrity and weather tightness; mechanical and electrical systems (additional priority where schemes support net zero transition); utility capacity and connections; sufficiency projects with secured external funding requiring a Trust contribution; projects directly aligned to published Trust strategic objectives where no alternative funding exists
Medium	Life-expired condition replacement without immediate closure risk	Building fabric internal and external; structural defects; mechanical and electrical systems (fossil fuel to zero carbon replacement prioritised within this level where life-expired condition is evidenced)
Low	Functional areas of the school below current standards	Whole block refurbishment; basic teaching area upgrades; large social spaces; kitchen, changing, toilet and storage refurbishments; plant, learning environments (i.e outdoor space, sensory room)
Lowest	Other works subject to a clear condition and value for money case	Accessibility and inclusion improvements not required by statute; building fabric and mechanical or electrical systems in non-teaching areas

4.3. Every proposal, regardless of priority level, must demonstrate sound project management practice: evidence-based costings with a minimum 10% contingency within the approved project budget, a credible delivery plan, proportionate risk assessment and a clear quality outcome. At portfolio level, the Trust applies a 20% planning uplift to estimated capital liabilities to reflect the gap between survey estimates and outturn costs; this informs capital plan forecasting and backlog reporting to the Trust Board.

5. Capital Project Management

5.1. All capital projects are governed through a structured lifecycle from proposal to closure, set out in full in Appendix 1. The following principles apply to every project without exception.

5.2. Governance and approval follow the delegation framework set out in this policy, the Scheme of Delegation and the Delegated Financial Powers Policy. The Trust Board approves the capital plan annually and all projects above CEO delegation. The CEO approves projects within delegation, authorises any variation where a project is forecast over budget or at material risk on programme, and signs off final completion after practical completion is agreed by the project lead. The Executive Director for Business Transformation holds strategic oversight, accountable to the CEO. School teams are key stakeholders throughout delivery and provide school-level sign-off at practical completion; they hold no capital approval authority.

5.3. CDM 2015 client duties apply to all construction projects and are non-negotiable. These are set out in full in the Health and Safety Policy and summarised in Appendix 1. No works commence until all pre-start requirements have been confirmed in writing.

5.4. All contractors are engaged through the Trust's vetting process. Only pre-approved contractors are invited to quote or tender. All procurement complies with the Procurement Policy regardless of project value.

5.5. No change to an approved project's scope, cost or programme is instructed without following the variation approval process in Appendix 1. Variations that put a project over budget or at material risk on programme are referred to the CEO before instruction.

5.6. No project is concluded without formal closeout. Practical completion sign-off and release of final payment require: a practical completion certificate; Building Regulations completion (signed off by principal contractor, principal designer and the Nexus MAT Assets & H&S Lead on behalf of the Client); O&M manuals and as-built drawings received; Health and Safety file lodged with the Trust; asset register and iAM updated; defects liability period confirmed and actively managed; and lessons learned completed and shared centrally.

5.7. Project performance is reported monthly to the Executive Director with portfolio responsibility for capital, at each Executive Management Team meeting to the CEO, and termly to the Trust Board Finance and Infrastructure Committee. The capital plan is reviewed and reconfirmed by the Trust Board annually.

6. The Process for Accessing Capital Funding

6.1. Capital need is identified through structured evidence: condition surveys, compliance inspections, statutory testing data, health & safety reports, learning environment plans, energy performance assessments and asset management intelligence.

6.2. Projects within the approved capital plan are progressed through the plan's own governance. All other proposals are submitted to the Transformation Board using the proforma at Appendix 2. The central projects team is available to advise at any stage and early engagement is encouraged. Where a proposal aligns with medium-term planning it may be approved as part of a future programme rather than immediately, reflecting a planned and sustainable approach to investment.

Appendix 1: Capital Delivery Framework

This appendix sets out the operational detail that supports the policy principles in Section 5 of this policy. It is owned by the central projects team and may be updated as practice evolves without formal policy amendment. It should be read alongside the Trust's stage-gate checklists, process maps and standard operating procedures held in the NMAT Capital Projects Microsoft Teams environment.

Project Lifecycle: Board to Delivery

Stage	Owner	Actions and Key Requirements
Proposal Submitted	Executive Project Sponsor	Outline case submitted to Transformation Board using Appendix 1 proforma. Capital need evidenced from condition data, estate evidence or compliance intelligence. CDM notification status assessed. Budget envelope and funding source confirmed.
Board Approval	Transformation Board / CEO / Trust Board	Decision made and minute recorded. Approval at appropriate delegation level per the Delegated Financial Powers Policy. Projects above CEO threshold referred to Trust Board. Strategic alignment and affordability confirmed.
Project Initiation	Project Lead	MS Teams and SharePoint project structure built. Task list and project tracker created. RAIDD log opened. Project team established. Procurement route confirmed and Procurement team engaged. Principal Designer and (Building Regulations) Principal Designer appointed in writing where required. Options appraised including do-nothing. RPA and insurance implications assessed.
Design Development	Project Lead /Assets and H&S Lead/ Construction Partner	Design developed through RIBA stages proportionate to project scale and complexity (RIBA 0: Strategic Definition through to RIBA 4: Technical Design). Pre-construction information gathered and issued. Cost plan confirmed within approved budget. Planning and statutory consents confirmed. Design sign-off required before proceeding to procurement. CEO to approve any decisions of proceeding a project where a risk has been identified.
Pre-Construction	Project Lead / Assets and H&S Lead	Principal Contractor appointed in writing. Formal JCT contract issued. Pre-start documentation completed and approved. Construction Phase Plan reviewed and accepted. RAMS reviewed. Permit-to-work system confirmed. F10 notification submitted where required. Pre-start meeting held with full project team and school attendance. HARD STOP: no works commence

		without written sign-off confirming all pre-start conditions met.
Delivery	Project Team	Works delivered under oversight of Assets and H&S Lead and Project Lead. H&S Officer conducts regular site inspections. School team coordinates site access and manages operational continuity. Any change in scope, cost or programme reported immediately and escalated as required. Variations managed per the variation approval process.
Monitoring	Project Lead	Weekly updates to project tracker via Microsoft Lists. RAIDD log updated and submitted to Executive Project Sponsor at agreed intervals. Financial statement maintained showing actual spend, committed costs, forecast final cost and variance against approved budget. Any forecast overspend or programme risk escalated immediately.
Executive Oversight	Executive Project Sponsor	Live dashboard used for programme status review. RAIDD log and cost reports reviewed. Risks requiring escalation referred to CEO. Capital plan progress summary provided to CEO at each EMT meeting. Termly capital plan summary reported to Trust Board Finance and Infrastructure Committee.
Closure	Project Lead / Assets and H&S Lead/ CEO	Practical completion certificate received. Building Regulations completion confirmed. O&M manuals and as-built drawings received and stored. H&S file lodged with the Trust. Asset register and iAM updated. Defects liability period confirmed and actively managed. Sign off approved by the Competent Person (Assets and H&S Lead). School team sign-off obtained. Final account agreed. Final sign-off by CEO or delegated authority.
Project Review Period	Project Lead/Assets and H&S Lead	Initiate project marketing. Obtain customer feedback. Lessons learned review completed. Post Project support during defect period. 12 months review meeting. Decision/release of final retention payment.

RIBA (Royal Institute of British Architects) Plan of Work: Stage Mapping

Design is developed in accordance with the RIBA Plan of Work. The stage reached on any project is proportionate to its scale and complexity, for complex refurbishment or new build projects, full RIBA stage progression is expected.

Stage	RIBA Name	Key Output	Trust Lifecycle Stage
0	Strategic Definition	Business case and strategic need confirmed	Proposal Submitted / Board Approval
1	Preparation and Briefing	Project brief, site appraisal, pre-construction information gathered	Project Initiation
2	Concept Design	Outline design, cost plan and programme developed	Design Development
3	Spatial Coordination	Coordinated design, planning application submitted	Design Development
4	Technical Design	Fully detailed design, tender documentation prepared	Pre-Construction
5	Manufacturing and Construction	Works on site, quality assured against specification	Delivery
6	Handover	Practical completion, H&S file, O&M manuals, Building Regs sign-off	Closure
7	Use	Defects liability period, lessons learned, asset in use	Closure / Post-Occupancy

Project Controls and Record Keeping

All capital project records are maintained within the NMAT Capital Projects Microsoft environment, structured consistently across all projects. Document Management holds designs, contracts, reports and compliance documentation. The Project Tracker records actions, milestones and required assurances. A live Dashboard provides programme-level status for executive oversight.

Each active project maintains a RAIDD Log (Risks, Assumptions, Issues, Dependencies, Decisions). This is for project monitoring and escalation. It captures items that could affect cost, programme, scope, compliance or reputation; require Trust-level decision-making or acceptance of risk; depend on action by multiple stakeholders; or would represent a significant concern if identified retrospectively. The RAIDD log is not intended to track routine day-to-day activities or duplicate contractor programmes. It is reviewed by the Executive Project Sponsor at each reporting interval and material items are escalated to the CEO. The project tracker will be retained and archived following project completion.

Variation Approval

No change to an approved project scope, cost or programme is instructed without following the variation approval process. All variations are assessed for cost, programme, health and safety and scope impact before approval. The Project Lead manages variations within the approved budget including contingency, notifying the Executive Project Sponsor immediately. The Executive Project Sponsor refers to the CEO for approval any variation where the project is forecast to exceed its approved budget or is at material risk on programme, regardless of size. Any variation involving a material change to scope or health and safety arrangements requires CEO approval before instruction. Where cumulative variations exceed delegation thresholds, the CEO refers the project to the Board before further expenditure is committed. All approved variations are documented in the RAIDD log and reflected in the project tracker.

Contractor Vetting and Approved List

Only contractors on the Trust's pre-approved/vetted list are invited to quote or tender for capital works. Vetting is a condition of engagement and must be completed before any contractor works on a Trust site. At minimum, all contractors must demonstrate: valid employers and public liability insurance; relevant trade accreditation and technical competence; current DBS clearance for all personnel on or near school sites; a current health and safety policy; and satisfactory financial standing with no disqualifying regulatory or legal history. Vetting is refreshed at least every three years and immediately on any material change in a contractor's circumstances. Use of the approved list does not remove the requirement to follow proper procurement processes.

CDM 2015: Key Client Obligations

The Trust's full CDM 2015 client duties are set out in the Health and Safety Policy. Key obligations at project level are: appoint a Principal Designer, Building Regulations Principal Designer and Principal Contractor in writing for all projects involving more than one contractor, before design or construction begins; ensure a Construction Phase Plan is prepared and accepted before works commence; submit an F10 notification to the HSE for notifiable projects (exceeding 30 working days with more than 20 workers simultaneously, or 500 person-days); and receive the Health and Safety file from the Principal Designer at completion as a condition of sign-off. CDM notification status is assessed at project initiation and confirmed in writing before any procurement or appointment is made.

Appendix 2: Capital Funding Proposal

All capital proposals outside the approved capital plan are submitted to the Transformation Board using this proforma. The central projects team is available to advise before submission.

Section 1: Project Details

No.	Field	Detail
1	Name of Project	
2	Academy	
3	Estimated Cost (inc. 10% contingency)	
4	Source of Funding	
5	Date of Paper	
6	Target Completion Date	
7	Priority Level	Critical / High / Medium / Low / Lowest
8	Project Manager	
9	Project Sponsor	

Section 2: Supporting Information

1	**Intent** *What is the project and why is it needed? Include or attach the condition evidence or data that identifies the need.*
2	**Strategic Alignment** *Alignment with Nexus MAT Strategic Objectives (Increasing quality of provision; Partnerships to better meet need; Financially Viable, Sustainable and Ethically-Driven) and Transformation Principles (High Quality, Cost Effective, Timely, Sustainable, Integrated, Compliant).*

3	**Costs** *Estimates, funding source, contributions from elsewhere, contingency basis.*
4	**Implementation** *Delivery approach, resource requirements, anticipated programme.*
5	**Options Considered** *Alternatives considered including do-nothing, with headline assessment of each.*
6	**Any Other Information** *Including legal, planning, CDM notification status, financial, HR, communications or accessibility implications.*