



Education  
Funding  
Agency

# **Condition Improvement Fund**

**Information for applicants 2017 to 2018**

**October 2016**

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# 1 Introduction

Academies and sixth-form colleges can apply to the Education Funding Agency (EFA) for capital funding from the Condition Improvement Fund (CIF).

This guidance is for academies and sixth-form colleges wishing to apply to the fund for the 2017 to 2018 financial year (April 2017 to March 2018). It explains what CIF is, who is eligible to apply for CIF funding, what types of projects are eligible and how bids for funding will be assessed for the 2017 to 2018 round.

If you wish to apply for funding, you should first familiarise yourself with the information in this document. A list of important dates for the 2017 to 2018 round is on page 11.

## 1.1 About the Condition Improvement Fund

CIF's core priority is supporting condition projects; keeping academy and sixth-form college buildings safe and in good working order is the focus of the fund. Most CIF funding aims to address issues with significant consequences that revenue or [Devolved Formula Capital \(DFC\)](#) funding cannot meet. These include issues with poor building condition, building compliance, energy efficiency or health and safety.

We will give the highest priority to condition projects that address compliance and health and safety issues. These include fire protection systems, electrical safety or emergency asbestos removal. We will then give priority to projects that ensure weather tight buildings and continuous heating and water supply.

CIF also supports a small proportion of expansion projects for academies and sixth-form colleges Ofsted has rated either good or outstanding and which need to expand their existing facilities and/or floor space to either:

- increase the number of admissions in the main year of entry or
- address overcrowding, including cases of recently approved age-range expansion and sixth-form expansions

Previous CIF rounds have been heavily oversubscribed. For the 2017 to 2018 round, we expect similarly high levels of demand.

Only applications which demonstrate a high project need, supported with evidence, and align closely with the priorities of CIF are likely to be successful. Unfortunately it will not be possible to fund all good applications because of the scale of demand.

If you are preparing an expansion project, you may wish to consider the alternative option of opening a free school as this could meet your requirements or need for places in your local area.

For further information about CIF and the latest updates, please refer to [GOV.UK](https://www.gov.uk).

You can also find answers to frequently asked questions on [EFA Information Exchange](#).

## 2 Who can apply for CIF funding

For your establishment to be eligible to apply for CIF funding it must not be part of a larger multi-academy trust (with at least 5 academies and more than 3000 pupils), or an opted-in chain, that is receiving formulaic funding (see 2.1 and 2.2 below). It must also either be:

- an open academy or sixth-form college as of 1 September 2016 or
- a school with a signed academy order as of 1 September 2016 that is expected to convert by 31 March 2017.

In any given financial year, all eligible schools will either (i) receive a formulaic allocation via their MAT or chain, or (ii) be able to bid to CIF. If you are unable to register and/or create an account, but think that you are eligible to apply to CIF, please contact us as soon as possible via the [EFA enquiries contact form](#).

### 2.1 Multi-academy trusts

If you are part of a MAT with at least 5 academies as of 1 September 2016, and those academies had more than 3,000 pupils in the January 2016 school census, you do not need to apply to CIF. Your MAT will receive a formulaic allocation to use strategically across your estate for the financial year 2017 to 2018. We will contact all MATs eligible for a formulaic allocation.

MATs can follow the guidance on [capital funding for MATs](#).

### 2.2 Opted-in academy chains

We will contact all academy chains of at least 5 academies and 3,000 pupils to offer them the option of a single formulaic allocation for the whole chain. If the accounting officers of the chain's constituent academy trusts have opted into this offer, and we have confirmed the opt-in, then the opted-in trusts in the chain do not need to apply to CIF. The accounting officer of your academy trust will be able to confirm whether you are part of an opted-in chain.

Opted-in chains can follow the guidance on [capital funding for MATs](#).

### 2.3 Schools with academy orders

If you are a school with a signed academy order and are unable to log onto the CIF portal, please contact the CIF team as soon as possible via the [EFA enquiries contact form](#) and we can give you access to the CIF portal so you can make an application.

If successful, schools with a signed academy order must have converted to an academy by 31 March 2017 so we can release your funding. If this is not the case, funding will be held back until conversion has taken place.

## **2.4 Selective academies**

Eligible selective academies should continue to apply to CIF to address their condition or expansion needs.

The 'Schools that work for everyone' consultation sets out that the government will make dedicated funding of up to £50m a year available for good and outstanding selective schools to expand. Further details on this fund will be made available soon.

Making an application to CIF will not prevent a school or trust from making applications to any new expansion funding routes if they are eligible.

### 3 Types of project which are eligible for CIF

There are 3 categories of CIF project: condition, condition with expansion and expansion. Projects may be re-categorised by the EFA if they do not meet the qualification criteria for the selected category.

Projects will be scored against 3 weighted assessment criteria: project need 70%, project planning 15% and value for money 15%. Information about how these criteria are assessed can be found in the sections about condition projects (from page 17) and expansion projects (from page 23). Condition with expansion projects will be scored using the same criteria as a condition project.

A CIF application will either be fully-funded or unsuccessful: we will not fund only part of the proposed works within an application. Retrospective projects will not be funded.

#### 3.1 Condition projects

These are to improve the condition of a school building, with no expansion of the gross internal floor area (GIFA).

#### 3.2 Condition with expansion projects

These are to improve the condition of a school building where the GIFA of the new block is up to 10% larger than the previous block. The aim of the project must primarily be to address significant condition need.

Condition with expansion applications should only be submitted if the expansion, of up to 10%, is required in order for the relevant block to meet current area standards as defined by [Building Bulletin 103](#) or [104](#), as appropriate, and any relevant building regulations.

Be aware that if you make an application for a condition with expansion project, you will need to explain the reason for the expansion within the application form.

The evidence for the project need section of condition with expansion bids should focus on demonstrating the condition need. Projects which add new functional areas or facilities, or wish to increase their published admittance number (PAN) must be submitted as Expansion applications.

See the section on Condition projects (from page 17) for more information.

### 3.3 Expansion projects

This is for additional places or to address overcrowding in academies and sixth-form colleges that can demonstrate that they are high performing (see criteria on page 25) and where the GIFA of the new block is more than 10% larger than the previous block or adds functional areas or facilities.

Where a project is re-categorised to an expansion project and the supplementary data is not available (see expansion section of this guidance), the application may be penalised and is unlikely to be successful.

See the section on expansion projects (from page 23) for more information.

## 4 CIF 2017 to 2018

### 4.1 Important dates

**Table 1 – Important dates for the 2017 to 2018 CIF round**

<b>Milestones</b>	<b>Dates</b>
CIF information for applicants published and online application form opens	w/c 17 October 2016
Registration deadline for new applicants	5pm 30 November 2016
Deadline for submitting applications	12 noon 9 December 2016
Date for notifying applicants of outcomes	By April 2016

## 5 Project thresholds 2017 to 2018

All CIF projects must aim to improve a capital asset held in freehold or on a long lease, used for education provision for pupils between the ages of 2 and 19 years.

**Table 2 – Project thresholds according to school type**

School type	Minimum project threshold	Maximum project thresholds
Primary and special schools	£20,000	£4,000,000
Secondary, all-through and sixth-form colleges	£50,000	£4,000,000

Information and communication technology (ICT) hardware or software, loose furniture and equipment are ineligible.

ICT infrastructure (cabling, wireless and switching) is only eligible when it's an integral part of a larger refurbishment or new build project.

Schools and sixth-form colleges should use their revenue and [DFC](#) funding for capital works below these limits.

You can apply for a CIF loan at Public Works Loan Board (PWLB) interest rates as all or part of the project funding for any project, or an interest free energy efficiency Salix loan as all or part of the project funding for energy efficiency projects that provide revenue savings (see Annex A).

The planning and preparation, as well as the construction programme should be realistic and achievable. The majority of funds allocated are expected to be for projects that can be completed by 31 March 2018. Larger projects may last up to 2 years but all projects must be completed by 31 March 2019.

## 6 Making an application for CIF

If you wish to apply for CIF funding, you must do so using the [CIF portal](#) which includes a detailed user guide to help you.

The CIF portal will automatically allow eligible schools or colleges to register and create an account.

The application form is designed for you to summarise the most important features and rationale behind a project. You can attach project documentation as evidence to support the case being made. You don't have to include school history or the history of the condition issue as this is not required and may reduce the amount of more relevant information you can include.

We do not expect you to spend significant time and resources preparing bids to CIF beyond that required to carry out your responsibilities for managing your site effectively.

You should ensure that evidence you submit is proportionate to the scale of the project, for example we would expect more robust information for a project requesting £100,000s than for one requesting an amount nearer the minimum project thresholds.

Annex D contains a checklist which you are strongly advised to review when preparing and submitting your application(s).

### 6.1 Access to a CIF portal account

Make sure that when you create an account you use a username that can be used by other members of staff if required, as once a username is set it cannot be changed. If you already have an account from the previous CIF application round you should continue to use your existing account and not create a new one.

If you have forgotten your username or password you can reset this by following the instructions on the [CIF portal](#).

If you are unable to register and/or create an account but think that you are eligible to apply to CIF, please contact us as soon as possible via the [EFA enquiries contact form](#).

## **6.2 Application for 2 projects**

You may submit up to 2 projects per academy or college via the [CIF portal](#) but only one of these may be an expansion project. If you submit 2 projects, this may comprise 2 condition projects or 1 condition and 1 expansion project.

These projects will be assessed separately and independently from each other. There is no guarantee that if one project is successful, the other one will be too.

## **6.3 Use of technical advisers**

Technical advisers and representatives can be used, but are not permitted to apply on behalf of an academy, MAT or college. We are required to deal with the responsible official at the institution with whom the secretary of state has a signed funding agreement, or in the case of a sixth form college, a member of the senior management team.

## **6.4 Multi-site projects for MATs**

Eligible multi-academy trusts (MATs) are encouraged to consider grouping high need projects across more than one academy site to promote strategic benefits and efficiency savings. Multi-site projects will count as one project for each of the academies involved.

You should submit major projects individually and not present them as a large multi-site project.

## **6.5 Access and specialist facilities for pupils with special educational needs and disabilities (SEND)**

Where works are required to address specific needs for a pupil with an Education, Health and Care Plan (EHCP) because the commissioning body has placed the child in the school, it is the responsibility of the commissioning body to fund those works. Where an EHCP is not in place, you may apply to CIF for minor adaptations – lifts, toilets, showers and other hygiene facilities, etc to enable the pupil to access the school site appropriately.

## **6.6 Priority Schools Building Programme**

If you are an academy or college with a successful Priority Schools Building Programme project (PSBP) you should contact your PSBP Project Director before you apply to make sure that you do not duplicate works covered by this project in your CIF application. If an

urgent issue arises before your PSBP scheme begins you should also let your Project Director know as this might impact on the feasibility phase.

## 6.7 Risk Protection Arrangement (RPA)

The Department for Education's RPA is a voluntary arrangement for academies and free schools. It is an alternative to insurance through which the cost of risks which materialise will be covered by government funds.

RPA automatically covers any property owned by an RPA member or for which the member is responsible, up to the full reinstatement value of the property.

However, there is no provision within RPA to waive subrogation rights against any party (other than another member of the RPA) or provide 'joint names' cover as required by some form of building contracts (eg Option C of JCT).

Therefore, members of the RPA will need to seek amendments to most standard forms of contract. Further advice and information on the options available to you can be found at Annex C.

## 6.8 Energy efficiency works – New Salix loan fund

Works to improve energy efficiency, such as lighting projects, which do not involve works to address high need condition issues, are unlikely to be successful in receiving CIF funding as they have a lower priority.

However the EFA is launching a new energy efficiency loan fund in partnership with Salix Finance to fund these specific types of projects. The Salix Energy Efficiency Fund (SEEF) will be administered by Salix Finance but funded by the EFA. It will be for 100% loan projects eg projects that can pay themselves back through their annual energy savings within a maximum of 8 years. All academies, including academies within large MATs, will be eligible to apply to SEEF

You can find further information at [Salix finance](#).

You can apply to both CIF and the Salix Energy Efficiency Fund but not for the same works. You should consider which is the most appropriate funding route and read both sets of guidance.

## 7 Assessment criteria

Assessors will evaluate each project using the information contained within the application, and make a relative judgement, to award an overall project score. They will assess expansion projects by using school performance data generated from DfE centrally held sources not just information provided by applicants.

**Table 4 - Assessment criteria weighting**

Assessment criteria	Weighting
Project Need	70%
Project Planning	15%
Value for Money	15%
Total	100%

Our intention is to fund academies and colleges with the most pressing needs, but only where the proposed project is appropriately planned and presents value for money.

The following sections set out the basis for judgements under each set of assessment criteria and set out the information you might consider providing to support applications, given the principle of proportionality that is applied to this programme.

These lists are not exhaustive, and you should be aware that we will assess the contents of the information (its relevance, robustness, independence, clarity, whether it addresses any concerns etc), not simply whether it has been submitted. The evidence should speak for itself; it should not require significant explanation.

## 8 Condition project applications

We target most funding at building condition projects and assess condition with expansion projects as condition projects.

Before making an application for a condition project you should consider how we assess:

- project need - page 21
- project planning - page 27
- value for money - page 30

The majority of projects supported through the CIF are expected to involve the replacement of components such as windows, doors, roofs, boilers and toilets. Replacement together with a small amount of associated refurbishment generally provides better value for money than a full scale block replacement or refurbishment project.

Applicants should seek professional advice and summarise any value for money considerations made as part of their options appraisal where appropriate.

### 8.1 Which condition projects have priority?

Due to the anticipated demand for the CIF fund, only applications which closely align with the CIF policy priorities are expected to be successful.

Under the scoring of the project need criteria, priority will be given to projects as shown in table 3. Assessors will make a final judgement on which category each project falls under.

**Table 3 - Condition Projects Policy Priority Ratings**

Category	Priority Level
Compliance and Health and Safety including: <ul style="list-style-type: none"><li>• emergency asbestos removal</li><li>• gas safety</li><li>• electrical safety</li><li>• lift safety</li><li>• legionella</li><li>• fire safety</li><li>• safeguarding</li></ul>	Highest

<p>Significant Building Condition in a teaching environment or key support spaces including:</p> <ul style="list-style-type: none"> <li>• building fabric (weather tightness)</li> <li>• mechanical and electrical systems (heating and water supply)</li> </ul>	High
<p>Significant Building Condition in a teaching environment or key support spaces including:</p> <ul style="list-style-type: none"> <li>• building fabric, (integrity of building fabric, fittings and fixtures and / or Health &amp; Safety of key support spaces eg to include toilets and kitchens)</li> <li>• mechanical and electrical systems (not heating and water supply)</li> </ul>	Medium
<p>Energy Efficiency in a teaching environment and key support spaces including:</p> <ul style="list-style-type: none"> <li>• insulation/draft proofing</li> <li>• lighting</li> </ul>	Low
<p>Other works: Evidence <b>must</b> provide a clear condition and value for money case. This might include:</p> <ul style="list-style-type: none"> <li>• accessibility improvements (teaching and non-teaching)</li> <li>• building fabric (non-teaching, eg external sports equipment stores etc)</li> <li>• mechanical and electrical systems (non-teaching)</li> <li>• insulation/draft proofing (non-teaching)</li> <li>• lighting (non-teaching)</li> </ul>	Lowest
<p>Other works: all other works, where there is either weak or no evidence of significant compliance, health and safety concerns or condition/value for money.</p> <p>We will not consider these cases a priority for CIF 2017 to 2018 and will reject them on that basis.</p> <p>Examples include resurfacing or refurbishing play areas or car parks, or small teaching environment refurbishments.</p>	Will not be funded through CIF 2017 to 18

## 8.2 What supporting evidence you need for condition projects

Academies and colleges are expected to provide appropriate building condition survey data or extracts to show proof of project need. The high level Property Data Survey (PDS) may assist you in identifying and prioritising the worst condition areas of your site.

Most projects will need to provide additional survey data so there is more detailed evidence of condition need.

### 8.2.1 Condition grading

Where appropriate, an independent suitably qualified person should carry out surveys containing specific condition grading and prioritisation ratings; condition grade A to D (from 'good' through to 'bad' condition) and priority rating 1 to 4 (from 'immediate action required' through to 'work required in 5+ years').

Most applications should include a condition survey or an extract of a condition survey applicable to the part of the building which the application is addressing. This is not always necessary for some smaller applications but we still need evidence that clearly identifies the condition need.

There is guidance on how these ratings were applied as part of the [PDS programme](#).

If you have surveys that are not graded as described above, you should ensure the condition grading and prioritisation rating are clearly explained so the assessor interprets the information correctly.

### 8.2.2 Block replacement/refurbishment

A block replacement will be considered in the context of the overall area standards set out in [BB103](#) or [104](#) as appropriate. You will need to justify it against those standards. An application that over specifies the space required compared to current area standards will not score highly. If the proposed new build is larger than current area guidelines then the application will either be categorised as a condition with expansion project or an expansion project depending on the size of the increase.

### 8.2.3 Boiler and heating systems

Try to consider heating systems as a whole and be mindful of the impact of any changes that improvements to component parts make; this may help avoid situations such as new boilers not working because of leaking pipework or incompatible control systems.

You should model energy usage and likely savings to support any application for such projects. Salix Finance has developed an Energy Savings Support Tool to help applicants estimate and evidence their energy savings. Information on this can be found in Annex A.

#### **8.2.4 Safeguarding**

Safeguarding projects often involve provision of additional security measures, or remodelling of pedestrian/vehicle access points. If access improvements are required, you should work with your local authority highways department to tackle the identified issues in the most appropriate way and look to negotiate contributions for such works from other interested parties where possible.

If your condition project is designed to address safeguarding issues, you need to provide robust evidence to support urgency of need such as an incident report or police reports. Statements of unqualified opinion that there may be a risk of safeguarding issues will not be considered as sufficient evidence.

#### **8.2.5 Changes to the GIFA**

You should clearly identify the changes in the GIFA as part of any application. This should include the GIFA being renewed or refurbished as well the GIFA being removed / demolished and any new build.

#### **8.2.6 Emergency asbestos issues**

All schools must have an up to date asbestos management plan detailing the location and condition of asbestos containing materials and how any risks are being managed. Guidance on asbestos management in schools is also available.

The advice from the Health and Safety Executive (HSE) is that where asbestos containing materials are assessed as being in good condition and not in a position where they are likely to be damaged they should be left in place and monitored, together with the management of other risks. However, where asbestos is in poor condition or is likely to be damaged during the normal use of the building, it should be sealed, enclosed or removed, as necessary by appropriate qualified contractors.

Where asbestos has been disturbed or damaged, unless the incident is very minor and dealt with immediately, the incident should be notified to HSE. This is a legal requirement under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR).

Academies and colleges with significant asbestos that is proving difficult to manage effectively (eg making access difficult to carry out repairs) may apply to CIF for support to remove it, and should plan works around holiday periods.

### **8.3. Assessment of project need for condition projects**

Project need is marked out of 20 for condition projects and will be weighted to account for 70% of the total score.

#### **8.3.1 Condition survey**

A condition survey provides an assessment of the physical condition of the property. The survey should identify the properties deficiencies and maintenance issues including, but not limited to, structural, building fabric, mechanical, electrical, plumbing, asbestos, fire protection, site layout, site utilities, sewage & drainage, security and safety systems. For all projects the condition survey should provide a clear understanding of the current condition of the property both internally and externally. This should also include a detailed assessment of the consequence of any delay or failure to undertake the proposed work.

A recent (ideally within the last 3 years) building condition survey should include, but not be limited to the following areas:

- structural
- building fabric
- M&E
- asbestos
- utilities
- sewage & drainage
- fire safety & security
- health & safety issues
- site layout

#### **8.3.2 Other evidence of condition**

Evidence should also include:

- an extract of PDS survey, independent condition survey/consultant report or detailed survey and specialist reports (appropriate to size and scale of project)
- clear, sufficiently detailed and relevant photographs
- letters about compliance eg from fire officers or electrical engineers
- Ofsted or other reports on the impact of facilities on teaching and learning

**Table 5 – Project Need scoring for condition projects**

Sub-criteria	Scoring
Project type	High/medium/low score based on priority of need (see Table 3 in ‘Condition’ section).
Urgency of need	<p>To score maximum marks there needs to be an immediate need.</p> <p>You will score low marks if:</p> <ul style="list-style-type: none"> <li>• the level of urgency is low</li> <li>• the urgency of the need is not apparent</li> <li>• you include low priority issues with no justifications</li> </ul>
Strength of evidence for extent of need	To score maximum marks there needs to be strong evidence of significant need providing justification for all works. You will score low marks if there is insufficient / no evidence of significant need.
Nature and extent of impact	To score maximum marks there needs to be an impact on the whole school or closure of key facilities. You will score low marks where there is localised impact.

## 9 Expansion project applications

A small proportion of CIF will be allocated to address expansion issues across high-performing academies and colleges. We expect this part of the fund to be heavily oversubscribed.

As an indication, 20% of CIF 2015-16 funding was allocated to expansion projects, which was 3 times oversubscribed. We do not expect to fund significant numbers of projects relating to new or extended nursery or sixth-form provision.

### 9.1 Increasing admissions

Expansion funds through this programme are not intended to replace Basic Need funding, so academies wishing to expand to meet basic need demand will not receive any additional credit under the project need criterion.

If your project is to expand admissions as a result of demographic growth in the population for years reception to 11 in mainstream settings, you should contact your local authority to seek funding from the Basic Need capital programme rather than CIF.

We do not expect to receive applications for expansion that should be funded via Basic Need capital allocations. Any additional places funded through this programme will be reflected in future basic need allocations to avoid double funding. However, we recognise that value for money that can be secured through joining up basic need investment with addressing condition issues through a single project.

Academies in areas of high basic need demand should consider working together with their local authority to maximise the impact of the available funding and demonstrating the benefits that can be accrued.

Academies wishing to expand their sixth-forms, and sixth-form colleges looking to expand, will be scored in the same way to ensure fairness between the 2 groups of institutions. In both cases, we expect there to be a revenue benefit from expanding the number of sixth-form places, so we would expect academies and colleges to contribute towards the cost of the development. Such projects must be submitted as projects increasing the number of admissions (irrespective of whether it is the main year of entry).

### 9.2 Significant Change

Academies need separate approval for significant changes which would change capacity (significant expansion, change of age range, adding a nursery or sixth form etc) and this must be reflected in their funding agreements.

You should check whether your CIF expansion application requires significant change by reviewing the [significant change guidance](#). The guidance sets out examples of significant changes which require approval and explains the application process.

You must ensure you apply for significant change approval where it is required. You should do this in parallel with making your CIF application and should indicate in your significant change application that you are also applying to CIF.

The approval of any significant change expansion cases which are dependent on securing CIF funding will be conditional. The outcome will be taken into consideration as part of the CIF assessment process but this does not guarantee a capital application will be successful.

Alongside the case for the expansion, academies still need to provide strong evidence to demonstrate their ability to deliver the proposed capital project through the CIF application process.

CIF funding will be withheld for expansion projects which require significant change approval but do not have it.

## 9.3 Growth and demand

For any expansion projects, you will need to input historic, existing and projected annual data for growth and demand for the education establishment on the [CIF portal](#) application page.

If you omit accurate growth and demand data from an expansion project application, this will make it harder to assess and may cost you valuable marks.

### 9.3.1 Growth data

Growth data must cover a 10-year period from 2014/15 to 2023/24 and should correlate with your business plan.

You need to provide the following information, both with and without the proposed project, in order to demonstrate its anticipated benefits:

- gross internal floor area (GIFA) of the whole school (m<sup>2</sup>) and how this relates to the recommended area contained within [Building Bulletin 103](#) or [104](#) as appropriate. Make sure you explain any significant differences in the application

- number of pupils on roll (NOR), as applicable for the age range of the education establishment
- published admission number (PAN)
- admission year 12 (post-16 only)

### **9.3.2 Demand data**

We also request the following annual data on demand over a 4-year period:

- numbers of first or second choice applications
- total admissions (following appeals) in main year of entry (aged 4-16)
- applications in year 12 (post-16 only)
- year 12 admittances in main year of application
- applications in main year of entry assessment of project need for expansion projects

### **9.3.3 Net Capacity**

You should make reference in your application to the change in the net capacity as a result of the proposed project by confirming the number of additional places that will be created by the project.

This also applies if the project is to address overcrowding and where you do not expect there to be an increase in the NOR. The only circumstances where the net capacity is unlikely to change is if the project is to provide additional non-teaching support space such as dining facilities.

## **9.4 Assessment of project need for expansion projects**

Project need has been weighted to account for 70% of the total score.

Evidence should ideally include:

- Ofsted or other reports on impact of facilities on teaching and learning
- demand data, independent evidence of overcrowding
- explanation or evidence of any exceptional circumstances relating to capacity constraints that need to be taken into account

The EFA will also seek the views of the Regional Schools Commissioner on local need for expansion project applications.

In assessing need for expansion applications which create additional places, the EFA will take into account the proportion of schools' pupils who are from a disadvantaged background. This is to support the creation of new places in high performing schools with a high relative proportion of disadvantaged pupils .

For some expansion projects:

- subject to the size and scale of the project; an extract of PDS survey, an independent condition survey/consultant report or detailed survey and specialist reports
- photographs
- letters about compliance eg fire officers or electrical engineers

We will use the results from the June 2016 School Capacity Survey data on demand for places, admission numbers and the specific overcrowding consequences to inform the project need criteria scores.

**Table 6 – Project Need Scoring for expansion projects**

Sub-criteria	Scoring
Popularity/demand For overcrowding projects this includes: Severity of overcrowding issues	To score maximum marks there needs to be a very high demand (based on % 1st and 2nd preferences of PAN) and for overcrowding projects independent evidence of the impact of overcrowding.  You will score 0 if there is low demand (preferences less than 110% of PAN) and no evidence of overcrowding.
Performance	To score maximum marks the school or college needs to be Ofsted outstanding and have performance at or above the national average.  You will score low marks where Ofsted results are good but where performance is below the national average or the school is below Ofsted good.
Capacity constraints	To score maximum marks there needs to be a severe shortage of capacity (based on the net capacity data and current NOR for academies).  You will score low marks where there is only a small shortage of capacity.

<p>Deprivation (For projects creating additional places only)</p>	<p>To score maximum marks you will have a high relative proportion of pupils from a disadvantaged background (according to Ever 6 FSM and IDACI) measures.</p> <p>You will score low marks where you have a low relative proportion of pupils from a disadvantaged background.</p>
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## 10 Demonstration of project planning in all projects

Project planning is marked out of 15 for all projects and contributes 15% of the total score.

Assessors must be able to see that the proposed solution appropriately addresses the nature, extent and urgency of the need evidenced, and that applicants have the ability to deliver the solution. You must be able to show that projects are planned appropriately and realistically, taking account of potential risks.

**Table 7 – Project Planning Scoring for all projects**

Sub-criteria	Scoring
Appropriateness of solution	<p>To score maximum marks the highest need issues should be prioritised and a costed options appraisal with quantified benefits that supports the solution provided.</p> <p>Where the project is a small project there should be an appropriately scaled options appraisal to support the solution.</p> <p>You will score low marks where low priority issues are included with no justifications and there is no options appraisal.</p>
Timescales	<p>To score maximum marks, readiness milestones need to be complete by March 2017 and the project delivery timescale must be appropriate to the scale of the project.</p> <p>Smaller projects are expected to be delivered within the 17-18 financial year (FY), larger projects by the end of 18-19 financial year.</p> <p>You will score low marks where there are concerns with deliverability to timescale given the scale and nature of the project or where the readiness milestones are not completed until after Jan 2018.</p>

Delivery Plan	<p>To score maximum marks, 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 risk.</p> <p>You will score low marks where there are concerns over the ability to deliver the project and/or it lacks a sufficiently detailed delivery plan or risk register for the size of the project.</p>
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Evidence should ideally include (subject to the size and scale of the project):

- quantification of other options/ options appraisal
- milestones chart / a detailed programme plan or Gantt chart
- quantification of benefits
- a comprehensive risk assessment with mitigations
- evidence of prioritisation
- master planning for the site and a business plan
- project context for wider site
- pre-planning advice or any planning evidence
- a feasibility study

We expect to see greater levels of details for large, high value projects. There is further information on conducting a feasibility study at Annex B.

As an applicant, it is your responsibility to consult your local planning authority to check if planning permission is required before applying to CIF. The application should indicate clearly whether or not planning permission is required and whether it has been confirmed with the local planning authority. Further guidance is also available on planning permission.

You may need additional DfE/EFA approvals if you are an academy with a project that involves purchase, lease or sale of land or buildings. The academy property transactions contains the forms and associated property information notes. You may wish to include relevant forms as part of the supporting evidence for the CIF project.

If the application relates to a proposed expansion that would increase the school's capacity, you will need to seek separate approval from the department by following the [significant change](#) process. This includes ensuring sufficient consultation of interested parties has taken place. Please note that failure to complete the significant change process, if your application is successful, will delay the funding provided to your academy.

# 11 Demonstration of value for money in all projects

Value for money is the demonstration of an appropriately costed project to respond to the project need. It is marked out of 15 and contributes 15% of the total score.

Applicants should make use of all funding sources available, such as energy efficiency Salix loans, CIF loans and local contributions when putting together their funding package proposal.

**Table 8 – Value for money Scoring for all projects**

Sub-criteria	Scoring
Overall costs	<p>To score maximum marks there should be a clear scope with overall cost 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>You will score low marks where the level of costs are above expectations with no clear justification eg there are excessive fees, allowances and contingency.</p>
Cost certainty	<p>To score maximum marks, tenders/quotes should be thorough and well evidenced and in line with the expectations relative to the size of the project.</p> <p>You will score low marks where there is no evidence of tenders/quotes attached to the application or they are inadequate for the size of the project.</p>
Funding sources and savings	<p>To score maximum marks there will be a significant (and affordable) contribution from other sources or via a Salix and/or CIF loan.</p> <p>Where appropriate, there will be evidence of achievable and quantified revenue or future capital savings.</p> <p>You will score low marks where there is no funding being provided from other sources, via a Salix loan and/or CIF loan and/or no evidence of future capital savings.</p>

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 quotes/estimates/a summary of any tender exercise are attached as part of evidence
- cash flow forecast (where appropriate)
- details of procurement route
- market testing to demonstrate additional/abnormal costs, where appropriate
- details or evidence of any savings being made
- 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 (eg presence of asbestos), planning constraints and project specification/scope. Assessors will refer to industry standards and experience to consider whether the levels of costs are appropriate.

Any cost overruns will be at the expense of the provider, although an appropriate level of contingency funding is permitted. Where there are local features which may lead to costs being outside of industry benchmarks then you should clearly explain why this is the case 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 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.

## 11.1 Procurement

Applicants may choose their own procurement route to secure best value for money. [The EFA regional framework](#) is available for applicants to use. It is aimed at individual school projects, both new build and refurbishment, with capacity to deliver elemental works. This framework may be appropriate for a number of different types of projects, particularly medium sized projects with a cost in excess of £200K.

Whilst it would enhance your application, there is no obligation to complete a tender exercise before submitting a CIF bid but you should set out your planned procurement route and demonstrate how you plan to achieve value for money.

Academies must exclude VAT from all project costs. Sixth-form colleges can include VAT in the project cost as they can't reclaim it.

## 11.2 Professional fees

You may choose to appoint technical advisors to help you develop and deliver the project. The fees charged by advisers should be appropriate to the type and scale of the project.

The majority of CIF projects are straightforward, single issue, lower value projects. Percentage fees are not necessarily appropriate for this type of work; if used, we do not expect these to be above 10%.

If the fees are disproportionate to the work involved, the application will be rejected. We expect applicants to challenge technical advisors on fees where appropriate.

## 11.3 Loans

There are two types of loans available to applicants through CIF:

- Energy Efficiency Salix Loans
- CIF Loans

You can take out a loan for all or part of the project costs to demonstrate commitment to the proposed scheme and can choose the type of loan, the size of loan, and the timescale over which you want to repay it.

There is no obligation to take out a loan as part of the overall funding package. Applicants should consider carefully what is most appropriate for their academy or college, and the consequences and affordability of any loan.

Applications for CIF or energy efficiency Salix loans are made within the CIF application form. Further information, including interest rates and typical repayments, can be found in Annex A.

## Annex A: Loans

Applications for CIF or energy efficiency Salix loans are made within the CIF application form on the [CIF online portal](#).

Academies and colleges choosing to take a loan will be eligible for additional points under the value for money criteria (worth 15% of the overall score) than if they had applied for their project to be funded through grant alone. However, the overriding element of any application is project need.

Assessment under this section will be based on the ratio of loan to grant – eg a project funded 100% through a loan will see a greater increase in score than a project funded 30% through a loan and 70% through a grant or for Energy Efficiency Salix Loans, the efficiency savings.

In keeping with our principles of equality for academies with the maintained sector, we can offer these loans at Public Works Loan Board rates of interest, the same that local authorities can access to invest in their schools. The interest rates that will be used for the programme are set out below and a [loan calculator](#) is available.

**Table 9 - interest rates and typical repayments on a loan of £100,000 (Interest rates are based on the PWLB as of 30/09/16)**

Duration of loan (years)	Interest rate (%)	Total repayable on a loan of £100k	Annual repayments over period of loan
2	1.03%	£101,547.64	£50,773.82
3	1.04%	£102,087.17	£34,029.06
4	1.05%	£102,638.71	£25,659.68
5	1.07%	£103,232.78	£20,646.56
6	1.09%	£103,849.46	£17,308.24
7	1.12%	£104,529.89	£14,932.84
8	1.15%	£105,244.03	£13,155.50
9	1.19%	£106,043.83	£11,782.65
10	1.23%	£106,889.02	£10,688.90

## Affordability tests

Before deciding whether to apply for a loan, you must consider the affordability of repayments. EFA will apply a number of tests to assess the affordability of proposals. Applicants failing to pass these tests will not be eligible to receive a loan – but may still be considered for grant funding if scored highly in other assessment criteria. We do not expect applicants to submit additional documents, such as financial statements, to

support affordability testing. The EFA will obtain the information from the relevant sources.

## Academies

- a) the annual loan repayment must be less than 4% of the revenue grant ('GAG') that the academy was allocated in 2016 to 17
- b) the academy trust must not be under a Financial Notice to Improve or 'minded to' Financial Notice to Improve
- c) the trust's last audited financial statements must show that the trust was in cumulative revenue surplus
- d) the trust's latest budget forecast shows a forecast cumulative revenue surplus to the end of the forecast period
- e) the trust's last audited financial statements must show that the trust has a current ratio of at least 1.25:1 (the 'current ratio' is the ratio of an organisation's current assets to its current liabilities)
- f) the trust must have submitted all their financial returns (in the last 12 months) on time
- g) neither the trust's last audited accounts nor its regularity statement were qualified

## Sixth-form colleges

- a) the annual repayment must be less than 4% of the revenue grant that the college received from EFA in academic year 2016 to 17
- b) the college has a financial health assessment of satisfactory, good or outstanding

## Repayments

Repayments will be made through a reduction in the general annual grants (GAG) payments made by the EFA. Repayments are taken from GAG payments as the savings generated from carrying out the work are revenue savings rather than capital, resulting in lower running costs.

Loans can be repaid early without early repayment charges. The [loan calculator](#) can be used to help applicants understand the effect of repaying their loan early.

## Energy Efficiency Salix loans

Applicants can also apply for energy efficiency loans for condition improvements works which will lead to annual energy savings. These loans are also known as [Salix loans](#), as

the assessment of the energy savings will be carried out by Salix Finance. These Salix loans are only available through the CIF funding application process.

The EFA funds and administers Salix loans directly from the CIF budget. We do not charge any interest on these loans. By providing Salix loans at 0% interest, as part of the CIF allocations, we can support more projects as the repayments are recycled to fund future energy efficiency projects. This helps ensure academies and colleges embed the principle of energy efficiency in their long-term maintenance and business planning, freeing up funds to invest in their other priorities.

HM Treasury have already approved Salix loans so you don't require additional approval to take out these loans.

## **Projects that can apply for a Salix loan**

We expect the following types of projects to apply for a [Salix loan](#) as part of their funding package:

- boiler and heating systems replacement/refurbishment
- window projects
- roofing projects
- curtain wall / cladding projects

Other energy efficiency works such as replacing lighting or implementing new technologies that primarily have an energy efficiency focus are unlikely to be successful in receiving CIF funding. However academies and colleges can apply separately to the new [Salix Energy Efficiency Fund \(SEEF\)](#) which is being administered by Salix Finance but funded by the EFA.

## **Projects wholly or partially funded by Salix loans**

Projects can be wholly funded by a Salix loan or partially funded by a loan with the remainder by a grant or academy / college contribution. The value of the loan for heating projects can be calculated using the Energy Savings Support Tool on the Salix website, which will help you estimate the likely savings as a result of undertaking the proposed works.

Where applicants offer to contribute to project funding through a Salix loan, they will tend to receive a higher value for money score.

The minimum value of a Salix loan is £8,000. We will not approve loans for amounts below £8,000. The loans will normally be paid back over a period of 8 years.

Although it is not mandatory we strongly encourage those applying for boiler and heating works to request at least part of the project to be funded using a Salix loan as in most cases replacement boiler projects will lead to annual energy savings.

We may decrease the value of the requested loan amount following the assessment by Salix, if their assessment shows that the planned energy savings are insufficient to pay-back the loan amount within the required time period.

Salix loan repayments will be taken in the same way as the CIF loan repayments.

## Annex B: Feasibility study

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 and should it be approved by EFA so you can proceed with it?

For all projects your feasibility study should include an evaluation and analysis of the proposed project. 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 success 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. You should provide information on opportunities, issues and threats which could be present and could either support your project or create problems. You also need to confirm the resources required to deliver the project on time and on budget.

### What to include in a feasibility study

The feasibility study for the project on the proposed site should include, but not be limited to:

- project analysis and evaluation
- demonstration of need and scope of works proposed to address the need
- full details of surveys undertaken or planned
- what is the design solution and why will it work
- detailed professional and robust cost management plan or a contractor's cost estimate
- an outline of planning requirements and evidence of permissions
- benefits/constraints of the project (for example, is moving to temporary accommodation an option and is it really necessary?)
- site issues affecting the project, site entrances, disturbance to local residence
- knowledge of location of utilities or the location and extent of asbestos and any cost savings as a result of the project
- how is this project affordable and able to demonstrate value for money
- risk analysis and mitigation in a comprehensive risk register for the entire project and specifically deliverability of the works in a teaching and learning environment
- what will happen if an emergency occurs, fire, flood etc who are the professional Project Management team and what's their track record
- capacity and capability of the academy's Project Team
- a detailed plan of the required resources and where they will come from
- what will the procurement route be and why is this the best value for money

## Annex C: Risk Protection Arrangement (RPA)

The Department for Education's RPA is a voluntary arrangement for academies and free schools. It is an alternative to insurance through which the cost of risks which materialise will be covered by government funds.

RPA automatically cover any property owned by a RPA member or for which the member is responsible, up to the full reinstatement value of the property.

The RPA does not need to be notified when works are being undertaken and the school's existing structures will continue to be covered for the duration of the works. The RPA also provides automatic cover for damage to contract works, cover is limited to £250,000 for any one claim.

However, there is no provision within RPA to waive subrogation rights against any party (other than another member of the RPA) or provide 'joint names' cover as required by some form of building contracts (eg Option C of JCT).

Members of the RPA will therefore need to seek amendments to most standard forms of contract. Firstly the build contractor must retain liability for any damage that he causes to the existing structures. There are a number of options here:

1. Where the cover provided by the RPA (£250,000 per claim) is sufficient, either
  - contract terms are amended so that the contractor retains liability for any damage she/he causes to the works and the academy relies on the cover provided by RPA; or
  - insurance cover is taken out by the academy or the contractor (in 'joint names' of the academy and the contractor) for the full reinstatement value of the works.
2. Where the cover provided by the RPA is not sufficient, either
  - insurance cover is taken out by the academy or the contractor (in 'joint names' of the academy and the contractor) for the full reinstatement value of the works; or
  - the contractor retains liability for the first £250,000 of damage that she/he may cause and the academy or contractor take out insurance (in the 'joint names' of the academy and contractor) for the full reinstatement value of the works with a £250,000 policy excess applicable to each and every claim.

Further information can be accessed via the [RPA welcome pack](#). To discuss the cover provided by RPA, you can contact the RPA advice line on 0117 9769 361 or email [RPAAdvice@willis.com](mailto:RPAAdvice@willis.com).

## Annex D: Application checklist

### Before you start your application

Check that:

- You have referred to the guidance for 2017 to 2018 and used this to check that your project(s) is in line with the priorities for funding
- You are clear which type of project(s) you are applying for and have referred to the appropriate assessment criteria
- You have contacted your local planning authority and checked whether planning permission is required
- You have ensured you have access to a CIF portal account and in case of contingency at least one other colleague can access this account.

### Preparation of your evidence

Check that:

- You have summarised the what, when, why and how at the outset
- The what, when, why and how are clearly defined and evidenced
- Your evidence is focussed on the building issue – it does not include irrelevant detail about the school history, ethos and attainment record
- You have prioritised the worst condition element for the school and your evidence doesn't include a mix of condition priorities
- Your evidence places the issue in the context of the overall needs of the school to illustrate the rationale for its prioritisation
- Your evidence provides concise and relevant extracts of more lengthy documents such as condition surveys – without losing the context
- The data in your application form agrees with the data in the supporting information – eg milestone and programme dates that are inconsistent increase concern about delivery risk
- Your evidence includes an appropriate, relevant and qualified opinion for specific issues eg fire, asbestos, legionella or safeguarding issues

### Making an application

Check that:

- You have applied for significant change approval if required

- You've planned to make your application ahead of the deadline so you can review your application and seek advice or resolve any issues in good time
- Your photographic evidence is clear and relevant
- Any attachments comply with the document size limit which is 1mb per document
- Your application does not duplicate information given within the attachments
- You have not included embedded files with your application – these cannot be accessed
- You have not included website or other external links in your application – these will not be accessed
- The documents you have provided are all readable – for example, do not shrink them so much that when expanded they are illegible or scan them with insufficient clarity so they do not clearly show the point they are intended to make



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