



Department  
for Education

# Further Education Capital Transformation Fund

**Guidance for applicants for stage 2**

**July 2021**

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# 1. Introduction

## 1.1. Purpose of document

This guidance is for further education (FE) colleges and designated institutions that have been successful at stage 1 of the FE Capital Transformation Fund (FECTF) and invited to apply for stage 2. These FE colleges and designated institutions, referred to hereafter collectively as FE colleges for the purposes of this guidance, should carefully consider this guidance when applying for stage 2.

This guidance sets out the process and assessment criteria against which bid applications will be assessed at stage 2.

## 1.2. Overview of programme

The Further Education Capital Transformation Programme delivers the government's £1.5 billion commitment to upgrade and transform the FE college estate over the next 5 years. Of this £1.5 billion, £200 million was allocated to FE colleges as the Further Education Capital Allocation in 2020. On 8 April, it was announced that DfE is working in partnership with sixteen colleges to address some of the worst condition sites. The FECTF is the third part of this programme.

The programme has the following key objectives:

- to upgrade the FE college estate and to significantly reduce the proportion of FE college estate not fit for purpose or in unsatisfactory condition, ensuring all colleges are excellent places to learn;
- to support the government's further education and technical education reforms, including those set out in *Skills for Jobs: Lifelong Learning for Opportunity and Growth*;
- to ensure FE colleges have the buildings and facilities they need to support the skills needs of their local labour market, building strong relationships with local employers;
- to contribute to local economic regeneration and the levelling up of skills and opportunities across the country;
- to promote optimum space utilisation and more efficient use of facilities; and
- to support government objectives on environmental sustainability.

### **1.3. Overview of bidding round**

The primary purpose of stage 1 was to assess that the projects put forward by applicants addressed significant condition improvement need and contributed to the delivery of the programme's objectives.

For those bid applications invited to apply, the stage 2 criteria build on the criteria at stage 1. Bid applications submitted at stage 2 will be scored against the relevant assessment criteria and ranked accordingly. The department expects to approve the highest scoring bid applications that are affordable within the funding envelope for this bidding round .

## 2. Bidding Process

### 2.1. Submission of application

All applications for stage 2 need to be submitted by 23:59 on 8 October 2021.

### 2.2. FECTF bidding process

The bidding process consists of two stages and this guidance sets out the process and criteria for stage 2. Stage 1 has concluded, and those projects approved at stage 1 are invited to submit a full detailed bid application at stage 2. FE colleges can only apply to stage 2 if they have been informed by the department that they may apply. Each approved project will receive a unique reference number on the stage 1 feedback letter they receive from the department. FE colleges may only apply for the specific projects approved at stage 1 for progression into stage 2.

All other bid applications will be deemed ineligible and will not be accepted at stage 2.

Qualification and invitation to submit a bid application at stage 2 is no indication or guarantee of stage 2 approval, nor of the award of FECTF funding. Decisions on fund awards for all bid applications will only be made following completion of the stage 2 assessment process, as set out at section 1.3.

Applicants should carefully consider the following in developing projects to be submitted in the stage 2 application:

- For all projects submitted at stage 2, FECT funding will be restricted to £20 million for any single project or any single site (including non-recoverable VAT see section 4.2). This is to ensure that as many institutions and sites across the country as possible are able to benefit from FECT funding.
- All project costs must have a greater degree of accuracy and detail, than stage 1 costs, in line with the developed stage 2 project application. There should not be an increase in the FECT funding requested in the stage 1 application and any such increase would only be accepted in exceptional circumstances where fully evidenced.
- All projects are expected to make a 10% efficiency saving from the initial stage 1 FECT funding request (including non-recoverable VAT), through exploring all opportunities to find cost efficiencies and savings. Where this cannot be fully achieved then this should be justified as set out in section 6.6.5. It should be noted that where a college has already had FECT funding

restricted to £20m then the total FECT funding is expected to be reduced by whichever is greater: the £20m limit or the 10% efficiency saving.

There must not be any substantive changes from the stage 1 application, to the project in terms of the blocks to be addressed by the project. The exception is where changes have been instructed by the department in the stage 1 outcomes letter or where required due to the restriction to £20 million for FECT funding or the 10% efficiency saving. The department reserves the right to reject applications where there are substantive differences to the blocks addressed from those at stage 1 without strong justification.

All bid applications to stage 2 are without prejudice to the assessment made at stage 1. The detailed appraisal and scoring of bid applications takes place at stage 2.

Applicants will be required to submit the stage 2 bid application via an online application portal. Details of the application portal and how applicants can register for this are set out in section 8.

## 3. Eligible Projects

### 3.1. Eligible institutions

Applicants at stage 2 should confirm they remain an eligible institution. The FECTF is only open to bid applications from:

- institutions established as a further education corporation under section 17(1) of the Further and Higher Education Act 1992 (FHEA 1992) as amended (FE corporations); and
- designated institutions for further education established under section 28 of FHEA 1992.

The fund is not open to sixth form college corporations (as established under FHEA 1992), schools, academies, higher education providers or any other provider of further education or training, not constituted as an FE corporation or designated institution under FHEA 1992.

Where an FE corporation delivers provision through a site that is branded as a sixth form college or centre,<sup>1</sup> then that site is able to benefit from the FECTF.

### 3.2. Eligible projects

Bid applications must be made at an FE corporation level and in the case of designated institutions, through the charitable trust or charitable company. Where this guidance refers to a FE corporation, it should be read as including charitable trusts and charitable companies.

There should be one bid application submitted by the FE corporation for each distinct project. All projects will be given a unique reference number and a separate bid application is required for each distinct project. As with stage 1, projects should be focussed on one site. However, where there are consequential changes to another site, as a result of the proposed project, information relating to these changes should be included in the same bid application.

FE corporations must ensure that they align bid applications to their strategic estate plans and have sufficient management capacity to deliver all projects applied for, including any projects to be funded by other means.

Where any FE corporations have merged since their stage 1 application, all stage 2 applications should be made under the new merged FE corporation and estate

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<sup>1</sup> It may have previously been a sixth form college conducted by a sixth form college corporation.

structure. Applicants should confirm when the merger took place on the stage 2 application.

Projects will only be eligible to be funded through the FECTF if they continue to meet the following eligibility conditions set out below, which must be confirmed in the stage 2 bid application. Applicants will also be assessed, as part of the evaluation of the options analysis, on whether projects meet eligibility criteria (e), (f) and (g) below.

- a. Capital projects that address the condition improvement need of building elements<sup>2</sup> in the estate as identified by the Further Education Condition Data Collection (FECD), or as evidenced by a more recent independent condition report which complies with the criteria for a survey set out at section 6.2.
- b. Capital investment should be made in an asset owned by the FE corporation in freehold or on a long lease. The department normally expects capital investment in FE colleges to be on the basis that FE corporations' own buildings by freehold or on a long-term lease (125+ years) at a peppercorn or nominal rental. It is highly unlikely that the tenure arrangements in commercial leases subject to annual rental payments will satisfy our value for money requirements. In exceptional circumstances, the department may consider alternative tenure arrangements, but only where there is strong justification that is the best value for money option available to the FE college. In such cases, the department will consider a range of factors including overall life expectancy of the works, the scope and total value of the works, the likelihood that the premises will remain in education use, and the amount of funding requested.
- c. Where freehold or leasehold acquisition is required, the department will only provide funding in exceptional circumstances and will need to be satisfied that the agreed terms represent open market value and secure strong protections for its investment.
- d. In addition to the [Post-16 Capacity Fund](#) (now closed for applications), there is a limited opportunity for project proposals with an element of expansion to be put forward through the FECTF. The FECTF can only support such project proposals where the FE college is graded as outstanding, and the use of existing space has first been fully considered. The project proposals should primarily address condition improvement need as well as some increase in the gross internal floor area (see section 6.1.4).
- e. Projects may include new-build replacement, refurbishment or remodelling of existing spaces where this delivers a value for money solution. This was not tested fully at stage 1. At stage 2, applicants will be expected to demonstrate

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<sup>2</sup> The FECD reports on the condition of individual construction elements within the FE college and assigns a condition category to each individual construction type. See section 6.2

how this project is the best value for money option and evidence this through the options analysis and estates strategy (see section 6.1.1).

- f. IT infrastructure<sup>3</sup> may only be funded where identified as requiring remedial action in the FECDC or detailed condition survey. The exception to this would be where this needs to be provided as part of a new-build replacement or extension to an existing building or provides value for money as part of the overall condition improvement project. At stage 2, applicants will be expected to demonstrate how this project is the best value for money option and evidence this through the options analysis. See section 6.1.1.
- g. Where funding is requested for demolition, the demolition must be of blocks that are in poor condition and, are either being replaced or are surplus to requirements. Demolition of buildings to prepare land for sale must be funded by the FE college. At stage 2, applicants will be expected to demonstrate how this project is the best value for money option and evidence this through the options analysis and estates strategy. See section 6.1.1.

### 3.3. Ineligible projects

Applicants must confirm in the stage 2 bid application that projects do not fall within the ineligible project criteria below that was set out at stage 1. All projects will be scrutinised for their eligibility against the criteria set out in section 3.2 and where projects do not meet these criteria, they may be deemed to be ineligible even if not specifically falling under the list below.

- a. Making changes to the estate where the primary objective is not to address poor condition.
- b. The FECTF will not fund the purchase of land, except in exceptional circumstances where there is a strong value for money justification.
- c. Improvement of facilities not demonstrably intended for the provision of further and technical education, for example large atria, accommodation of non-FE college activities, and commercial activities not related to FE provision (e.g. where FE college estate is being let to tenants). The primary purpose of the estate to be improved should be delivery of further education and technical education.
- d. Other items of miscellaneous expenditure, including but not limited to the following:
  - routine planned or preventative maintenance works;
  - general upkeep and servicing of buildings and equipment;

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<sup>3</sup> IT infrastructure includes stripping out of existing and replacement of new cables, data outlets and trunking as necessary. Infrastructure is limited to passives (Cabling) Actives (Switching and Wi-Fi) and associated components. This does not include the replacement of servers or the provision of software and devices.

- revenue funded items e.g. software, laptops and other devices for staff or learners, annual software licences;
  - rent service charges;
  - internal staffing costs;
  - recoverable VAT costs incurred – FE colleges should only include VAT as part of project costs where this is demonstrably non-recoverable; and
  - supply of loose furniture and equipment.
- e. Condition need already being addressed from the Further Education Capital Allocation.
- f. Condition need already being addressed through other secured grant funding including from central and local government. Examples could include but are not restricted to: T Levels Capital, Post-16 Capacity Fund, Institutes of Technology, Towns Fund, Getting Building Fund and Local Growth Fund. Applicants should identify where other funding has already been applied for or where they intend to apply for other funding. Where applicants have applied for funding from other funds to support or complement the project proposals, this does not preclude them from applying for FECTF funding. Applicants should explain how the different sources of funding will complement each other and what happens if a bid application to another fund is not successful.
- g. Funding for condition need, already addressed by the FE college, cannot be awarded retrospectively.

### **3.4. Project completion**

Applicants must demonstrate in the stage 2 bid application that projects will be completed within the timeframe below, as set out in stage 1.

FE corporations are encouraged to plan their proposed capital projects to start as soon as feasibly possible. Projects should be scheduled to reach contract award stage no later than 30 December 2022. Projects should be scheduled to complete by December 2024. Where this is not the case the plans should be clear and realistic as to how the project can be completed within the funded period. Construction projects that span more than one financial year should set out the funding profile across each financial year.

## **3.5. Project value**

### **3.5.1. Minimum threshold**

Projects must remain above the minimum threshold for the fund as set out in stage 1. The FECTF is not aimed at meeting lower cost condition improvements. These should be met through the FE colleges' own funds or other grant funding receipts, including the Further Education Capital Allocation. The FECTF therefore has a minimum threshold of £500,000 per project (excluding recoverable VAT but including both FE college match funding and FECTF). Each distinct project must separately meet this minimum and where there is more than one distinct project proposal on a single site each distinct project must separately meet this minimum threshold. Where the 10% efficiency saving would reduce the total cost of the project below the minimum threshold, the minimum threshold should be considered a floor to those efficiency savings.

### **3.5.2. Maximum threshold**

The stage 1 guidance set out that the department reserved the right to scale down and approve funding requests in whole or part, having regard to value for money considerations and the availability of the FECTF. In order to ensure that FECT funding is equitably shared between FE corporations and across the country, FECT funding will be restricted to £20 million for any single project or any single site (including non-recoverable VAT).

Projects submitted at stage 2 that rely on FECT funding in excess of £20m will be deemed ineligible for stage 2.

## **3.6. Public Contract Regulations**

FE colleges should consider whether they are a contracting authority for the purposes of the Public Contract Regulations 2015 and should ensure they comply with these regulations where relevant.

## 4. Project Conditions

### 4.1. Match funding

FE colleges are responsible for their projects: the procurement, risk management and delivery. The FECTF contributes towards the funding of these projects but will not be responsible for additional project costs and compensation claims incurred by colleges during the procurement and construction of their projects.

The department will make a contribution of 50% of the agreed project value, subject to the department's maximum FECT contribution of £20 million, or of the element to which the department is being asked to contribute (where there are complementary streams of capital funding see section 6.6.7). Colleges are expected to make up the rest of the funding either from their own sources or from a contribution from third party sources, which are listed as eligible match funding below.

There is significant condition improvement need across the FE estate. The FECTF supports FE colleges in addressing that need by providing an equal contribution to the costs. It is recognised that not all FE colleges can afford to meet 50% of the project costs. If this is the case, FE colleges can still submit a bid application, but any match funding waiver will be conditional on the department's agreement. Applicants will need to include the relevant financial viability assurance information as set out in section 6.6.6 and will be asked for evidence in the bid application to show they have exhausted all avenues of securing additional funding. This should include, where appropriate, access to commercial borrowing, asset sales including identifying and disposing of surplus assets, and grant funding bid applications to other funding bodies.

On the basis of this information and following a standardised affordability assessment, using the financial viability assurance information, the FECTF award will be determined, taking into account the FE corporation's ability to meet the rest of the cost. The assessment's objective is to ensure that FE corporations fund what they can reasonably afford. The FE corporation should have made every effort to raise funding but should not be placed in a position where they are at risk of financial difficulties.

#### 4.1.1 Eligible sources of match funding

Eligible sources of match funding include:

- FE college's own reserves;
- corporate or other donations;

- commercial loans;
- buildings or land acquired for the project at market value;
- buildings or land donated by a third party subject to market value being supported by an independent valuation;
- grant funding provided by schemes outside of central government; and
- locally managed grant funding, including Towns Fund and funding available through Greater London Authority (GLA), mayoral combined authorities (MCAs) and Local Enterprise Partnerships (LEPs) and local authorities.

### **4.1.2 Ineligible sources of match funding**

Central government funding from other sources cannot be used as match funding. This includes, but is not limited to:

- Further Education Capital Allocation;
- FE Capital Transformation Fund
- Post-16 Capacity Funding;
- Skills Accelerator;
- T Levels Capital funding;
- Institutes of Technology capital funding; and
- capital funding grants from other central government departments (e.g. Levelling Up Fund) and including that from NDPBs.

## **4.2. VAT**

FE colleges are responsible for the procurement of projects and are thus liable for any VAT incurred. FE colleges should obtain appropriate advice on VAT liability. FE colleges may apply for non-recoverable VAT and include these in their project costs – it is expected VAT costs will not be recoverable. If non-recoverable VAT is applied for, then it should be separated and presented in the cost planning and the reason for it not being recoverable should be set out.

## **4.3. Conditions**

### **4.3.1 Procurement**

External professional fees are eligible for capital support where these costs are being demonstrably incurred in developing the capital project and delivering the capital works. Professional fees should be proportionate. Internal partner costs, including staff salaries, will not be eligible for capital funding support. It is expected that all external consultants will be appointed in accordance with the Public Contract

Regulations and/or any applicable guidance, and the applicant's own internal processes and requirements for achieving value for money.

Applicants are responsible for the procurement of their projects, which need to comply with public procurement regulations. However, the department encourages colleges to consider the procurement of capital projects through [DfE Construction Frameworks](#) and DfE's [Modern Methods of Construction \(MMC1\) framework](#)<sup>4</sup>

Both frameworks are used by the department and others to procure education rebuilding and refurbishment projects. There is no charge to use the frameworks, which have been procured to offer value for money and a number of other benefits to users.

### 4.3.2 Long term investment in assets and recovery of funding

The department will set out in each capital funding agreement, the length of time each funded asset needs to be used for further education purposes. This is known as the capital recovery period in the capital funding agreement and allows the department to recover its investment if the asset is not used for its intended purpose or is disposed of during this period without the department's consent. The capital recovery period will depend upon the use and scale of capital investment. It is possible therefore that a college may have a range of capital recovery periods within the same capital funding agreement. There are, however, some minimum standards for each type of project:

- **New Build:** where capital is used for new build projects, the recovery period would be at least 60 years. For up to 30 years after the date of the capital funding agreement, the investment should be used for further and technical education. From years 30 to 60, it is expected that the building could also be used for general education uses, if it cannot be used for further and technical education.
- **Refurbishment:** for major refurbishment, the department expects a lifespan equivalent to new builds. For lighter refurbishments, the expectation is that the capital recovery period would be in place over a 30 year period. Lighter refurbishment projects would need to be used for further and technical education for 30 years.

In the event that the department decides to recover funding and applicants can show that they have amortised/written down some or all the costs, it may not be necessary to claw back funding in full.

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<sup>4</sup> [Modern methods of construction \(MMC1\) - GOV.UK \(www.gov.uk\)](#)

The department reserves the right to protect the capital investment being made in educational provision, by obtaining a legal charge over specified land and buildings. Any such requirement would be discussed and agreed with the college as a condition of the capital funding agreement award.

The department also reserves the right to recover funds from applicants in the event there is evidence applicants have not used funding for the agreed purposes.

## 5. Overview of Assessment Criteria for Stage 2

This section of the guidance provides an outline of the questions which will need to be answered in the application portal and the information required for each qualification criterion at stage 2. Please note that the required templates will be available on the portal.

This section will need to be read in conjunction with the detailed guidance in sections 6 and 7. Please be aware that you will need to meet all the requirements for each criterion, which are set out in the relevant sub-sections of section 6.

Bid applications will be scored against the relevant assessment criteria and sub-criteria. Assessors will consider evidence provided against each criterion and award a score, which will range from null to good (see section 7). Where the response for each criterion does not meet a satisfactory level, the bid application may be rejected in whole or part by the department.

### 5.1. Required templates

The templates required for the bid application will be available via the application portal. Some templates contribute to more than one criterion.

Template	Relevance to criteria or sub-criteria	Section
<b>Estate Utilisation Template (EUT)</b> This template is designed to give an overview of estate space efficiency and how the project will address under-utilisation.	(III) Suitability of solution: Utilisation	6.1.3
	(V) Condition with some expansion	6.1.4
<b>Schedule of Accommodation (SoA) Template</b> This template is designed to be used for determining the space requirements of a project.	(X) Project planning and delivery: project design	6.5, A.1
<b>Guided Learning Hours Template (GLH)</b> This template is designed for applicants to evidence the current and planned guided learning hours that will inform completion of the	(III) Suitability of solution: Utilisation	6.1.3, 6.1.4
	(V) Condition with expansion	6.5, A.1

Estates Utilisation Template and Schedule of Accommodation Template	(X) Project planning and delivery: project design	
<b>Risk Register</b> This template supports applicants in identifying all project and delivery risks and how they will be sufficiently addressed	(X) Project planning and delivery: risk register (XI) Financial and value for money: cost certainty and reasonableness	6.5 6.6
<b>Cost Plan</b> This template supports applicants to set out their costs.	(XI) Financial and value for money: cost certainty and reasonableness	6.6.2
<b>Value for Money Analysis</b> This template will support applicants to undertake a quantitative analysis of the project options and will be assessed as part of the options analysis evidence.	(I) Suitability of solution: business case options analysis (XI) Financial and value for money: value for money	6.1.1 6.6.4
<b>FECD Condition Template</b> This template supports applicants to set out the condition need being addressed by the proposed project	(VII) Condition	6.2

## 5.2. Overview of criteria requirements

The table below sets out the evidence that must be included in the bid application, the relevant sub-section in section 6 and the relevant attachments and templates required. Unlike at stage 1, there is no bid application form (word document). It is for applicants to complete the relevant templates and attachments required or enter text directly into the application portal.

All additional documents and attachments must be clearly marked at the top of the page with the college's UKPRN and unique reference number.

## 5.3. Eligibility criteria

Applicants are required to reconfirm their eligibility.

Do you remain an eligible institution as at section 3.1?
Is your project eligible against the criteria at 3.2a to d and 3.3a to g?
Is your project eligible against the criteria at 3.2e to g where relevant as demonstrated in the business case options analysis?
Is the project capable of delivery within the programme framework set out in 3.4 ?
Does the project meet the minimum threshold set out in 3.5.1?
Does the project meet the maximum threshold set out in 3.5.2?

## 5.4. Assessment criteria

<b>(I) Suitability of solution: Business Case Options Analysis</b>
<b>Please refer to section <u>6.1.1</u></b>
<p>Please provide the following:</p> <ul style="list-style-type: none"> <li>• a business case (no more than 6 pages) justifying the preferred proposal through a capital investment options analysis as set out in section 6.1.1;</li> <li>• completed Value for Money Analysis Template; and</li> <li>• supported by a feasibility study, where relevant.</li> </ul>
<p><b>Required Templates:</b></p> <ul style="list-style-type: none"> <li>• Value for Money Analysis Template</li> </ul> <p><b>Required Attachments:</b></p> <ul style="list-style-type: none"> <li>• Business Case Options Analysis</li> <li>• Feasibility study, where relevant</li> </ul>
<b>(II) Suitability of solution: Estate Strategy</b>
<b>Please refer to section <u>6.1.2</u></b>
<p>Please attach an estate strategy summary (no more than 6 pages) that meets the requirements set out in section 6.1.2.</p>
<p><b>Required Templates:</b></p> <ul style="list-style-type: none"> <li>• None</li> </ul> <p><b>Required Attachment:</b></p> <ul style="list-style-type: none"> <li>• Summary of Estate Strategy</li> </ul>
<b>(III) Suitability of solution: Utilisation</b>

**Please refer to section 6.1.3**

Please demonstrate how your project addresses under-utilisation within the college estate by meeting the following requirements, relevant to the project, as set out in section 6.1.3:

- Where relevant, justify why your project falls within the exemption category of projects that are not required to complete the Estate Utilisation template.
- Attach the completed the Guided Learning Hours Template to evidence the current and planned guided learning hours that will inform completion of the Estates Utilisation Template (EUT GLH evidence section).
- Attach the completed GLH Analysis section of the Estate Utilisation Template demonstrating whether post project estate utilisation is within the upper guideline of 14.5 m<sup>2</sup> per Planned Average Attendance (PAA).
- If your post project GLH analysis calculation is over 14.5 m<sup>2</sup> per PAA, please attach the completed Workplace Analysis and Justification Case sections of the Estate Utilisation Template to explain why under-utilisation of the existing estate cannot be improved by the project.

**Required Templates:**

- Estates Utilisation Template
- Guided Learning Hours Template (EUT GLH evidence section)

**Required Attachments:**

- Text to be uploaded into portal

**(IV) Suitability of solution: Efficient Use of Space**

**Please refer to section 6.1.3**

How will the project deliver improved operational costs?

**Required Templates:**

- None

**Required Attachments:**

- Text to be uploaded into portal

**(V) Project proposals with some expansion** (only needs to be completed by applicants with projects with expansion under section 6.1.4)

**Please refer to section 6.1.4**

Please provide the information as set out at section 6.1.4. This should:

- confirm that the project is still primarily focussed on addressing condition need;

- confirm that it continues to meet the criteria at stage 1;
- evidence there is no alternative approach through redesigning or improved utilisation of the existing estate by attaching the completed Estate Utilisation Template; and
- attach the completed Guided Learning Hours Template to evidence the current and planned guided learning hours that will inform completion of the Estates Utilisation Template (EUT GLH evidence section).

**Required Templates:**

- Estates Utilisation Template
- Guided Learning Hours Template

**Required Attachments:**

- Text to be uploaded into portal

**(VI) Sustainability and Net Zero**

Applicants must evidence how their project will contribute to the Government’s sustainability and net zero carbon aims as set out in section 6.1.5.

**Please refer to section 6.1.5**

**Required Templates:**

- None

**Required Attachments:**

- Text to be uploaded into portal

**(VII) Evidence that project will improve condition of the estate**

**Please refer to section 6.2**

Please provide evidence of the condition need being addressed by the project for which you are applying for funding. Your evidence must include:

1. confirmation there are no substantive changes, from the stage 1 application, to the project in terms of the blocks to be addressed;
2. identify site addressed by the project using the FECDC site reference and all block(s) addressed using the FECDC block reference. Where relying on an independent condition report, FECDC site references and block(s) addressed by the project should still be provided where possible. Where the FECDC report does not cover the blocks being addressed, applicants should confirm the reason for this.

3. identify condition improvement need being addressed by reference to the elements in each block from the FECDC report, or independent condition report. Applicants must provide a clear explanation of how the capital project proposal will address the condition need in each block by reference to each of the relevant blocks and building elements in the FECDC report or independent survey. Where there is condition need in a block that is not being addressed by the project, applicants should explain why this is not being addressed. This may be, for example, because the condition need is or has already been addressed or because the condition need will be addressed through a different project.

**Required Templates:**

- FECDC Condition Template
- FECDC report
- If relevant, independent condition report (see section 6.2)

**Required Attachments:**

- Text to be uploaded into portal

**(VIII) Reforms to further education and technical education**

**Please refer to section 6.3**

Please demonstrate how your project supports the further and technical education reforms as set out in section 6.3 (maximum 600 words).

**Required Templates:**

- None

**Required Attachments:**

- Text document to be uploaded to portal

**(IX) Local skills plans and priorities**

**Please refer to section 6.4**

Please set out more specifically how your project proposals align with the local skills needs analyses and action plans as set out in section 6.4

**Required Templates:**

- None

**Required Attachments:**

- Text to be uploaded into portal

**(X) Project Planning and Delivery**

**Please refer to section 6.5**

Please attach the following as set out in section 6.5:

- delivery plan and monthly spend profile
- project design to the standard of Royal Institute of British Architects (RIBA) Stage 2 (including feasibility study where relevant)
- completed Schedule of Accommodation template and Guided Learning Hours template (SoA GLH evidence section), where required
- completed risk register template
- governance information (organogram and explanation)
- relevant information on planning requirements
- relevant information on land acquisitions and disposals
- project delivery resourcing arrangements (table and explanation)

**Required Templates:**

- Schedule of Accommodation Template
- Guided Learning Hours Template (SoA GLH evidence section)
- Risk Register Template

**Required Attachments:**

- Delivery plan and monthly spend profile
- Project design and feasibility study where relevant
- Organogram/governance details
- Planning documents
- Table detailing project delivery resource
- Text to be uploaded into portal

**(XI) Financial and Value for Money**

**Please refer to section 6.6.1- 6.6.4**

Please confirm that you have attached a:

- Financial plan as set out in section 6.6.1
- Cost plan and associated documents as set out in section 6.6.2
- Financial risk plan as set out in section 6.6.3

**Required Templates:**

- Cost Plan Template
- Risk Register Template

**Required Attachments:**

- Financial Plan
- Cost Plan Evidence

**Other Evidence:**

- Text to be uploaded into portal

**(XII) Project efficiency savings**

**Please refer to section 6.6.5**

Please confirm an efficiency saving of 10% on the FECTF request made at stage 1 (this should include non-recoverable VAT). Where a project is unable to make this efficiency saving then this should be fully justified.

**Required Templates:**

- None

**Required Attachments:**

- Text to be uploaded into portal

**(XIII) Other Grant Funding**

**Please refer to section 6.6.7**

Please provide information identifying all government grants and other sources of funding that are intended to meet the costs of the project proposals as set out in section 6.6.7.

**Required Templates:**

- None

**Required Attachments:**

- Text to be uploaded into portal

## 5.5. Match Funding and Affordability

Please refer to sections 4.1 and 6.6.6

Please answer the following questions around ability to match fund:

- All applicants should answer questions (a),(c),(h),(i),(j) and (k).
- Applicants applying for a match fund waiver should answer all questions (a) to (k).
  - a. Is the FE corporation/designated institution able to contribute 50% to the overall cost of the project?
  - b. If not, detail the level of contribution that can be afforded (in pounds sterling and as a proportion of the total project costs)
  - c. Please detail the breakdown of FE corporation/designated institution's contribution (in pounds sterling) between:
    - cash reserves
    - cash generation during the project period
    - commercial borrowing
    - asset sales
    - third party sources (please give details of who is providing the funding)
    - other.
  - d. Does the FE corporation/designated institution have surplus assets (e.g., land, buildings) which can be disposed of either immediately or released as the result of the project?
    - Is the asset in current use?
    - What is the realisable value of the asset (Has it been formally valued? If so when?)
    - Forecast timing of the asset disposal?
    - Whether there are any charges over the asset for disposal?
    - Is the disposal dependent on the current project (replacement of building/site etc)?
  - e. Is there other eligible match funding to which the FE corporation/designated institution has access (see section 3.2)? Please give sources and amounts?
  - f. Has the FE corporation/designated institution got the ability through its current or other financial institutions to raise capital? Please give evidence of efforts to raise funding from a commercial lender.
    - Detail any commercial borrowing connected to the project, including the status (confirmed, in negotiation, in principle).
    - Where less than 50% contribution is being provided and there is no commercial borrowing, detail the steps the FE corporation/designated institution has taken to engage lenders and seek financing for the project
    - What conditions are likely to be placed on the borrowing?
  - g. Where the contribution is less than 50% explain why it is not possible for the FE corporation/designated institution to provide a greater contribution than set out above?
  - h. What will the impact be if the actual funding support is lower than requested be of (reduced scope, etc?)

- i. Where the contribution is through cash reserves / cash generation, detail the impact this will have post project on the FE corporation/designated institution's cash reserves and cash days to continue to operate the college on a day-to-day basis.
- j. Please ensure that you have completed your College Financial Forecasting Return (CFFR) including:
  - the preferred option project together with supporting commentary to enable an assessment of your financial position.
  - the financial forecasts should account for at least two years after project completion.
- k. Confirm that the FE corporation/designated institution understands that an assessment of their ability to fund the project will be made based on the financial information held by DfE, and by the information provided as part of the application, and the assessment of this information may result in a different level of capital grant funding being offered if the application is successful.

**Required Templates:**

- None

**Required Attachments:**

- Applicants must complete a [College Financial Forecasting Return](#) (CFFR) including the preferred option project together with supporting commentary to enable an assessment of their financial position.
- Text to be uploaded into portal

## 6. Details of Stage 2 Assessment Criteria

This section of the guidance provides more details on the information and evidence required for each of the assessment criteria that will be used to assess stage 2 bid applications.

### 6.1. Suitability of project proposals

#### 6.1.1 Business Case Options Analysis – assessment criterion I

Applicants should produce a business case (no more than 6 pages) and completed Value for Money Analysis Template for each project. Applicants must demonstrate consideration of alternative project proposals through a capital investment options analysis. Alternative project options must be realistic and proportionate to addressing the estate condition improvement need. This should evidence that the preferred project is the best value for money solution to meet the condition improvement need and wider strategic objectives for the estate.

The business case should include the areas set out in the table below:

1	Set out a supporting case demonstrating the options being considered are realistic, proportionate and best suited to addressing the estate condition improvement need. It is expected these options include a 'do nothing' or 'do minimum' option.	
2	Consider the qualitative and quantitative benefits and risks of each proposed investment option. Applicants should address the following areas, which should not be seen as an exhaustive list:	
2a	How well each investment option meets estate condition improvement need	This should be the condition improvement need identified in the college FECDC survey, or independent condition survey if provided, as set out in section 6.2
2b	How well each investment option meets the medium to long term strategic estate needs as set out in the estate strategy	This should include any opportunities to improve wider estate or building constraints, challenges or risks. Where any part of the FE college estate is, or may be, relocated, restructured or merged, the options assessment should identify how the project proposals will fit with the expected relocation or restructure and assess and account for any negative impact or risks.

2c	Which investment option delivers the best value for money solution	The appraisal should include the Value for Money Analysis as set out in section 6.6.4 of the value for money sub-criteria.
2d	How well each option can deliver improvements for more effective and efficient use of estate space	Where applicants have post project utilisation greater than 14.5 m <sup>2</sup> per PAA, as set out in section 6.1.3 of the utilisation sub-criteria, applicants should demonstrate how addressing under-utilisation has been factored into the project options considered and investment options analysis.
2e	Feasibility of delivery	Where appropriate, the business case for high value and/or complex projects with significant delivery risks should be supported by a feasibility study, as set out in the project design sub-criteria in section 6.5.
3	Justification of the 'preferred proposal' setting out how this most effectively delivers against condition improvement and estate needs, including evaluation scoring, with reference to supporting evidence. Where there is good reason not to choose the option demonstrating the best value for money (as identified by the Value for Money Analysis Template) as the preferred option, this should be clearly explained in terms of the qualitative factors that justify this.	

Sub-criteria	Scoring
Business case options analysis	<p><b>Good:</b> applicants should demonstrate:</p> <ul style="list-style-type: none"> <li>• consideration of investment options that are realistic and proportionate to addressing the estate's condition improvement need;</li> <li>• the investment options analysis in the business case is fully evidenced to support an effective evaluation of the options;</li> <li>• the options appraisal includes the completed Value for Money Analysis Template;</li> <li>• supported by a feasibility study, where relevant; and</li> <li>• the options evaluation justifies the preferred project is the best value for money solution to meet the condition improvement and overall estate needs, based on the evidence provided.</li> </ul> <p><b>Eligibility criteria:</b></p>

	<ul style="list-style-type: none"> <li>• Where relevant, applicants must demonstrate the project meets the eligibility criteria set out in section 3.2e to g.</li> </ul>
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### 6.1.2 Estate strategy – assessment criterion II

The project should be capable of meeting both the condition improvement needs of the estate and the medium to long term strategic estate needs, set out in the FE college’s estate strategy. The estates strategy should enable delivery of the FE college’s overall business plan and curriculum, incorporate wider links with local bodies’ priorities and any expected future changes in terms of intended use or ownership.

Bid applications should attach a summary of the FE college’s estate strategy (no more than 6 pages) which includes high-level information on the key elements relevant to the stage 2 bid application. The department reserves the right to request a copy of the full estate strategy if required. This must be approved by the FE college’s governing body. References to the governing body in this guidance should be read to include the trustees of designated institutions. The summary should demonstrate how the project is aligned to the medium to long-term needs set out in the estate strategy, including the following key areas:

- The college’s strategy to improve the condition of the estate. This should include condition that has or is intended to be met by other Government funding, e.g. FECA, T Levels Capital Fund;
- Understanding of the demand locally (including demographic) to ensure the estate is appropriately sized for current and future use;
- Capable of supporting delivery of the college’s strategic business plan for current and future curriculum provision and meeting both learner demand and labour market needs;
- Sustainability of the site and blocks being addressed including:
  - any potential change in use, need or purpose of the estate and blocks;
  - any potential sale or discontinuation of use;
  - any restructuring or mergers, or any potential changes as a result of the impact of other FE provision or financial sustainability considerations, for example any risk of site not being used for delivery of FE provision in the medium to long term.

Sub-criteria	Scoring
Alignment with estate strategy	<p><b>Good:</b> applicants should demonstrate that:</p> <ul style="list-style-type: none"> <li>• the estate strategy summary clearly demonstrates and evidences the strategy to address poor estate condition as well as wider estate and business planning needs, and this justifies why the project is needed; and</li> <li>• the preferred proposal meets the condition improvement and wider estate needs evidenced in the estate strategy as far as possible given the scope of the project, referring back to the options analysis justification.</li> </ul>

### 6.1.3 Efficient use of existing estate space

Projects should enable more effective use of estate space, allowing estates to operate more efficiently, sustainably and with reduced space requirements where feasible.

#### Utilisation - assessment criterion III

The Estate Utilisation Template is intended to explain how the project will address under-utilisation within the college. The template includes full instructions to support completion. It does not need to be completed for every application. Projects for which the template needs to be completed are: i) all projects that include an element of new-build replacement or new-build extension of blocks; and ii) all projects that include internal remodelling and reconfiguration of more than 100m<sup>2</sup> existing space to accommodate existing or new curriculum.

Projects that are limited to addressing specific elemental condition issues such as roof renewal, heating plant upgrades and window replacement will not be required to complete the template. In such cases, applicants must justify that the project falls within this exemption category. The department reserves the right to ask for this supplementary information at any stage in the assessment process.

All other applicants must provide the following:

- Complete the Guided Learning Hours Template to evidence the current and planned guided learning hours that will inform completion of the Estates Utilisation Template (EUT GLH evidence section).

- Complete the GLH Analysis section of the Estate Utilisation Template to demonstrate whether post project estate utilisation is within the upper guideline of 14.5 m<sup>2</sup> per Planned Average Attendance (PAA). Applicants do not need to complete the workplace analysis section (below) if the post project GLH analysis is within 14.5m<sup>2</sup> per PAA.
- Where the GLH analysis is above the guideline standard 14.5 m<sup>2</sup> per PAA, applicants must explain why this under-utilisation cannot be improved within the scope of the project. Applicants must justify this by completing the workplace analysis and justification case sections within the Estate Utilisation Template. It should also be evidenced as part of business planning in the estate strategy.

We reserve the right to request further information from applicants where the evidence provided in their bid application is not sufficient.

#### Efficient use of space – assessment criterion IV

Applicants should demonstrate how the project will deliver improvements in operating costs. We expect evidence to include reduced operating costs and the ability to generate increased income.

Sub-criteria	Scoring
Utilisation	<p><b>Good:</b></p> <ul style="list-style-type: none"> <li>• sufficiently evidence current and planned guided learning hours in the Guided Learning Hours Template (EUT GLH evidence section).</li> <li>• applicants demonstrate post-project estate utilisation is within the upper guideline of 14.5 m<sup>2</sup> per PAA using the Estates Utilisation Template; or</li> <li>• applicants that exceed 14.5 m<sup>2</sup> per PAA post project clearly evidence why improving remaining under-utilisation is not feasible within the scope of the project, using the Estate Utilisation Template</li> </ul> <p>Scoring for utilisation will not be applied where the project has been justified as an expansion project under section 6.1.4. The score for the expansion criteria will be awarded in place of utilisation.</p>
Efficient use of space	<p><b>Good:</b> explanatory statement clearly demonstrates the project has explored and incorporated all reasonable avenues for delivering improvements in operational costs. This should be fully evidenced.</p>

### 6.1.4 Condition projects with some expansion – assessment criterion V

Where the project to improve condition has an element of expansion intended to increase the Gross Internal Floor Area (GIFA), applicants must affirm projects still meet the following stage 1 conditions in the stage 2 bid application:

- the project purpose should primarily address condition, with expansion being part of that project;
- the relevant FE college offers excellent education locally and was considered outstanding by Ofsted at its last grading; and
- there is a demonstrable need to increase capacity in a curriculum area identified through the local skills plans and analyses (including, the Local Skills Report of the relevant Skills Advisory Panels<sup>5</sup>; and knowledge of business demand from organisations such as the local Chamber of Commerce).

For assessment at stage 2, applicants should provide evidence of the following to support their proposal for expansion:

- applicants must demonstrate there is no other alternative approach through redesigning or improving utilisation of the existing estate. To support this, applicants should complete the relevant parts of the Estates Utilisation Template as set out in the utilisation sub-criteria in section 6.1.3. Where applicants post-project utilisation of the estate is above guideline 14.5 m<sup>2</sup> per PAA post project, applicants must complete the workplace analysis and justification case section of the Estates Utilisation Template to sufficiently justify additional space need cannot be addressed through redesign or more efficient use of existing estate. The estates strategy should also properly evidence and justify the need for the additional space proposed.
- applicants must also complete the Guided Learning Hours Template to sufficiently evidence current and planned guided learning hours as set out in section 6.1.3 of the utilisation sub-criteria.

The department reserves the right to visit FE Colleges to review the estate on which the expansion project is requested. Applicants may also be required to submit additional evidence to support an expansion bid application.

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<sup>5</sup> The Skills Advisory Panel or the committee of the Mayoral Combined Authority or Local Enterprise Partnership responsible for the functions of the Skills Advisory Panel. The Greater London Authority has the Skills for Londoners Board, other MCAs and LEPs use different names for the function.

Where an expansion project has been justified, a score for expansion will replace that for utilisation.

Sub-criteria	Scoring
Condition projects with expansion	<b>Good:</b> FE college is rated outstanding by Ofsted and the bid application demonstrates all the requirements of this criterion have been met.

### 6.1.5 Sustainability and Net Zero – assessment criterion VI

The FECTF is committed to supporting the government’s targets for sustainability and Climate Change, including Government’s net zero carbon emissions by 2050 target, as set out in the Climate Change Act 2018. FE colleges and designated institutions are eligible for the [Public Sector Decarbonisation Scheme](#).

Applicants should consider environmental sustainability, carbon reduction and adaption measures to develop solutions for projects that are in line with the Government’s targets and objectives. The Climate change framework sets out key points to support a project that is net zero carbon in operation, user centred, healthy and productive and future proofed in line with DfE standards. They are:

1. Improve space efficiency and estate rationalisation
2. Reduce energy demand
3. Optimise energy efficiency
4. Deliver fossil fuel free heat
5. Generate on-site renewable energy
6. Consider the site wide micro-climate
7. Reduce overheating risk by increasing ventilation effectiveness
8. Green infrastructure and biodiversity
9. Reduce flood risk by managing surface water run off
10. Responsive to future development

For example, applicants should develop a fabric first approach, reducing energy demand, delivering a fossil fuel free heat and, where reasonable, on-site energy generation. Applicants should consider how the project will support a resilient and future-proofed solution to meet the risks of climate change adaptation, included but not limited to overheating by increasing ventilation effectiveness and flooding by managing water run-off.

Consideration should also be given to how the project supports and/ or maintains environmental (e.g. biodiversity), social (e.g. users) and economic (e.g. whole life) sustainability performance against accreditation standards.

As a minimum, the project design should meet the Building Research Establishment Environmental Assessment Method (BREEAM) standard of 'Very Good', although certification is not required. However, applicants will need to confirm if the Local Authority has any sustainability requirements beyond this standard and provide sufficient justification of the proposed solution.

Whilst applicants will not be specifically assessed on sustainability, applicants must evidence how their project will contribute to the government's aims, including compliance with all statutory requirements and sustainability standards.

## **6.2. Condition – assessment criterion VII**

A key aim of the FECTF is to upgrade the condition of the further education estate, targeting those areas of the estate with the greatest condition improvement need.

Projects will be scored at stage 2 against the effectiveness of the project in addressing condition need in the relevant blocks and how this aligns with the wider condition of the FE estate. Projects should aim to remedy all condition need, in the blocks being addressed by the project, where reasonable to do so within the scope of the project and where this represents good value for money. Projects should look to address all relevant categories B, C and D condition need with foremost priority being given to addressing condition improvement of category C and D critical elements in the relevant block(s). By critical elements, this guidance is referring to FECDC survey categories classed as 'critical elements'. These are roofs; external walls, windows and doors; mechanical services; and electrical services. It is expected projects would only address areas within blocks that are in good condition where this is consequential or can be justified as good value for money within the scope of the project.

### **Condition need being addressed by the project**

There should not be any substantive changes from the stage 1 application in terms of the blocks to be addressed by the project. The exception is where changes have been instructed by the department.

Applicants should provide the following evidence:

- identify site addressed by the project using the FECDC site reference and all block(s) addressed using the FECDC block reference. Where relying on an independent condition report, FECDC site references and block(s) addressed by the project should still be provided where possible. Where the FECDC report does not cover the blocks being addressed, applicants should confirm the reason for this.

- identify condition improvement need being addressed by reference to the elements in each block from the FECDC report, or independent condition report. Applicants must provide a clear explanation of how the capital project proposal will address the condition need in each block by reference to each of the relevant blocks and building elements in the FECDC report or independent survey. Where there is condition need in a block that is not being addressed by the project, applicants should explain why this is not being addressed. This may be, for example, because the condition need is or has already been addressed or because the condition need will be addressed through a different project.

### **Independent condition reports**

Applicants had the opportunity at stage 1 to provide an independent report where the applicant believed that the FECDC does not reflect the condition improvement need of a block or site because, for example:

- the building was acquired since the FECDC was completed;
- there is a significant difference between the current condition of construction types in the relevant block(s) and the condition of these construction types as assessed in the FECDC, owing to further deterioration or otherwise;
- the type of condition improvement need is not possible to identify through the FECDC (which is visual and non-intrusive in its building survey approach). A non-exhaustive list of non-visual need is:
  - asbestos that requires removal;
  - structural issues with the building; and
  - non-visible issues with piping, mechanical and electrical services.

These conditions continue to apply, where applicants are providing an independent report. Independent survey reports submitted as part of stage 1 should be resubmitted as part of the stage 2 bid application.

Applicants may only rely on an independent report where this was provided to support the stage 1 bid application. In exceptional circumstances, where a report has been commissioned regarding a specific condition improvement need which has only become apparent since stage 1, a new report may be submitted. In such cases, the applicant must provide an independent building condition survey report, structural engineer's report, asbestos survey report, or mechanical and electrical services report, depending on the relevance.

Within an independent condition survey report, information provided must include specific condition grading of construction types and mechanical and electrical

services relevant to the FECDC block(s). Repair/replacement cost estimates associated with the condition gradings must also be provided.

Where an independent report does not meet the criteria set out above then it may not be considered or given lower weighting in scoring.

Sub-criteria	Scoring
Condition need	<p><b>Good:</b> applicants demonstrate the project addresses all the condition need in the relevant blocks, where reasonable to do so within the scope of the project and where this represents good value for money. Projects should look to address all relevant B, C and D condition with foremost priority being given to addressing condition improvement of category C and D critical elements in the relevant block(s). Where condition need in the relevant blocks is not addressed by the project then this should be explained by the applicant.</p>

### 6.3. Reforms to further education and technical education – assessment criterion VIII

The White Paper *Skills for Jobs: Lifelong Learning for Opportunity and Growth* sets out the government’s vision to enable everyone to get the high-quality skills that employers need in a way that suits them. The reforms set out will transform technical education, boost UK productivity, build back better from the Coronavirus pandemic, and create a more prosperous country for all, wherever they live. Applicants were asked at stage 1 to determine, and be able to demonstrate, how the project proposals support delivery of both national and local skills priorities, as appropriate for their FE college.

This fund is intended to address condition improvement need, where estate condition improvement is a barrier to delivery of the provision, including:

- **High Value Provision** – projects support growth of provision and delivery to a high standard of courses in subjects as identified by the High Value Courses Premium.
- **Higher Technical Qualifications reform** – projects support an increase to the quality and uptake of high-quality level 4 and 5 technical education including, when rolled out, higher technical qualifications approved by the Institute for Apprenticeships and Technical Education.

- **Apprenticeships** - FE colleges are important to providing the off-the-job training and support for apprenticeships. We would expect investment in the estate to support the delivery of apprenticeships to better meet the needs for both apprentices and employers.
- **T Levels** – although capital investment specifically related to T Levels provision should be applied for via the bidding process for the T levels Capital Fund.
- **Lifetime Skills Guarantee** – it is expected that the project proposals consider how to support the delivery of the Lifetime Skills Guarantee.
- **SEND provision** – where the buildings are primarily used for students with special educational needs and disabilities.

Applicants must demonstrate that their project supports the delivery of the further and technical education reforms set out above.

All applicants should set out how their project supports levelling up of education/training and employment opportunities for all students in the local area, but particularly the most vulnerable and disadvantaged students. Applicants should include evidence of employer need for skills provision.

Sub-criteria	Scoring
Project proposals support delivery of both national and local skills priorities, as appropriate for the FE college.	<b>Good:</b> applicants should demonstrate how the project supports the delivery of both national and local skills priorities and how the condition need in the estate acts as a barrier, as appropriate for their FE college. Applicants should, using evidence from employers and other local stakeholders where possible, consider how their projects contribute to levelling up provision and opportunities for all students but particularly the most vulnerable and disadvantaged students.

## 6.4. Local skills needs and priorities – assessment criterion IX

At stage 1, applicants considered how the project proposals align with local skills needs. Applicants now need to set out more specifically how their project proposals align with the local skills needs analyses and action plans. This could be via demonstrating alignment with skills plans and analyses published by the Skills Advisory Panels, and/or by demonstrating knowledge of business demand for skills from organisations such as the local Chamber of Commerce. The explanation must

make clear which plan is being referenced and links to relevant published plans should be provided.

Sub-criteria	Scoring
Alignment with local skills needs analyses and action plans	<b>Good:</b> Applicants should demonstrate how their project proposals align with the local skills needs analyses and action plans and how condition need in the estate acts as a barrier to the delivery of local skills priorities, as appropriate for their FE college. Applicants should identify any skills gaps locally and how to level up skills in the area.

## 6.5. Project planning and delivery – assessment criterion X

The department must be confident the project has been sufficiently developed so that it can be assured of the deliverability of the proposed scope of works, the reasonableness of project costs and the timelines for delivery of the project. The stage 2 bid application builds on the information provided at stage 1 by requiring the following evidence:

- **Delivery project plan and monthly spend profile:** this should demonstrate deliverability of the intended project outcomes, within the funding applied for and against the required completion timeline. This should be evidenced by a detailed programme plan or Gantt chart, a key milestones chart and a monthly spend profile consistent with the financial cost plan required in the financial criteria at section 6.6.1.
- **Project design:** the project must be designed to a standard that gives assurance that the scope of the works will be as presented, and it will address the condition improvement of the college estate needed. This should be evidenced through:
  - a summary Royal Institute of British Architects (RIBA) Stage 2 report;
  - completion of the Schedule of Accommodation template and Guided Learning Hours Template, where required, to justify any space need for the project's requirements; and
  - a feasibility study should be provided where relevant for complex projects with significant delivery risks.

Annex A.1 sets out further information on what should be included for the RIBA report, Schedule of Accommodation template, Guided Learning Hours template and Feasibility Study. Instructions on completion of the Schedule of

Accommodation Template and Guided Learning Hours Template are included within the templates.

- **Risk register:** applicants must complete the risk register template to identify all project and delivery risks and how they will be sufficiently addressed, including an assessment of the likelihood of the risk materialising, the impact of the risk and plans to mitigate risks.
- **Governance:** an organogram and explanation of the project governance arrangements must demonstrate appropriate corporate oversight of the project through clear and effective accountability and lines of reporting, showing decisions are being made at the correct level.
- **Planning requirements:** applicants are responsible for identifying all planning permissions needed. Applicants must provide evidence that planning consent issues have been considered in design proposals. Appropriate professional advice, including from a planning consultant or consultation with the Planning Authority, should be obtained where relevant and applicants should confirm whether consent has been obtained, along with timescales. These and any other statutory approvals should be indicated in the project plan with associated risks identified in the risk register.
- **Land acquisitions and disposals:** bid applications must evidence any agreed heads of terms on any land or property acquisitions or disposals. Applicants must confirm there are no land title/ covenant issues that will impact on the ability to deliver the proposed project and, if so, to clarify what they are and provide legal advice on how this will be addressed.
- **Project delivery resource:** applicants should demonstrate appropriate management arrangements for resource are in place for delivery of the size and complexity of the project. This should include details of the project delivery team, including the professional appointments intended to deliver the project and information on expertise in place, proportionate to the nature/size of the project.

### **Multiple projects**

FE colleges that have applied for FECT funding for more than one project and/ or have other projects to manage alongside this, must:

- demonstrate, in the 'governance' sub-criteria above, the governance structure arrangements provide sufficient oversight and responsibility for multiple projects;
- demonstrate, in the 'project delivery resource' sub-criteria above, the college's management arrangements and resource are sufficient to deliver multiple projects;
- include any risks relating to managing multiple projects in the 'risk register' sub-criteria above.

The FE college corporation's governing body must reconfirm (as it did for the stage 1 bid application) that at a corporate level it has the capacity to manage this project alongside any other priorities and projects.

The department reserves the right not to approve one or more of an FE Corporation's bid applications at stage 2 if it is not satisfied that the FE corporation has the capacity to manage these projects alongside other capital projects whether funded by FECTF or other sources.

Sub-criteria	Scoring
Delivery plan	<b>Good:</b> The bid application provides a realistic delivery plan (Gantt chart or similar), which includes key milestones for the project size and clearly demonstrates that the project is deliverable and can achieve spend within the required time frame.
Project design	<b>Good:</b> The bid application: <ul style="list-style-type: none"> <li>• demonstrates project requirements, proposed design and associated costs developed to the level of the Royal Institute of British Architects (RIBA) Stage 2, or equivalent standard appropriate for the project. A feasibility study should be provided where relevant.</li> <li>• includes the completed Schedule of Accommodation (SoA) template and the Guided Learning Hours template (SoA GLH evidence section), where required, to justify any space need requirements for the project.</li> </ul>
Risk Management	<b>Good:</b> Risk register that identifies all risks, likelihood, impact and mitigations against each risk and owners of risks such that any concerns over ability to deliver the project, or multiple projects where relevant, are addressed. Sufficiently detailed plan and risk register for the size of the project.
Governance	<b>Good:</b> An organogram and explanation demonstrating that appropriate governance arrangements are in place for the delivery of the project, or multiple projects where relevant, including clear and effective reporting and responsibility lines.
Planning requirements	<b>Good:</b> Evidence appropriate consideration has been given to planning issues where consent is required with requirements built into timeline.

Land acquisitions and disposals	<b>Good:</b> Bid applications evidence any agreed heads of terms on any land or property acquisitions or disposals. Applicants must confirm there are no land title/ covenant issues that will impact on the ability to deliver the proposed project and, if so, to clarify what they are and provide legal advice on how this will be addressed.
Project delivery resource and capacity	<b>Good:</b> The bid application demonstrates that appropriate delivery resource and professional support is being obtained and includes project management, design and cost advice as appropriate, and the corporation has the capacity to manage delivery of the project, or multiple projects where relevant. This must include the FE college corporation's governing body reconfirming that at a corporate level it has the capacity to manage this project alongside any other priorities and projects.

## 6.6. Financial and Value for Money – assessment criterion XI

At stage 1 applicants were asked for high level indicative information and costs. At stage 2, applicants need to provide more detailed information on those costs and evidence of value for money. The expectation is for all projects to be successfully delivered by the FE college within expected costs and deliver value for the capital funding against the objectives.

Applicants may need to consider the limit of £20 million for FECT funding for any single project or any single site set out in section 3.5.2. Furthermore, applicants will need to take account of the expectation of 10% efficiency savings on the FECTF request made at stage 1. This is set out in more detail below at section 6.6.5.

### 6.6.1 Financial planning

There should be a financial plan. This section must have the proposed costs broken down by:

- Month and financial year (please use April to March)
- Source of funding (i.e. FECTF, match funding, other funding each separately accounted for)

Like the delivery project plan (section 6.5), with which it should be aligned, it should provide evidence of a robust approach to tracking the costs across the lifetime of the project.

It should be noted that spend will be approved in year based on profiles submitted and need to be evidenced for capital funding draw-down. Any flexibility to move capital funding between financial years will be at the discretion of the department.

Any increase in costs from stage 1 should be clearly justified in the bid application.

### **6.6.2 Cost certainty and reasonableness**

Project costs should be accurate and within an appropriate cost range for the type of works proposed. In order to ensure that costs are accurate and within the normal range for such costs, we expect colleges to provide us with the following evidence:

- cost plan (breakdown of costs) appropriate to the design, size, and scale of the project - please use the cost plan template;
- itemised abnormal costs with a supported explanation as to why the additional costs are necessary and market testing to demonstrate additional/abnormal costs, where appropriate;
- reports/ advice from professional cost consultants;
- where available, copies of quotes/estimates aligning to project specification;
- where applicable a summary of any tender exercise;
- details of procurement route;
- copies of open market valuations reports on acquisitions and for disposal.

There will be cases where costs are higher than what might normally be expected. In such circumstances, applicants should provide a justification of the higher costs and market testing to demonstrate additional or abnormal costs, where appropriate.

The cost plan should be realistic about the level of professional fees, allowances, and contingency. This should be appropriate to the scale and type of the project, and the level of work already undertaken to establish price certainty. Cost overruns and VAT liability will be at the applicant's expense.

### **6.6.3 Financial risk management plan**

Applicants must include a comprehensive financial risk register as part of the project risk register (see section 6.5). The assessment must identify key risks, likelihood and impact of risks, and mitigation to manage risks.

### **6.6.4 Value for money**

All bid applications should follow the good practice set out in [The Green Book \(2020\)](#) - [GOV.UK \(www.gov.uk\)](http://www.gov.uk)

The purpose of the whole of the stage 2 assessment is to ensure that the projects which provide the best value for money are selected and taken forward. One aspect of making that assessment is the Value for Money Analysis.

As part of the business case options analysis criteria at section 6.1.1, applicants are required to complete the Value for Money Analysis template to consider the net present costs of their proposals in relation to alternative options. These costs will take into account:

- The total costs of the project (land, build, fittings, project management etc)
- The savings which are expected through rationalisation and efficiency

Sub-criteria	Scoring
Financial planning	<p><b>Good:</b> The bid application provides a realistic proposed monthly spend profile. Costs must be broken down by month and by source of funding.</p> <p>The bid application should include a justification for any increase in costs from stage 1.</p>
Cost certainty and reasonableness	<p><b>Good:</b> The bid application should demonstrate that the project has a clear scope with costs in line with sector benchmarks. The cost plan template must be fully completed and will be used for benchmark comparison. The cost elements must appear reasonable and where there are 'abnormal' or high costs, they must be justified.</p> <p>Bid applications where the level of costs are above expectations with no clear justification, such as enhanced specification, excessive professional fees, or allowances and contingency will score lowly.</p> <p>Appropriate independent professional advice should be evidenced including that of professional cost consultants.</p> <p>Any tenders/quotes should be thorough and well evidenced. They should have fixed prices and be in line with the expectations relative to the design information provided and size of the project.</p> <p>Details of the procurement route should be provided and any tenders.</p> <p>Acquisitions and disposals that are contingent on funding should be supported by open market valuations.</p>

Financial risk	<b>Good:</b> risk register that identifies all risks, likelihood, impact and mitigations against each risk and owners of risks such that any concerns over ability to deliver the project are addressed. Sufficiently detailed plan and risk register for the size of the project. The risk register template (section 6.5) should be used.
Value for Money	<b>Good:</b> The options analysis is part of the evidence underpinning the Business Case Options Analysis. All applicants must have completed a Value for Money Analysis template.

### 6.6.5 Project efficiency savings – assessment criterion XII

All projects are expected to make an efficiency saving of 10% on the FECTF request made at stage 1 (this should include non-recoverable VAT). Where a college has already had FECT funding restricted to £20 million then the total FECT funding is expected to be reduced by whichever is greater: the £20 million limit or the 10% efficiency saving. Where a project has only been partly approved for stage 2, the savings must be made in respect of the part of the project which was approved (with the stage 1 estimate of costs for that part of the project evidenced). Where the 10% efficiency saving would reduce the total cost of the project below the minimum threshold of £500,000 per project, the minimum threshold should be considered a floor to those efficiency savings.

Where a project is unable to make this efficiency saving, then applicants must clearly demonstrate that all avenues for cost efficiencies and savings have been explored and incorporated. This should be fully evidenced. Justification for not making the full savings will be taken into consideration but scoring will primarily be based on the level of saving achieved.

Sub-criterion	Scoring
Project Efficiency Savings	<b>Good:</b> Project makes a full 10% efficiency saving on stage 1 FECTF request.

### 6.6.6 Financial viability assurance

All applicants must complete a [College Financial Forecasting Return](#) (CFFR) including the preferred option project together with supporting commentary to enable an assessment of their financial position. The financial forecasts should account for

at least two years after project completion. The CFFR should be completed and submitted through the finance portal (where the July CFFR and financial statements are submitted) by the application deadline.

Where the applicant is including additional borrowing as part of the match funding, the applicant should provide evidence where the borrowing has been agreed. Where borrowing needs to be agreed with a lender, the applicant should provide evidence of what stage of discussions are at as regards securing this finance. Where an applicant is requesting a reduced match funding, the applicant should provide evidence that it is not possible to secure additional funding from a commercial lender.

The department will also consider the applicant's financial performance over recent years as part of our assessment process. The purpose of assessing financial viability is to ensure applicants have developed projects that promote their financial health and are not too ambitious or unmanageable within their current and forecast financial circumstances. The information from these templates will also be used in relation to assessing the applicant's match funding contribution (see section 4.1).

Applicants that fall within the below criteria may be required to provide additional assurance that they are, and will remain, financially viable and that delivery of the proposed project will not result in further financial risks.

FE colleges are deemed to have financial concerns if they:

- are in formal intervention for any financial reason;
- fall within the financial health early intervention criteria, which is designed to identify colleges 'at risk';
- have or are forecast to have low levels of cashflow; or
- have submitted a financial return which results in an inadequate autoscore or self-assessed grade for:
  - either 2019/20 or 2020/21;
  - or is forecast to result in such a grade in a future year as part of any ESFA financial return;
  - or any additional period prior to the project commencing.

The department also reserves the right to ask any FE college, regardless of its financial viability, to provide additional assurance.

Where there are very significant concerns about an FE college's ability to afford and manage the project, and the department has concerns that this may put the FE college at serious financial risk, the bid application may be rejected.

### **6.6.7 Other grant funding – assessment criterion XIII**

Bid applications should identify all government grants and other sources of funding that are intended to meet the costs of the project proposals.

Government capital grants, ineligible as match funding (such as those set out at section 4.1.2), should be considered as part of the FE college's estate strategy to ensure that applicants are accessing the appropriate funding available to meet provision and skills priorities, which will in turn support local skills needs.

At stage 1, applicants were asked to highlight the different streams of funding available from government and other sources and explain how these funds will be deployed in meeting the estate strategy and avoiding overlap or duplication of funding. Applicants should make clear in the bid application and the financial plan, other funding sources, details of amount secured and any relevant terms and conditions e.g. scope of works, timing.

Applicants should confirm that no other funding streams have been secured, been applied for, or are intended to be applied, for the purpose of addressing the same condition improvement need, or the same blocks addressed by the project proposals.

## 7. Stage 2 Assessment Criteria

### 7.1. Stage 2 eligibility check

All stage 2 bid applications must satisfy the eligibility check by reaffirming the project meets the eligibility criteria at stage 1 and additional criteria for stage 2. If a stage 2 bid application does not meet the eligibility conditions, then the bid application may be rejected in whole or part by the department. Those bid applications which have been rejected, or where part of the bid application is rejected, will not be assessed further.

### 7.2. Assessment approach

#### 7.2.1. Assessment criteria

Once bid applications have passed the stage 2 eligibility check, they will then be assessed against the stage 2 assessment criteria.

Bid applications will be scored against the relevant assessment criteria and sub-criteria. Assessors will consider evidence provided against each criterion and awarded a score, which will range from null to good. Where responses do not meet a satisfactory level, the bid application may be rejected in whole or part by the department.

The scoring will be assessed as below:

Null	No response given or no relevant content provided.
Weak	Weak response with one or more major omission or significant concerns about the response
Satisfactory	Satisfactory response with no major omissions or concerns about the response
Good	Full response with no omissions or concerns

#### 7.2.2. Weighting

Scores for each criterion will have a weighting applied, as set out in the table below, to arrive at a total score for each bid application. The weighting applied is intended to prioritise bid applications that can deliver against the fund's key objective to upgrade

the FE college estate and significantly reduce the proportion of the estate that is not fit for purpose.

Criteria and sub-criteria	Weighting
<b>Suitability of solution</b>	<b>30% total:</b>
Business case – options appraisal	10%
Relevance to estate strategy	5% estate strategy
Efficient use of estate space	10% utilisation
Efficient space	5% efficient space
<b>Condition</b>	<b>20%</b>
<b>Alignment with reforms to further and technical education</b>	<b>15%</b>
<b>Alignment with local skills plans and priorities</b>	<b>5%</b>
<b>Project planning and deliverability</b>	<b>15%</b>
<b>Financial planning and value for money</b>	<b>15% total:</b>
Financial planning and value for money	10%
Project efficiency savings	5%

Each assessment criterion is set out in section 5, with detail on completing the bid application for each in section 6. **Please read the detail in Sections 5 and 6 before completing.**

### 7.2.3. Approval of bid applications

The department will approve the higher scoring bid applications that are affordable within the funding envelope for this funding round. Decisions regarding affordability is at the sole discretion of the department.

The department reserves the right to approve bids in whole or part. In some cases, bid applications may be approved in principle, subject to further agreement of the final scope and terms of the project.

When approving funding for the FECTF, the department reserves the right to consider the total amount of capital funding provided by the department through its capital funding schemes to individual FE corporations with respect to affordability and equity between providers. The department reserves the right to request further

information from applicants where it would support its decision-making. This does not confer any right on applicants to provide late or subsequent information or clarifications. The department will disregard bid applications outside of the exceptions set out in Section 8.

### **7.3. Notification**

The department will provide notification of the outcome of the assessment stage of the bidding process setting out details and next steps.

Applicants will be required to respond acknowledging the outcome, where required, and respond to next steps in the process within the timeframe set out.

Funding is only confirmed once the department has given final approval of funding along with the terms of the capital funding agreement and received a signed copy of the capital funding agreement. Applicants must not issue external communications regarding approval until the department has confirmed this.

The department reserves the right to delay our decision on the outcome of bid application(s). If the decision on the bid application is going to be significantly delayed, the applicant will be informed.

The department will treat all applicants fairly but please note that the payment of capital funding is discretionary. The department is under no legal obligation to accept any bid application or to pay any capital funding in response to any bid application. Furthermore, the department reserves the right not to award capital funding for some or all of the available funding for which bid applications are invited; and has the right to amend, add to or withdraw all or any part of the invitation to apply at any time during the bid application process and prior to the relevant deadline for receipt of bid applications, for whatever reason.

### **7.4. Approval of bid applications**

Successful applicants must enter into a capital funding agreement with the department. The agreement will outline what the capital funding agreement will fund, the specifications and include other conditions, such as restrictions on the future use of facilities. If the scope and/or cost of the project changes once the capital funding agreement has been signed, applicants must agree any change to the scope of the works or specification with the DfE before proceeding with the work(s). The department reserves the right to withdraw any capital funding offers made where significant changes are proposed, or if applicants proceed without agreeing the changes.

All capital funding agreements will be subject to monitoring and evaluation requirements and approvals. This will include providing assurances of expenditure which will need to be evidenced in advance of capital funding agreement draw down.

The department reserves the right to scale down and approve funding requests in whole or part, having regard to value for money considerations and the availability of the FECTF.

The department reserves the right to agree projects in principle with further clarification required, as well as implement extra monitoring and conditions of funding for approved projects. This is particularly the case for projects that are considered to have greater complexity and risk.

## 8. How to apply for stage 2

### 8.1. Bid application submission: general information

The bid application, including all supporting documentation, should be submitted by the deadline of 23:59 on 8 October 2021. Subject to section 8.2 below, the department reserves the right not to accept bid applications submitted after the deadline has passed.

Applicants will be required to submit the bid application via an online application portal. Applicants successful at stage 1 will be invited to register for this portal.

Registration should be completed per bid application, though one email address may be used to register for multiple bid applications.

There should be no more than one bid application submitted by the FE corporation for each project.

The deadline for registering with the application portal will be 11:59pm on 21 July 2021. The opportunity to submit a bid application on the application portal will then go live on 23 July 2021

The templates for the Estates Utilisation Template, Schedule of Accommodation, Guided Learning Hours Template, Risks Register, Cost Plan and the Value for Money Analysis will be available on the application portal. These templates should retain their current file name along with the college's UKPRN and unique reference number.

All additional documents and attachments must be clearly marked at the top of the page with the college's UKPRN and unique reference number.

Please be aware that for a single file attachment the maximum size is 50MB and for zip folder attachments the maximum size is 300MB. Questions regarding the application portal's functionality must be submitted directly to the portal helpdesk – these contact details will be made available when access to the portal is provided.

All questions regarding the policy, bid applications and the process should be sent to [TransformationFund.FECapital@education.gov.uk](mailto:TransformationFund.FECapital@education.gov.uk). Questions will not be responded to individually. Questions and Answers will be published via the application portal. Applicants will be notified of weekly revisions to the Questions & Answers through the portal.

In addition, a copy of the College Financial Forecasting Return (CFFR) (with versions accounting for the project(s) and the supporting commentary should be

submitted via the IDAMS (Identity and Access Management System) online portal. Guidance on submitting via this portal can be found [here](#).

## 8.2. Omissions and discrepancies

### 8.2.1 Omissions

Section 5 sets out what must be included in the stage 2 bid application.

It is the applicants' responsibility to check their bid applications and ensure that all required information and documents have been submitted. Please contact the IT portal help desk to resolve any technical issues.

If it becomes apparent that there are any omissions, applicants will be notified via the application portal. The department will then allow one full working day for missing documents to be submitted. The absence of any such notifications, for whatever reason does not indicate, nor must it be assumed, that a bid application is complete.

If the following are still missing, then the department reserves the right to reject the bid application:

- required sections of the bid application; and/or
- documents required as set out in section 5

If any other documents are missing, then the stage 2 bid application will be assessed on the basis of the information that has been provided.

### 8.2.2 Numerical discrepancies

A numerical discrepancy refers to internal inconsistency between two numbers in a bid application. This is most likely to arise where data in supplementary documents is inconsistent with the narrative provided in the bid application. If a numerical discrepancy is identified, applicants may be notified via the application portal. The department will then allow one full working day to address the notified discrepancy.

## 8.3. Freedom of Information and Data Protection

Please note that the information provided may be subject to publication or disclosure in accordance with the relevant legislation<sup>6</sup> and will be stored in accordance with the Department for Education's retention policy and procedures. If a request for

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<sup>6</sup> Freedom of information Act 2000, Environmental Information Regulations 2004, the General Data Protection Regulation (GDPR) 2018 and the Data Protection Legislation Act 2018

disclosure of the information applicants have provided is received, the department would consider any request for release very carefully. Such requests will be considered under the relevant legislation. Therefore, the department cannot give an absolute guarantee of confidentiality to applicants. An automatic confidentiality disclaimer generated by applicants' IT system will not, of itself, be regarded as binding on the department.

## **8.4. Public Sector Equalities Duty**

The governing bodies of FE colleges are public authorities for the purposes of the public sector equality duty under section 149(1) of the Equality Act 2010.

It is for applicants to judge whether or not an Equalities Impact Assessment (EIA) is needed for their stage 2 bid applications in order to comply with their public sector equality duty.

## **8.5. Complaints process**

If applicants are not content with the way in which the bid application has been handled by the Department for Education, then applicants should use the Department for Education's [complaint process](#).

## A. Annexes

### A.1 RIBA and feasibility study information

#### A.1.1 RIBA and Schedule of Accommodation Template

Applicants must develop projects to the level of the Royal Institute of British Architects (RIBA) Stage 2, or equivalent standard. The design deliverables required to be included in the bid application for the project is set out in the table below. The information submitted should be proportionate to the scale and value of the project. The department reserves the right to request further information where required.

**Table of design deliverables for RIBA stage 2**

Schedule of Accommodation (SoA) and Guided Learning Hours template	<p>Completed Schedule of Accommodation (SOA) using the SoA template and Guided Learning Hours template.</p> <p>The projects for which the SoA template and Guided Learning Hours template need to be completed are:</p> <ul style="list-style-type: none"><li>i) All projects that include an element of new-build replacement or new-build extension of blocks; and</li><li>ii) All refurbishment projects that include internal remodelling and reconfiguration of existing space to accommodate the existing or a new curriculum.</li></ul> <p>Projects that are limited to addressing specific elemental condition issues such as roof renewal, heating plant upgrades and window replacement will not be required to complete the SoA and Guided Learning Hours templates as part of the stage 2 application. However, we reserve the right to ask for this supplementary information at any stage in the assessment process. For these projects the proposed works will be described in the scope of works schedule as noted below. Projects that have not completed the SoA template should justify why they do not fall within the type of project required to complete the SoA, as set out above.</p> <p>For projects completing the SoA and Guided Learning Hours templates, applicants must provide the following:</p>
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	<ul style="list-style-type: none"> <li>Completed SoA template which will generate the proposed list of spaces required based on the type of curriculum, number of students and total Guided Learning Hours for the project's intended use. It must align with the proposed drawings and the proposed costs for the project. Applicants should complete the SoA template to justify the space need required for the project. The template contains space for applicants to make notes explaining the space need rationale.</li> <li>Complete the Guided Learning Hours Template (SoA GLH evidence section) to sufficiently evidence the current and planned guided learning hours that will inform completion of the SoA Template.</li> </ul> <p>Full completion instructions are contained within the SoA template.</p>
Project design information and outline specification	<p>A detailed scope of works is to be undertaken and provided for all projects.</p> <p>Summary design information appropriate to the scale and type of project (to the equivalent of at least RIBA Stage 2), including site plans aligning to strategic master planning for the site (where applicable), existing and proposed floor plans, section/ elevation drawings, consideration of planning issues and delivery risks, site and building constraints, documentation clearly identifying use, building materials and specification, type of construction, and building service requirements.</p> <p>Floor and elevation plans should be scale 1:100 or similar legible format.</p>
Surveys	Independent condition reports must be accordance with section 6.2.1.

## A.1.2 Feasibility study

A feasibility study should be provided where relevant for complex projects with significant delivery risks.

A feasibility study looks at the viability of the proposed project with an emphasis on identifying potential problems and attempts to answer one main question: will the project work?

For all projects the feasibility study should include an evaluation and analysis of the proposed project against realistic alternative options. This should be based on a detailed proposed scope of works and extensive investigation of the current site and property. It should confirm that all aspects of the project have been effectively considered and that the selected option will provide the best chance of successful project delivery and value for money.

The aim of the feasibility study is to objectively and rationally identify the strengths and weaknesses of the proposed construction scheme. Applicants should provide information on opportunities, issues, and threats that could be present which could either support the project or create problems. Applicants also need to confirm the resources required to deliver the project on time and on budget.

The feasibility study for the project on the proposed site should demonstrate how the project risks are being managed and mitigated. It should include (but not be limited to) and support the relevant requirements within the stage 2 criteria and in particular the business case options analysis, estate strategy criteria, efficient use of space criteria, project planning and delivery criteria and financial and value for money criteria.

## A.2 FECDC categories

The Further Education Condition Data Collection (FECDC) report, undertaken by independent surveyors on behalf of the department in 2019/20, presents data collected following a visual, non-intrusive data collection exercise and can be used to prompt further investigation.

The FECDC report is not a condition survey and so the data presented is high-level at block level, i.e. not individual room level. The FECDC condition grade and repair priority descriptors are set out below:

Grade	Definition
A	Good – Performing as intended. More than 5 years before remedial action required (fixed default priority).
B	Satisfactory – Performing as intended, exhibiting minor deterioration. Remedial action within 3-5 years.
C	Poor – Exhibiting major defects and/or not operating as intended. Remedial action within 1-2 years.
D	Bad – Life expired and/or serious risk of imminent failure. Immediate remedial action or replacement. (fixed default priority)
BX / CX	Rated B or C but parts cannot be replaced so therefore a failure of the construction type would require complete replacement

The years quoted for remedial action default against the specific grades as shown in the table above. The default against condition grades A and D are fixed. When a construction type is designated with a Condition Grade B or C, surveyors and engineers are afforded some discretion if they judge that the rating is not appropriate.

## A.3 Definitions and glossary

Applicant	Bid applications must be made at an FE corporation level and in the case of designated institutions, through the charitable trust or charitable company
Bid application	The bid application to the FECTF using the application portal
Capital project	A major project to build or improve a capital asset (building/estate)
Construction Type	Condition grades and repair priority information is recorded against each construction type assessed by surveyors
Curriculum area	The different subject areas covered by the college's curriculum
Designated Institution	Designated institutions are independently constituted charities regulated by their own trust deeds. They are eligible for funding under the FECTF.
DfE or the department	Department for Education
Element	There are twelve main building 'elements'. Each of these is split into sub-elements that in turn are split into construction types.
ESFA	Education Skills Funding Agency
Estate strategy	The estates strategy should fit with the FE college's overall business strategy and curriculum, and its wider links with local bodies' priorities. Its consideration of the estate needs should be for the short, medium and longer term including any expected future structural changes.
Expansion project	A project that will increase the estate gross internal floor area.
FECTF	FE Capital Transformation Fund
FECDL	Further Education Condition Data Collection
FE colleges	Colleges which are part of institutions established as a further education corporation under the Further and Higher Education Act 1992 (FHEA 1992) as amended. FE college in

	this guidance also covers designated institution. They are eligible for funding under the FECTF.
FE Corporation	Institutions established as a further education corporation under the Further and Higher Education Act 1992 (FHEA 1992) as amended. FE corporation in this guidance also covers the charitable trust and charitable companies which govern the designated institutions. They are eligible for funding under the FECTF.
FE	Further Education
Further Education Capital Allocation	Capital funding allocation announced at end of June, where all FE colleges received allocated funding paid in September 2020.
Gantt chart	Type of bar chart that illustrates a project schedule.
Getting Building Fund	The government announced in 2020 a £900 million Getting Building Fund to deliver jobs, skills and infrastructure across the country. This investment is being targeted in areas facing the biggest economic challenges as a result of the pandemic.
GIFA	Gross Internal Floor Area
GLA	Greater London Authority
GLH	Guided Learning Hours
High Value Skills Premium	The High Value Courses Premium is additional funding to encourage and support delivery of selected level 3 courses in subjects that lead to higher wage returns and support the Industrial Strategy, to enable a more productive economy.
Independent condition report	Independent building condition survey report, structural engineer's report, asbestos survey report, or mechanical and electrical services report, depending on the relevance.
Institute of Technology	Institutions of Technology are collaborations between further education (FE) providers, universities and employers. They will specialise in delivering higher technical education (at Levels 4 and 5) with a focus on STEM (science, technology, engineering and mathematics) subjects.

IT infrastructure	IT infrastructure includes stripping out of existing and replacement of new cables, data outlets and trunking as necessary. Infrastructure is limited to passives (Cabling) Actives (Switching and Wi-Fi) and associated components. This does not include the replacement of servers or the provision of software and devices.
Levelling Up Fund	The Levelling Up Fund will invest in local infrastructure that has a visible impact on people and their communities. This includes a range of high value local investment priorities, including local transport schemes, urban regeneration projects and cultural assets. The Fund is jointly managed by HM Treasury (HMT), the Ministry of Housing, Communities and Local Government (MHCLG) and the Department for Transport (DfT).
LEP	Local Enterprise Partnership
Lifetime Skills Guarantee	Lifetime Skills Guarantee to give adults the chance to take free college courses valued by employers.
Local Growth Fund	Funds to local enterprise partnerships or LEPs (partnerships between local authorities and businesses) for projects that benefit the local area and economy.
Local Industrial Strategy	Partnership between government and places (MCAs or LEPs) to develop long-term plans based on clear evidence and aligned to the national modern Industrial Strategy.
Matched funding	Providers' financial contribution to projects through their own funding sources.
MCA	Mayoral Combined Authority
NDPBs	A non-departmental public body (NDPB) is a "body which has a role in the processes of national government, but is not a government department or part of one, and which accordingly operates to a greater or lesser extent at arm's length from ministers"
Ofsted	Office for Standards in Education, Children's Services and Skills

ONS	Office for National Statistics
Project	Preferred proposal identified in the business case
PAA	Planned Average Attendance
Post-16 Capacity Fund	Capital fund for post-16 providers to increase their capacity of their estates to accommodate the upcoming demographic growth of 16-19 year olds.
Public Sector Decarbonisation Scheme	The Public Sector Decarbonisation Scheme provides government funding to the public sector to improve energy efficiency, reduce carbon emissions and lower energy bills. Salix is a non-departmental public body, owned wholly by Government which manages the funding.
RIBA	Royal Institute of British Architects
SAPs	Skills Advisory Panels
SEND	Special Educational Needs and Disabilities
Site	The grounds and buildings of the FE college in a particular geographical location. An FE college may have several different sites within its college brand.
Skills Accelerator	Skills Accelerator is a core part of delivering the vision set out in the White Paper, Skills for Jobs. It incorporates the: <ul style="list-style-type: none"> <li>• Local Skills Improvement Plan trailblazers</li> <li>• Strategic Development Fund pilots</li> </ul>
Stage 1	The FECTF is a 2-stage process, and stage 1 refers to the first stage.
T Levels	T Levels are an alternative to A levels, apprenticeships and other 16 to 19 courses. Equivalent to 3 A levels, a T Level focuses on vocational skills and can help students into skilled employment, higher study or apprenticeships.
T Level Capital Fund	Fund available to approved providers of T Level qualifications
Towns Fund	The Towns Fund is part of the government's plan for regeneration and levelling up the UK economy. Administered by MHCLG, the overarching aims of the Towns Fund are to

	drive the sustainable economic regeneration of towns to deliver long term economic and productivity growth. The body responsible for the Towns Fund locally is the Towns Deal Board.
VfM	Value for Money



Department  
for Education

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