



Department
for Education

Post-16 Capacity Fund 2021-22

Guidance for Applicants

May 2021

Contents

1. Introduction.....	4
1.1 Purpose of the document.....	4
1.2 About the Post-16 Capacity Fund	4
2. Important dates for Post-16 Capacity Fund.....	5
3. Eligibility for the Post-16 Capacity Fund.....	6
3.1 Public Contract Regulations.....	6
3.1.1 FE Colleges	6
3.1.2 FE Designated Institutions	6
3.1.3 Multi academy trusts	6
4. Types of project which are eligible for Post-16 Capacity funding	7
4.1 Eligible projects.....	7
4.2 Ineligible projects	8
4.3 Project completion	9
4.4 Long term investment in assets and recovery of funding.....	9
4.5 Significant change	10
4.6 Project value thresholds for the Post-16 Capacity Fund	11
4.6.1 Minimum threshold	11
4.6.2 Maximum threshold	11
5. Criteria for Post-16 Capacity Fund 2021-22	12
6. Applying to the Post-16 Capacity Fund	13
6.1 Applying for Multiple projects	13
6.2 Supporting evidence	13
6.2.1 Project need	13
6.2.2 Project planning	13
6.2.3 Project cost	14
6.3 Use of technical advisers.....	14
6.4 Successful applications.....	14
7. Assessment Criteria	15
8. Financial Management and Governance.....	16
8.1 Financial management and governance – General FE Colleges, Sixth Form Colleges and Designated Institutions	16
8.2 Financial management and governance – 16-19 Academies	16
9. Assessment of Project Need	18

9.1	Growth and demand	18
9.1.1	Growth data	18
9.1.2	Demand data	18
9.1.3	Net capacity	18
9.2	Alignment to local need.....	19
9.3	Criteria, evidence and scoring for project need.....	19
10.	Assessment of Project Planning	23
10.1	Project design	23
10.2	Sustainability and net zero.....	23
10.3	Criteria, evidence and scoring for project Planning.....	24
11.	Assessment of Project Cost.....	27
11.1	Match funding	28
11.1.1	Eligible sources of match funding	28
11.1.2	Ineligible sources of match funding	29
11.2	Procurement	29
11.3	VAT.....	29
11.4	Professional fees	29
11.5	Criteria, evidence and scoring for project Cost.	29
Annex A -	Bid application submission: General information.....	33
File names	.....	33
Omissions and discrepancies	.....	34
Omissions	.....	34
Numerical discrepancies	.....	35
Questions and clarifications	.....	35
Freedom of Information and Data Protection	.....	35
Public Sector Equalities Duty	.....	36
Complaints process	.....	36

1. Introduction

1.1 Purpose of the document

This guidance is for eligible Further Education Colleges, Sixth Form Colleges, 16-19 Academies, and Free Schools, referred hereafter collectively as eligible post-16 institutions, that wish to apply to the Post-16 Capacity Fund.

The guidance sets out the objectives of the Post-16 Capacity Fund, which providers are eligible to apply, what types of projects are eligible, and how bids for funding will be assessed.

1.2 About the Post-16 Capacity Fund

At the 2020 Spending Review the Government committed additional capital investment in the education estate to support levelling up education across England. This included £83 million in 2021-22 to ensure that post-16 providers can accommodate the expected demographic increase in 16 to 19-year-olds.

The core objectives of the post-16 capacity fund are:

- A. to provide additional capacity in 16-19 providers, where there is due to be a demographic increase in learners and there is not enough existing capacity to accommodate that increase;
- B. to ensure that provision to be delivered through the additional space developed meets local and national skills requirements and is reflective of learner demand; and
- C. to do so in the most efficient and sustainable way possible, to ensure value for money for Government investment, and to support the target set by Government for the UK to bring all greenhouse gas emissions to net zero by 2050.

Eligible providers are invited to bid to the Department for Education for capital funding to support these objectives.

Bids for capital funding will be assessed and ranked on a competitive basis. The department will assess bids and award funding to those projects which score the highest. Projects funded through the Post 16 Capacity Fund must be completed by 31 August 2022. However, we welcome projects that can demonstrate a robust timeline for delivery with a profiled spend that can be incurred in the 2021 – 22 financial year.

2. Important dates for Post-16 Capacity Fund

Milestones	Dates
Launch of Fund 2021-22: Information for applicants published and online application window opens.	18 May 2021
Deadline for all applicants to submit applications.	14 June 2021
The department to notify applicants of outcome.	Summer 2021
Project completion	31 August 2022

For further information about the Post-16 Capacity Fund and the latest updates, please refer to <https://www.gov.uk/government/publications/post-16-capacity-fund>.

3. Eligibility for the Post-16 Capacity Fund

To be eligible to apply for the Post-16 Capacity Fund, the institution for which funding is required must be:

- an **FE college** established as a further education corporation under the Further and Higher Education Act 1992 (FHEA 1992)
- a **designated institution** as per section 28 of FHEA 1992
- a Sixth Form College as defined by section 91(3) Further and Higher Education Act 1992
- An **academy** established as per s.1A(1)(a) Academies Act 2010 including and limited to:
 - 16-19 only Academies
 - 16-19 only Free Schools
 - University Technical Colleges (UTCs)
 - Studio Schools providing technical education.
 - Maths Schools

3.1 Public Contract Regulations

Applicants should consider whether the institution for which they are bidding for funding is a contracting authority for the purposes of the Public Contract Regulations 2015 and should ensure they comply with these regulations where relevant.

3.1.1 FE Colleges

Bid applications must be made at an FE corporation level.

3.1.2 FE Designated Institutions

Bid applications must be made through the charitable trust or charitable company.

3.1.3 Multi academy trusts

If a 16-19 academy is part of a multi-academy trust (MAT) then applications must be completed and submitted by the MAT.

4. Types of project which are eligible for Post-16 Capacity funding

Applications for funding will be considered in their entirety but the department reserves the right to fund only part of any application.

4.1 Eligible projects

Funding is available to support projects that create additional space to accommodate increased 16-19 learner numbers. Applicants looking to expand must demonstrate that the project either:

- increases the overall gross internal floor area (GIFA) of learning space and associated functional areas or facilities; or
- reconfigures the estate within the existing GIFA in order to accommodate more learners.

Applicants should confirm that there is no alternative to the proposed project that would increase the capacity for additional learners age 16-19. You must confirm that any current underutilisation of existing estate has been considered and has informed your application for increasing capacity.

All investment made through this fund will be required to meet the following requirements, but this is not an exhaustive list:

- Capital investment should be made into an asset held on freehold or long 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 the departments value for money requirements.
- In exceptional circumstances, where the land is held by charitable trustees for the provision of education by the provider, we may consider alternative tenure arrangements to those set out above, but only where there is strong justification that it is the best value for money option available to you. In such cases we will consider a range of factors, including overall life expectancy of the works, the scope and total value of the works, how confident we are that the premises will remain in education use, and the amount of grant requested.
- 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.

- The asset must be used primarily for the provision of education to learners between the ages of 16-19. We do expect wider benefits to be realised in the provision of adult education, in the interests of securing a sustainable investment that provides value for money in the longer term, but the investment cannot be for the sole purpose of providing adult education.
- Where funding is requested for demolition and rebuilding projects, the demolition must be of blocks that are in poor condition and additional capacity must be provided in the replacement accommodation. A strong justification and supporting evidence should be provided to demonstrate that demolishing and rebuilding a block provides the most value for money.
- Professional fees can be included in project costs where these are proportionate and necessary to the delivery of the project.

4.2 Ineligible projects

Projects or elements of projects that are not eligible for funding include the following, but this is not an exhaustive list:

- Purchase of land, except in exceptional circumstances where there is a strong value for money justification. Academies should seek Secretary of State approval for any land transactions including the buying and selling of a freehold or leasehold interest in land or buildings. Please refer to the [guidance](#) for further information. Such projects would still be subject to the project completion deadline of 31 August 2022.
- Estate created that is not demonstrably intended for the provision of 16 – 19 further and technical education, for example large atria, accommodation of non 16 – 19 further and technical education activities, and commercial activities not related to government funded provision or where the estate is being let to tenants. The primary purpose of the estate created should be delivery of 16 -19 further education and technical education.
- Other items of miscellaneous expenditure including but not limited to the following:
 - 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; and
 - supply of loose furniture and equipment.

- Estate expansion already being addressed through other local and central government grant funding. Examples could include but are not restricted to:

- Condition Improvement Fund,
- T Levels Capital,
- FE Capital Transformation Fund,
- Institutes of Technology,
- Towns Fund,
- Getting Building Fund and
- Local Growth Fund.

Applicants can apply for Post-16 Capacity funding to complement other project proposals, but they cannot apply for funding for the same expansion project that has already secured funding through another route. Applicants should explain how the different sources of funding will complement each other and what happens if an application to another fund is not successful.

4.3 Project completion

The planning and preparation, as well as the construction programme, must be realistic and achievable. Projects must be deliverable by 31 August 2022 at the latest.

4.4 Long term investment in assets and recovery of funding

Where funding is agreed, the department will set out in a Capital Funding Agreement (CFA) with the post-16 provider, the length of time each funded asset needs to be used for further and technical education purposes. This is known as the Capital Recovery Period in the funding agreement. This allows the department to recover its investment if the asset is not used for its intended purpose or it is disposed of during this period without the department's consent.

The Capital Recovery Period will depend upon the use and scale of the capital investment. It is possible therefore that an institution 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

CFA, the investment should be used for further and technical education. From years 30 to 60, it is expected that the building could be used for wider education uses if it can no longer primarily 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.

4.5 Significant change

16-19 only Academies, 16-19 only Free Schools, University Technical Colleges, Studio Schools providing technical education and Maths Schools must check whether their Post-16 Capacity Fund application requires approval under the significant change process by reviewing the [significant change guidance](#). The guidance sets out examples of significant changes that require approval and explains the application process. The significant change process should be undertaken ahead of, or in parallel to, the bidding process.

The case put forward to the Regional School Commissioner (RSC) for a significant change will not be considered in the assessment of bids for the Post-16 Capacity Fund. These are separate processes, but approval of funding through the Post-16 Capacity fund is dependent on RSC approval of the significant change application. If an academy or MAT receives approval for significant change, but its project bid is not successful for the Post-16 Capacity Fund then the significant change approval will be considered to no longer stand, and a new significant change application would have to be submitted if required in the future.

The RSC approval of any significant change expansion cases that are dependent on securing Post-16 Capacity funding for their delivery will therefore be conditional. For bids to the Post-16 Capacity Fund to be successful, projects must have RSC approval for the significant change by the time we are ready to announce the Post-16 Capacity Fund outcomes in Summer 2021.

4.6 Project value thresholds for the Post-16 Capacity Fund

Minimum project threshold	Maximum project threshold
£100,000	£4,000,000

4.6.1 Minimum threshold

The minimum value of bids to the Post-16 Capacity Fund is £100,000, excluding recoverable VAT. The department reserves the right to amend the lower limit where there is sufficient evidence of need and the programme funding allows.

4.6.2 Maximum threshold

The maximum upper threshold for bid applications is £4,000,000, but the department reserves the right to amend the upper limit where there is sufficient evidence of need and programme funding allows.

The department reserves the right to reject funding requests having regard to value for money considerations and the availability of the Post-16 Capacity Fund. The department reserves the right to implement extra monitoring and conditions of funding for approved projects, especially those projects that are considered to have greater complexity and risk.

5. Criteria for Post-16 Capacity Fund 2021-22

Projects will be scored against 3 assessment criteria:

- project need – 40%
- project planning – 30%
- project cost – 30%

There is more information about how these criteria are assessed from section 7.

Post-16 Capacity Fund applications will be subject to these criteria, which will favour those bids from applicants demonstrating the greatest need for additional capacity and strong project planning. It is important that plans are realistic and deliverable for the start of the 2022/23 academic year. We will favour those bids with a majority of profiled spend incurred in the 2021 – 22 financial year, i.e., before end March 2022.

The assessment of bids will also favour those from applicants with strong governance and good financial management, and where there is a strong link between effective financial management and governance and successful, value for money capital delivery.

Where the department has concerns about providers' financial management and/or governance, points may be deducted from the overall scores or conditions applied in awarding funding if the application for funding is successful. Further information is set out in section 8 of this guidance.

Post-16 capacity funding can only be used for the project for which it was awarded.

6. Applying to the Post-16 Capacity Fund

All applications to the Post-16 Capacity Fund must be submitted by sending a completed application form and supporting documents to post16.capacityfund@education.gov.uk. The department will not accept applications made through any other routes. For further information on how to submit applications, please see Annex A.

The application form is designed for applicants to summarise the most important features and rationale behind a project. Applicants can attach project documentation as evidence to support the case being made.

6.1 Applying for Multiple projects

Applicants may submit multiple projects per college corporation or MAT as applicable, but only one application should be submitted per site. Projects will be assessed separately and independently from each other. If the projects are linked, then please refer to this in the application form. There is no guarantee that if one project is successful, the other one will be too. Applicants may want to consider whether a single, combined application might be more appropriate.

6.2 Supporting evidence

For each application, applicants should provide documents for each section to support the application. The documents uploaded should contain all the evidence required under that section.

6.2.1 Project need

1. ONS data giving a breakdown of projected number of applications and admissions for learners aged 16-19.

6.2.2 Project planning

1. Evidence the proposed project will be completed for the start of academic year 2022/23.
2. Governance structure for the project
3. A comprehensive risk assessment for the proposed project.

6.2.3 Project cost

1. Breakdown of abnormal cost and contingency where applicable
2. Monthly spend profile for the proposed project

6.3 Use of technical advisers.

Applicants can use technical advisers or representatives to help prepare applications and to deliver the works, but advisers or representatives cannot submit a bid on behalf of the applicant. Applicants are responsible for ensuring that technical advisors' work is of a high quality and that these costs are within a reasonable limit.

Applicants who use a technical adviser who may also be working with other applicants, must make sure that any evidence submitted relates to their institution. Please note that the department can only deal with the lead contact specified on the application form.

The applicant is responsible for the accuracy and relevance of the information submitted. Please ensure the information provided in the application form matches that in the supporting documents.

6.4 Successful applications

If an application is successful, applicants will be expected to comply with the department's grant funding terms and conditions. We reserve the right to request further information from the applicant to help with assessment of applications where required. This could mean we approve applications in principle, subject to the provision of further information or adjustments to the application.

Successful applicants will need to:

- complete any specified actions before we can start to release funding;
- report the progress of the project throughout its lifecycle; and
- inform us of changes to the planned project milestones or costs since the application.

7. Assessment Criteria

Each project will be assessed using the information contained within the application. Assessors will make a relative judgement to award an overall project score. They will assess projects by using financial data generated from the department's centrally held sources, alongside information provided by applicants.

Assessment criteria	Total Score
Project Need	40%
Project Planning	30%
Project Cost	30%
Total	100%

Applications will be scored against three broad criteria, as set out in the table above. Our intention is to fund institutions with the most pressing need, but only where the proposed project is appropriately planned and presents best value for money.

Sections 9 to 11 of this guidance set out the basis for judgements under each assessment criteria and the information that applicants provided to support their applications. This information is a guide and is not exhaustive.

Points will be awarded in the assessment process, as set out in the relevant section. Points will also be deducted from the total score to reflect finance and governance, as set out in Section 8.

8. Financial Management and Governance

The department wants to ensure that Post-16 Capacity Fund funding goes to applicants that can evidence robust financial management and governance. This is because we want Post-16 Capacity Fund funding to be used effectively and for projects to be value for money. We reserve the right not to award funding where there is a reasonable doubt to an applicants' long term financial viability. This is regardless of how the project performs against the criteria.

8.1 Financial management and governance – General FE Colleges, Sixth Form Colleges and Designated Institutions

FE Colleges, Sixth Form Colleges and Designated Institutions are required to comply with the obligations set out in the College Accounts Direction (CAD). Failure to comply with those obligations will be taken into account during the Post-16 Capacity Fund assessment as indicated below.

Non-compliance with the CAD will result in points deducted from overall bid application scores as follows:

- Those institutions that missed the 31 January 2021 deadline to file audited accounts, or missing any other deadline agreed with ESFA to file audited accounts will have 2 points deducted from their overall score.
- Those institutions with a qualified audit, adverse audit opinion or auditor's disclaimer of opinion in relation to their accounts will have 1 point deducted from their overall score.

8.2 Financial management and governance – 16-19 Academies

16 – 19 Academies, 16 -19 only free schools, University Technical Colleges, Studio Schools providing technical education and Maths schools are required by the Academies Accounts Direction to submit their 2019/20 accounts to the ESFA by the given deadline. It is important that accounts are submitted on time as this position will be taken into account during assessment. We will use the following information to identify trusts with finance and governance concerns and deduct points from overall bid application scores as below:

- Academies that were late submitting the following financial returns to ESFA on one or more occasion will have 1 point deducted from their overall score. Such returns include:
 - Land and buildings collection tool (LBCT) 28 January 2021.
 - Accounts return (AR) 23rd February 2021.
 - Audited Financial statements 31 January 2021.
- Academies that missed the 31 January 2021 deadline to file audited accounts by more than 14 days will have a further 2 points deducted from their overall score.
- Academies with a qualified audit, adverse audit opinion or auditor's disclaimer of opinion will have 1 point deducted from their overall score.

9. Assessment of Project Need

Scores for the project need section will be weighted to account for 40% of the total score. Applicants will need to demonstrate that additional capacity to accommodate the demographic increase in learners is needed and justified and that the proposed project will not result in a surplus of post-16 places in both the institution and the local area. Applications will be reviewed to ensure there is evidence of need for additional post-16 places. The review will consider the availability of places and a need for the type of provision proposed.

9.1 Growth and demand

Applicants need to include historic, existing, and projected future annual data for 16-19 demographic growth and student demand for the institution in the application.

Omission of accurate growth and demand data will make it harder to assess and may cost valuable points in the assessment.

9.1.1 Growth data

Applicants should:

- provide future demographic growth data for the local area;
- provide evidence of the institution's market share of learners to demonstrate forecasted increases to learner numbers in the future.

9.1.2 Demand data

The following data on learner demand over the previous 4-year period is required:

- applications in year 12
- admissions in year 12

9.1.3 Net capacity

Applicants should refer to the change in the net capacity because of the proposed project by confirming the number of additional places that are created by the project over and above current learner numbers.

The following data should be set out, both with and without the proposed project:

- gross internal floor area (GIFA) of the whole provider (m2) and how this relates to the recommended area or estimates of required space per learner, and
- number of 16-18 learners/pupils on roll (NOR)

9.2 Alignment to local need

It is important that applicants consider how the project proposals align with national and local skills needs. Applicants should demonstrate that in the development of the project proposals they have taken a holistic view of capacity and demand in the local area, to avoid a surplus of capacity of 16 – 19 places in the future.

9.3 Criteria, evidence and scoring for project need.

Sub Criteria	Evidence	Scoring	Points available
Project description	<p>Up to 400-word description of the project to include:</p> <ul style="list-style-type: none"> • Location of proposed works / site • Type of project, • How the project meets the objectives for the fund • The number and types of places created. 	<p>To score maximum points a project will demonstrate strong links to the fund objectives.</p> <p>Applicants will score low points where there is little or no demonstrable links to the fund objectives.</p>	6
Evidence of need for additional capacity	Utilising a breakdown of ONS data by LA area of 16-19 growth, applicants should	Points will be awarded relative to other applications.	15

	<p>provide a projection of 16– 19 learner applications and admissions based on the establishment’s current annual market share over the next 4 years.</p> <p>The following data on historic demand over the last 4-year period is required:</p> <ul style="list-style-type: none"> • applications in year 12 • year 12 admissions in main year of application <p>If applying for funding to increase the GIFA of the estate the applicant should confirm that there are no alternative approaches through redesigning or improving the utilisation of the existing estate.</p>	<p>To score maximum points there needs to be evidence of historical demand and future demand based on current market share to justify investment.</p> <p>Applicants will score low points where there is low demand relative to other applications.</p>	
Capacity	<p>Existing and forecast capacity (GIFA) and the change in the net capacity because of the proposed project by confirming the</p>	<p>Points will be awarded relative to other applications.</p> <p>To score maximum points there needs to be a demonstrable</p>	10

	number of additional places for 16–19-year-olds that will be created by the project, over and above the current numbers on roll.	shortage of capacity (GIFA) to accommodate the increase in 16-19 year old learner numbers due to demographic growth. Applicants will score low points where there is only a small shortage of capacity relative to other applications.	
Performance	An Ofsted Inspection Report reference, date and rating for the relevant Institution	To score the maximum points, the establishment needs to be overall Ofsted outstanding.	4
Alignment to local need	Up to 400-word summary, for example, detailing: <ul style="list-style-type: none"> • How the project proposals align with the local skills needs analyses and action plans (including, those of the relevant Skills Advisory Panel, where they exist, Local Industrial Strategies; and knowledge of business demand from organisations 	Points will be awarded relative to other applications. To score maximum points the project will have a strong demonstration that the proposed project is aligned to national or local need. An applicant will score low points where there is a limited demonstration provided that the proposed project is aligned to national	5

	<p>such as the local Chamber of Commerce).</p> <ul style="list-style-type: none"> • How the project will improve the destinations for young people to move into higher education or employment • How the project proposals could provide additional benefits for learners in future (sustainable use of additional space). • Why the additional 16-19 year old learners cannot be accommodated across existing providers and their estate within the local area. If the provider is a 16 - 19 academy they must have RSC approval for expansion as a significant change. 	<p>or local need relative to other applications.</p>	
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10. Assessment of Project Planning

Project planning contributes 30% of the total score.

Assessors must be able to see that applicants have the ability to deliver the proposed project. Applicants must be able to show that projects are planned appropriately and realistically, taking account of potential risks.

10.1 Project design

The project must be designed to a standard that gives assurance that the scope of the works will address the increased capacity requirements of the institution. This should be evidenced through a summary RIBA stage 2 report and feasibility survey where relevant.

10.2 Sustainability and net zero

Projects awarded funding under the Post-16 Capacity Fund will support the government's targets on sustainability and net zero carbon emissions.

Applicants should consider environmental sustainability and carbon reduction issues and develop projects that are in line with the government's net zero carbon emissions by 2050 target, as set out in the Climate Change Act 2018. For example, applicants should consider a fabric first approach, reducing energy demand, delivering a fossil fuel free heat and where reasonable on-site energy generation.

The project should seek to provide resilient and future proofed solutions to the risks of climate change. For example, applicants could consider increasing ventilation effectiveness to mitigate the risk of over-heating or the risk of flooding by considering the management of water run-off. Applicants should think about how the project supports and/ or maintains environmental (e.g. bio diversity), 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'.

The following institutions should refer to the sustainability and design standards within the current issue of the department's Output Specification for example, Output Specification 2020 (OS) when preparing projects. The OS

sets out the quality standards and performance requirements for school buildings and grounds.

- 16-19 only Academies
- 16-19 only Free Schools
- University Technical Colleges
- Studio Schools providing technical education.
- Maths Schools

Applicants must evidence how their project will contribute to the Government’s aims including compliance with all statutory requirements, and sustainability standards.

10.3 Criteria, evidence and scoring for project Planning.

Sub Criteria	Evidence	Scoring	Points available
Timescales	<p>Applicants must be able to show that the project can be delivered within by 31 August 2022.</p> <p>A Milestones chart, a detailed programme plan or Gantt chart should be provided.</p>	<p>To score maximum points, readiness milestones (e.g., planning approval) need to be completed and the project be ready to commence to ensure the project is completed by 31 August 2022 and the project delivery timescale must be appropriate to the scale of the project.</p> <p>An applicant will score low points if there are concerns with deliverability to the timescale, given the scale and nature of the project, or where readiness milestones would not be completed, and the project cannot be</p>	15

		completed until after 31 August 2022.	
Delivery Plan	<p>Applicants must be able to show that projects are planned, resourced, and have appropriate governance (please supply diagram showing your structure) in place to ensure the delivery of the project.</p> <p>The plan must appropriately and realistically, take account of potential risks. This should include:</p> <ul style="list-style-type: none"> • A comprehensive risk assessment with mitigations • Confirmation that plans are in line with an estate strategy. • OR all of the above in a feasibility study, if this has already been developed. 	<p>To score maximum points, a realistic delivery plan for the project size supported by appropriate evidence should be submitted and there needs to be good consideration and mitigation of risks.</p> <p>An applicant will score low points where there are concerns over the ability to deliver the project and/or it lacks a sufficiently detailed delivery plan or risk assessment for the size of the project.</p>	10
Sustainability	<p>16 – 19 Free Schools and 16 - 19 academies</p> <p>Confirmation the project complies with the current Output Specification (16 – 19 Free Schools and 16 -</p>	<p>16 – 19 Free Schools and 16 - 19 academies</p> <p>Applicants will be awarded points if there is evidence that the project aligns to sustainability design standards within the current DfE Output</p>	5

	<p>19 academies) and consideration of the climate change mitigations set out at 10.2.</p> <p>FE Colleges and Sixth Form Colleges Confirmation the project achieves at least BREEAM 'very good' and consideration of the climate change mitigations set out at 10.2.</p>	<p>Specification, and the climate change mitigations.</p> <p>FE Colleges and Sixth Form Colleges Applicants will be awarded points if there is evidence that the project achieves at least BREEAM 'very good and there has been consideration of climate change mitigations.</p>	
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It is the responsibility of the applicant to consult the local planning authority to check if planning permission is required before applying to the Post-16 Capacity Fund. The application should indicate clearly whether or not planning permission is required and whether it has been confirmed with the local planning authority.

11. Assessment of Project Cost

For the department to make a realistic assessment of the value for money for each project, applicants must set out the full amount of funding required for each proposed project. VAT should be included in project costs where applicants are not able to recover this cost.

The department expects all projects to show they are costed appropriately and respond to the project need. The cost section contributes 30% of the total score. We also expect that all project costs are within an appropriate cost range for the type of works proposed, taking into account abnormal factors. We will check that the cost per square metre is within an acceptable range.

We reserve the right to reject applications that score very low marks in the Overall Costs criterion (see below), regardless of how they perform against other criteria.

Evidence should include (subject to the size and scale of the project):

- cost plan (breakdown of costs) appropriate to the size and scale of the project
- hard copies of at least 3 quotes/estimates and/or a summary of any tender exercise attached as part of evidence
- cash flow forecast (where appropriate)
- details of procurement route
- market testing to demonstrate additional/abnormal costs, where appropriate
- letters of funding commitment from other sources (if applicable)

Cost of works will vary significantly from site to site due to local economic variances, site features (e.g. presence of asbestos), planning constraints and project specification/scope. Assessors will refer to industry standards and the department's cost models to consider whether the levels of costs are appropriate.

Any cost overruns will be at the expense of the applicants/institution, although an appropriate level of contingency funding is permitted. Where local conditions may lead to costs outside of industry benchmarks, applicants must clearly explain why this is in the application and provide supporting evidence.

Cost plans should take account of the proposed risk of price increases and local economic conditions. Cost plans should also be realistic about the level of professional fees, allowances, and contingency. The amount of

contingency should be clearly identified in the application. Applicants should provide an explanation for the level of contingency included. Our expectation is this should not be greater than 7% of the total project value. Applicants' explanation should demonstrate that it is appropriate to the scale and type of the project, and the level of work already undertaken to establish price certainty and reduce residual risks. For projects that are awarded funding, in exceptional cases, we will consider whether more than 7% contingency is needed. When entering figures onto the application form, please round up to the nearest £. Do not enter pence.

11.1 Match funding

All applicants are invited to contribute match funding towards the cost of their project proposals. It is for the applicant to decide what level of contribution is affordable. Points will be awarded on the basis below. Match funding means their contribution to the funded project plus any contribution from third party sources, which are listed as eligible match funding below.

11.1.1 Eligible sources of match funding

Eligible sources of match funding include:

- applicant'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
- works that have been undertaken to prepare the site for the project proposed in the application
- 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.

11.1.2 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
- T Levels Capital funding
- Institutes of Technology capital funding
- Condition Improvement Fund (CIF) funding
- capital funding from other central government departments; and
- Levelling Up fund.

11.2 Procurement

Applicants may choose their own procurement route to secure best value for money. All applicants must ensure their compliance with the Public Sector Equality Duty (PSED) where relevant.

11.3 VAT

Applicants should obtain appropriate advice on VAT liability. Applicants must include the VAT costs on the application form where it cannot be reclaimed.

11.4 Professional fees

Applicants may choose to appoint technical advisers to help with the development and delivery of the project.

11.5 Criteria, evidence and scoring for project Cost.

Sub Criteria	Evidence	Scoring	Points available
Overall costs	Cost plan (breakdown of costs) appropriate to the size and scale of the project. Cost plans should take account of the proposed risk of price	We will assess the / cost per m2. Assessors will refer to industry standards and experience to consider whether the levels of costs are appropriate.	15

	<p>increases and local economic conditions. Cost plans should also be realistic about the level of professional fees, allowances and contingency. The amount of contingency should be clearly identified in the application. Applicants should provide an explanation for the level of contingency included, which should be no greater than 7%. This should demonstrate that it is appropriate to the scale and type of the project, and the level of work already undertaken to establish price certainty and reduce residual risks.</p>	<p>To score maximum points there should be a clear scope with overall costs below expectations/industry benchmarks.</p> <p>All cost elements should appear reasonable and where there are 'abnormals' or high costs they are clearly justified.</p> <p>The Royal Institution of Chartered Surveyors (RICS) defines abnormal costs as those which might be considered as project specific (i.e. they are not a 'typical' construction cost) and are classified as such because they tend to have a notable cost consequence. Examples include asbestos removal, demolition costs, temporary accommodation and specialist substructures works.</p> <p>An applicant will score low points where the level of costs are above expectations with no clear justification e.g. excessive professional fees, allowances and contingency.</p>	
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<p>Cost Certainty</p>	<p>Hard copies of quotes/estimates/a summary of any tender exercise attached as part of evidence.</p> <p>Cost of works will vary significantly from site to site due to local economic variances, site features (e.g., presence of asbestos), planning constraints and project specification/scope.</p> <p>A month by month spend profile detailing where the proposed project spend will be incurred will need to be submitted as part of the application.</p> <p>Any cost overruns will be at the expense of the applicant, although an appropriate level of contingency funding is permitted. Where local conditions may lead to costs outside of industry benchmarks applicants must clearly explain why in the application and provide supporting evidence.</p>	<p>To score maximum points, tenders/quotes should be thorough and well evidenced, with fixed prices and in line with the expectations relative to the size of the project.</p> <p>An applicant will score low points where there is no evidence of tenders/quotes attached to the application or they are inadequate for the size of the project.</p> <p>Applicants will score higher points if evidence is provided showing all, or the majority, of spend on the proposed project will be incurred within the 21-22 FY</p>	<p>10</p>
<p>Match funding contribution</p>	<p>Evidence of the funding commitment from other sources.</p>	<p>To score maximum points there will be a significant (and</p>	<p>5</p>

	<p>This could be loans, use of existing cash reserves, funding contributions from other sources.</p>	<p>affordable) contribution from other sources.</p> <p>The funding sources score is calculated by first adding the value of any loans, any reserves, or contributions.</p> <p>The combined value as a percentage against the total project cost will generate a score as set out in the bandings in the table below.</p>	
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Points	Level of match funding
0	Under 2%
1	2% to 5%
2	5% to 7.5%
3	7.5% to 10%
4	10% to 15%
5	Over 15%

Annex A - Bid application submission: General information

The bid application, including all supporting documentation, should be submitted by the deadline of 11.59pm 14 June 2021 via e-mail to post16.capacityfund@education.gov.uk. The department reserves the right not to accept bid applications or additional information submitted after the deadline has passed.

The completed submission should consist of one bid application per institution (or one bid per site, if as a college corporation or MAT more than one site is being applied for), along with all relevant supporting information.

The checklist page on the application form must be completed, listing all documents that are being submitted and the number of documents. The bid application and all supporting documents must be 'compressed/zipped' into one folder that is no more than 25MB in size.

If the bid application and supporting information exceeds the 25MB limit, then applicants will need to split the submission across multiple emails. It is important to include in the subject of the email how many submissions each application comprises of (e.g. submission 1 of 2) and include an index page listing the attachments in each email, so that the department can check that all submissions have been received.

Should applicants wish to make any amendments or updates to bid applications prior to the deadline, please resubmit the whole bid application and all supporting documents to replace the previous submission. The department may start preliminary checks on receipt of the application, but applicants can still resubmit up to the deadline. The department will only refer to and review the latest submission.

File names

Applicants should use the following naming convention for the files when submitting the bid application. This is so the department can check that all submissions have been received:

- Email Subject Title: [UKPRN number/ Academy Companies House Number] [Submission 1 of X] [POST 16CF]
- File Attachment Title: [[UKPRN number/ Academy Companies House Number] [Sections 1 to X] [POST 16CF]

For re-submitted applications, please re-send in the following formats:

- Email Subject Title: [RE-SUBMISSION]
[UKPRN/ Academy Companies House Number] [Submission 1 of X]
[POST 16CF]
- File Attachment Title: [RE-SUBMISSION]
[UKPRN/ Academy Companies House Number] [Sections 1 to X]
[POST 16CF]

The department will only accept bid applications using the correct application form. Applicants can download this from

<https://www.gov.uk/government/publications/post-16-capacity-fund>

Omissions and discrepancies

Omissions

Section 6.2 sets out what must be included in the application and the application form shows a checklist of the documents that are required for bid applications.

It is the applicants' responsibility to check their bid applications and ensure that all required information and documents have been submitted.

If it becomes apparent that there are any omissions, applicants will be notified by email. 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 submission is complete.

If the following documents are still missing, then the department reserves the right to reject the bid application or assess the application on the basis of the information that has been provided:

- bid application form; and/or
- documents required as set out in 6.2.

Please contact post16.capacityfund@education.gov.uk to resolve any issues.

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 form. If a numerical discrepancy is identified, applicants will be notified via email. The department will then allow one full working day to address the notified discrepancy.

Questions and clarifications

Applicants may raise questions or seek clarification regarding the bid application process by contacting the department using the email address: post16.capacityfund@education.gov.uk. The department will publish all responses to questions unless they contain commercially sensitive information.

Any questions received from applicants about the application process will be reproduced and updated every Monday on the Post-16 Capacity fund Gov.uk Page.

Freedom of Information and Data Protection

Please note that the information provided may be subject to publication or disclosure in accordance with the relevant legislation¹ and will be stored in accordance with the Department for Education's retention policy and procedures. If a request for 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.

¹ Freedom of information Act 2000, Environmental Information Regulations 2004, the General Data Protection Regulation (GDPR) 2018 and the Data Protection Legislation Act 2018

Public Sector Equalities Duty

It is for applicants to judge whether or not an Equalities Impact Assessment (EIA) is needed for bid applications in order to comply with their public sector equality duty in line with section 149(1) of the Equality Act 2010.

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](#).



Department
for Education

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