Condition Improvement Fund (CIF)
Information for applicants

October 2015
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Introduction

The Education Funding Agency (EFA) will provide a Condition Improvement Fund (CIF) for academies and sixth-form colleges to access in the 2016 to 2017 financial year, (April 2016 to March 2017).

The core priority for CIF is condition: keeping academy and sixth-form college buildings safe and in good working order is a key priority. Most CIF funding aims to address issues with significant consequences that revenue or Devolved Formula Capital (DFC) funding cannot meet.

The second priority for CIF is expansion: a smaller proportion of CIF funding supports high performing academies and sixth form colleges that need to expand their existing facilities and/or floor space to either:

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

CIF 2015 to 2016 was 4 times oversubscribed. It is expected that there will be similarly high levels of demand this year. Only applications which demonstrate a high project need and align closely with the priorities of CIF are likely to be successful.

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.

Applicants preparing expansion projects should consider the alternative option of setting up a free school. A free school could meet your requirements or the need for places in your local area.

For further information about CIF and the latest updates, please refer to GOV.UK. Frequently asked questions can be found on EFA Information Exchange.
Key dates and deadlines

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIF 2016 to 2017 announced</td>
<td>24 September 2015</td>
</tr>
<tr>
<td>CIF information for applicants published</td>
<td>22 October 2015</td>
</tr>
<tr>
<td>Online application form opens</td>
<td>22 October 2015</td>
</tr>
<tr>
<td>Registration deadline for new applicants</td>
<td>5pm 2 December 2015</td>
</tr>
<tr>
<td>Deadline for submitting applications</td>
<td>12 noon 16 December 2015</td>
</tr>
<tr>
<td>Date for notifying applicants of outcomes</td>
<td>March/April 2016</td>
</tr>
</tbody>
</table>

Key features

There are three categories of CIF project. Projects may be re-categorised if they do not meet the qualification criteria for the selected category:

- **Condition project** – to improve the condition of a school building, with no expansion of the gross internal floor area (GIFA)
- **Condition with expansion project** – to improve the condition of a school building, where the GIFA of the new block is up to 10% larger than the previous block (due to meeting current area standards as defined by Building Bulletin 103 or relevant building regulations) and the project does not add new functional areas or facilities. Additional information to explain the reason for the expansion will be required within the application form
- **Expansion project** – for additional places or to address overcrowding in high performing schools 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 and the supplementary data is not available (please see expansion section of the guidance), the application may be penalised

Applicants can submit up to 2 applications per eligible education establishment, only one of which may be for an expansion project.

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 across their portfolio. Multi-site projects will count as one project for each of the academies involved. Major projects should be submitted individually, not presented as a large multi-site project.

Primary and special schools can request capital funding between £20,000 and £4 million per project in total, irrespective of project duration or funding composition (e.g.
combination of loan and grant). Secondary schools, all-through schools and sixth-form colleges can request funding between £50,000 and £4 million per project. Revenue and DFC funding should be used for capital works below these limits.

Applicants can apply for a CIF loan (at Public Works Loan Board 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 B).

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 2017. Larger projects may span up to two years in duration, but all projects must be complete by 31 March 2018.

Projects will be scored against three weighted assessment criteria: project need 70%, project planning 15% and value for money 15%.

Partial funding is not available. Projects will be fully funded or rejected.

Retrospective projects will not be funded.

**Eligibility**

**Types of project**

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.

The project thresholds for CIF 2016-17 are:

<table>
<thead>
<tr>
<th>School type</th>
<th>Minimum project threshold</th>
<th>Maximum project threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary and special schools</td>
<td>£20,000</td>
<td>£4,000,000</td>
</tr>
<tr>
<td>Secondary, all-through and sixth-form colleges</td>
<td>£50,000</td>
<td>£4,000,000</td>
</tr>
</tbody>
</table>

Information and communication technology (ICT) hardware or software, loose furniture and equipment are ineligible. ICT infrastructure (cabling, wireless and switching) is only eligible insofar as it is an integral part of a larger refurbishment or new build project.
Educational establishments

For establishments to be eligible to apply for funding, they must:

- not be part of a larger MAT or chain (with at least 5 academies and more than 3,000 pupils) that is receiving formulaic funding; and
- be an open academy or sixth-form college as of 1 November 2015; or
- be a school with a signed academy order as of 1 November 2015.

Multi-academy trusts

MATs with at least 5 academies (as of 1 November 2015) and more than 3,000 (as of January 2015 school census) pupils do not need to apply. They will receive a formulaic allocation to deploy strategically across their estate for 2016 to 2017. Further guidance on capital funding for MATs is available on GOV.UK.

Schools with academy orders

If you are a school with a signed academy order, please contact the CIF team as soon as possible via the EFA enquiries contact form so we can provide you access to the CIF portal for application purposes. Please also note that, if successful, schools with a signed academy order must have converted to an academy by 31 March 2016 for funding to be able to be released. If this is not the case, funding will be held until conversion has taken place

Expansion projects

Applications will only be accepted from academies and colleges that can demonstrate that they are high performing (see criteria on page 12).

Within this category highest priority will be given to expansion projects in popular schools and colleges that are rated Ofsted Outstanding and where pupil performance is above the national average.
Preparing your application

The online CIF portal will be used for the application process. A detailed user guide for the application form can be found on the portal.

The CIF portal will automatically allow eligible schools or colleges to register and create an account. When creating an account please use a username that will be able to be used by different members of staff, as once a username is set it cannot be changed.

Applicants who already have an account from the previous CIF application round should continue to use their existing account and should 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.

We will publish a detailed user guide for the application process when it goes live in October.

The application form is designed to allow applicants to summarise succinctly the key features and rationale behind a project. It allows applicants to attach key project documentation as evidence to support the case being made. School history and history of the condition issue is not required.

Where academies and colleges have successful Priority Schools Building Programme projects (PSBP) they should not duplicate works covered by this in a CIF application. All successful CIF applications will be cross checked against PSBP to ensure there is no duplication of works. The PSBP 2 programme of works is due to be announced in autumn 2015.

We do not expect applicants to spend significant time and resources preparing bids to CIF beyond that required to discharge their responsibilities for managing their site effectively. Evidence submitted should be proportionate to the scale of the project; we expect more robust information for a project requesting £100,000s than one requesting nearer the minimum project thresholds.

Projects requesting more than £1 million, and able to progress design development, procurement, etc. at their own risk to make the most of the next summer holiday period, must include a feasibility study as part of the supporting evidence. Feasibility studies should include things such as a detailed breakdown of costs, any planning requirements and evidence of permissions, details of surveys undertaken or planned and a comprehensive risk register.
If applicants submit 2 projects, 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.

Technical advisers and representatives 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.

Annex C contains a checklist which all applicants are strongly advised to review when preparing and submitting their application(s).
Condition projects

Most funding will be targeted at building condition projects. Condition with expansion projects will be assessed as condition projects. The threshold at which a condition with expansion project becomes an expansion only project is where the proposed expansion is 10% larger than the existing GIFA or adds significantly different functional areas or facilities to the original use.

Priority projects

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 1. Assessors will make a final judgement on which category each project fall under.

Table 1 - Condition Projects Policy Priority Ratings

<table>
<thead>
<tr>
<th>Category</th>
<th>Priority Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance and Health and Safety</td>
<td>Highest</td>
</tr>
<tr>
<td>Including: emergency asbestos removal, gas safety, electrical safety,</td>
<td></td>
</tr>
<tr>
<td>lift safety, legionella, fire safety, safeguarding</td>
<td></td>
</tr>
<tr>
<td>Significant Building Condition in a teaching environment or key support</td>
<td>High</td>
</tr>
<tr>
<td>spaces</td>
<td></td>
</tr>
<tr>
<td>Including: building fabric (weather tightness), mechanical and electrical</td>
<td></td>
</tr>
<tr>
<td>systems (heating and water supply)</td>
<td></td>
</tr>
<tr>
<td>Significant Building Condition in a teaching environment or key support</td>
<td>Medium</td>
</tr>
<tr>
<td>spaces</td>
<td></td>
</tr>
<tr>
<td>Including: building fabric, (toilets and kitchens), mechanical and</td>
<td></td>
</tr>
<tr>
<td>electrical systems (other)</td>
<td></td>
</tr>
<tr>
<td>Energy Efficiency in a teaching environment and key support spaces</td>
<td>Medium</td>
</tr>
<tr>
<td>Including: insulation/draft proofing, lighting</td>
<td></td>
</tr>
<tr>
<td>Other works: Evidence must provide a clear condition and VfM case</td>
<td>Low</td>
</tr>
<tr>
<td>Might include: accessibility improvements (teaching and non-teaching),</td>
<td></td>
</tr>
<tr>
<td>Building fabric (non-teaching, eg external sports equipment stores etc),</td>
<td></td>
</tr>
<tr>
<td>mechanical and electrical systems (non-teaching), insulation/draft</td>
<td></td>
</tr>
<tr>
<td>proofing (non-teaching), lighting (non-teaching)</td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Priority Level</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Other works:</td>
<td>Lowest</td>
</tr>
</tbody>
</table>

All other works, where there is no or weak evidence of significant compliance, health and safety concerns or condition/VfM case will not be considered a priority for CIF in 16-17 and will be rejected on that basis.

Examples include resurfacing or refurbishing play areas or car parks, or small teaching environment refurbishments.

Academies and colleges are expected to provide appropriate building condition survey data or extracts to evidence project need. The high level Property Data Survey (PDS) may assist applicants in identifying and prioritising the worst condition areas of their site. For more complex projects, additional survey data may be necessary to both provide more detailed evidence of condition and to manage works on site. Where appropriate, surveys carried out by an independent suitably qualified person, should contain specific condition grading and prioritisation ratings; condition grade A to D (good through to bad condition) and priority rating 1 to 4 (immediate action required through to work required in 5+ years).

Applicants with surveys that are not graded in this way should ensure the condition grading and prioritisation rating are clearly explained to ensure the assessor interprets the information correctly.

Guidance on how these ratings were applied as part of the PDS programme can be found on GOV.UK.
Expansion projects

The 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, 15% of CIF 2015-16 funding was allocated to expansion projects, which was 10 times oversubscribed. We do not expect to fund significant numbers of projects relating to new or extended nursery or sixth-form provision. Projects to expand specialist facilities, such as science laboratories and sports halls, where there is a not an overall need for expansion across the site will not be funded through CIF in 2016-17.

Due to the high level of oversubscription, we only expect to fund projects at schools that can demonstrate that they are high-performing and meet the following criteria:

- the applicant organisation must be Ofsted ‘outstanding’, ‘good with outstanding features’ or ‘good’ AND
- have KS2/4 attainment and progress results above the National average, sustained for three years OR
- have an upward trajectory of attainment for three years

Expansion applications from high performing academies or sixth-form colleges seeking to increase their admissions or address overcrowding will score most highly. We do not expect to fund projects to expand admissions as a result of demographic growth in the population (this should be funded by the Basic Need capital programme).

Significant change

Academies require separate approval for significant changes which would change their capacity and need to be reflected in their funding agreements (significant expansion, change of age range, adding a nursery or sixth form etc). If you think this applies to your CIF application, you must ensure you also apply for significant change approval. You can do this in parallel to completing your CIF application and should indicate in your significant change application that you are also applying to CIF.

Please see the Significant Change Guidance on GOV.UK which sets out examples of other significant changes which require approval and the application process. From September 2016 the intention will be for academies to make a single application for the significant change and capital approval.

Approval of Significant Change expansion cases which are dependent on securing capital funding through CIF 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 will still need to provide strong evidence to demonstrate their ability to deliver the proposed capital project through the CIF application process.

**Growth and demand**

The CIF portal application page requires expansion projects to input historic, existing and projected annual data for growth and demand for the education establishment. Please note that omission of accurate growth and demand data will limit the ability to assess expansion project applications.

**Growth data**

Growth data must cover a 10-year period from 2013/14 to 2022/23, and should correlate with your business plan. The following information is required, both with and without the proposed project, in order to demonstrate its anticipated benefits:

- gross internal floor area (GIFA) of the whole school (m²) and how this relates to the recommended area contained within Building Bulletin 103 (BB103). Any significant differences should be explained 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)

**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 criteria**

Assessors will evaluate each project using the information contained within the application, and make a relative judgement, to award an overall project score. Scores for expansion schemes which involve reference to Ofsted and school performance data will be generated from DfE centrally held sources of information rather than solely based on the information provided by applicants.

Scores awarded to projects will not be comparable to those awarded in previous rounds of the CIF or other funding programmes. The scoring mechanism and criteria weighting have been updated in order to target limited funds more effectively to where it is most needed.

<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Need</td>
<td>70%</td>
</tr>
<tr>
<td>Project Planning</td>
<td>15%</td>
</tr>
<tr>
<td>Value for Money</td>
<td>15%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

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

The next three sections set out the basis for judgements under each set of assessment criteria, and outline the information applicants might consider providing to support applications given the principle of proportionality that is applied to this programme. These lists are not exhaustive, and applicants 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, not require significant explanation.
Project need (70% weighting)

Condition - Project Need Scoring (marked out of 20)
Weighting 70%

<table>
<thead>
<tr>
<th>Sub-criteria</th>
<th>Scoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project type</td>
<td>High/medium/low score based on priority of need (see Table 1 in ‘Condition’ section)</td>
</tr>
<tr>
<td>Urgency of need</td>
<td>To score maximum marks there needs to be an immediate need. You will score low marks if: the level of urgency is low the urgency of the need is not apparent you include low priority issues with no justifications</td>
</tr>
<tr>
<td>Strength of evidence for extent of need</td>
<td>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.</td>
</tr>
<tr>
<td>Nature and extent of impact</td>
<td>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.</td>
</tr>
</tbody>
</table>

Evidence ‘should’ include:

- extract of PDS survey, independent condition survey/consultant report or detailed survey and specialist reports (appropriate to size and scale of project)
- photographs
- letters about compliance e.g. fire officers or electrical engineers
- Ofsted or other reports on impact of facilities on teaching and learning

Expansion Project Need Scoring (marked out of 10)
Weighting 70%

<table>
<thead>
<tr>
<th>Sub-criteria</th>
<th>Scoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Popularity/demand</td>
<td>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.</td>
</tr>
<tr>
<td>Sub-criteria</td>
<td>Scoring</td>
</tr>
<tr>
<td>----------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>overcrowding issues</td>
<td>You will score 0 if there is low demand (preferences less than 110% of PAN) and no evidence of overcrowding.</td>
</tr>
<tr>
<td>Performance</td>
<td>To score maximum marks performance needs to be Ofsted outstanding and results at or above the national average for the last three years. You will score low marks where Ofsted results are good but below the national average or the school is below Ofsted good. NB if your school has no KS2 or KS4 results, predictions will be taken into account.</td>
</tr>
<tr>
<td>Capacity constraints</td>
<td>To score maximum marks there needs to be a severe shortage of capacity (based on BB103 area guidelines published by the DfE and current NOR). You will score low marks where there is only a small shortage of capacity.</td>
</tr>
</tbody>
</table>

Evidence ‘should’ include:

- Ofsted or other reports on impact of facilities on teaching and learning
- Demand data, independent evidence of overcrowding
- The EFA will also seek the views of the Regional Schools Commissioner on local need for expansion project applications
- Explanation or evidence of any exceptional circumstances relating to capacity constraints that need to be taken into account

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 e.g. fire officers or electrical engineers

Property Data Surveys (PDS) are useful in helping academies and colleges prioritise themselves, however it is likely that they will be insufficiently detailed to rely on to evidence a scheme alone or manage a project successfully. More recent detailed survey data is likely to add greater value to a project.

An additional ‘pass/fail’ test will be applied once Project Need has been assessed. Projects that cannot demonstrate a high need under these criteria will be rejected.
Project planning (15% weighting – marked out of 15)

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

<table>
<thead>
<tr>
<th>Sub-criteria</th>
<th>Scoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriateness of solution</td>
<td>To score maximum marks the highest need issues should be prioritised AND a costed options appraisal with quantified benefits that supports the solution provided. Where the project is a small project there should be an appropriately scaled options appraisal to support the solution. You will score low marks where low priority issues are included with no justifications and there is no options appraisal.</td>
</tr>
<tr>
<td>Timescales</td>
<td>To score maximum marks key readiness milestones need to be complete by March 2017 AND the project delivery timescale is appropriate to the scale of the project. Smaller projects are expected to be delivered within the 16-17 financial year (FY), larger projects by the end of 17-18 FY. You will score low marks where there are concerns with deliverability to timescale given the scale and nature of the project OR the readiness milestones are not completed until after Jan 2018.</td>
</tr>
<tr>
<td>Delivery plan</td>
<td>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. 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.</td>
</tr>
</tbody>
</table>

Evidence ‘should’ 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

Gross internal floor area

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

Planning permission and other approvals

It is the responsibility of the applicant to consult their 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 on planning permission can be found on GOV.UK.

Additional DfE/EFA approvals may also be required for academies if the project involves purchase, lease or sale of land or buildings. The forms and associated property information notes are available at academy property transactions. Applicants 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, separate approval needs to be sought from the department by following the significant change process. This includes ensuring sufficient consultation of interested parties has taken place (see further details on page 12).

Value for money (15% weighting – marked out of 15)

Value for money is the demonstration of an appropriately costed project to respond to the project need. 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>
<thead>
<tr>
<th>Sub-criteria</th>
<th>Scoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall costs</td>
<td>To score maximum marks there should be a clear scope with overall cost below expectations/industry benchmarks. All cost elements should appear reasonable and where there are ‘abnormals’ or high costs they are clearly justified. You will score low marks where the level of costs are above expectations with no clear justification e.g. there excessive fees, allowances and contingency.</td>
</tr>
</tbody>
</table>
### Sub-criteria | Scoring
---|---
Cost certainty | To score maximum marks tenders/quotes should be thorough and well evidenced and in line the expectations relative to the size of the project. 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.

Funding sources and savings | To score maximum marks there will be significant (and affordable) contribution from other sources or via a Salix and/or CIF loan. Where appropriate there will be evidence of achievable and quantified revenue or future capital savings. 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.

Evidence ‘should’ include:

- 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)

Costs 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 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 this should be clearly explained and evidenced.

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.

**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.

There is no obligation to complete a tender exercise before submitting a CIF bid but applicants should set out their planned procurement route and demonstrate how they plan to achieve value for money. You can find advice on procurement on GOV.UK.

Academies must exclude VAT from all project costs. Sixth-form colleges cannot reclaim VAT and can include it in the project cost.

**Professional fees**

Applicants may choose to appoint technical advisors to help them 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.

**Loans**

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

- energy Efficiency Salix Loans
- CIF Loans

Applicants can take out a loan for all or part of the project costs to demonstrate their commitment to the proposed scheme and can choose the type of loan, the size of loan, and the timescale over which they 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. 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.

Applications for CIF or energy efficiency Salix loans are made within the CIF application form. Further detail on loans can be found in annex B.
Annex A: Project type definitions

Compliance

All schools need to ensure that their buildings are compliant with relevant legislation and that core services are tested regularly and certified by a suitably qualified professional.

Safeguarding

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

Emergency asbestos

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. 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. 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 appropriate.

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

Block replacement/refurbishment

A block replacement will be considered in the context of the overall area standards (BB103). It will have to be justified against those standards. An application that overspecifies the space required compared to current area standards will not score highly.

Component replacement

The majority of projects supported through the CIF are expected to involve the replacement of key 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.

**Boiler and heating systems**

Applicants are encouraged to think holistically when developing these schemes to avoid situations such as new boilers not working due to leaking pipework or incompatible control systems. Applicants should model their energy usage and likely savings to support their application for 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 B.

**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, applicants may apply to the CIF for minor adaptations – lifts, toilets, showers and other hygiene facilities, etc. to enable the pupil to access the school site appropriately.

**Increasing Admissions**

The department wants to support popular and successful academies and colleges to expand irrespective of the demographic demand in the local area. Expansion funds through this programme are not intended to replace basic need funding, and thus academies wishing to expand to meet basic need demand will not receive any additional credit under the project need criterion. 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 the value for money that can be secured through joining up basic need investment with addressing condition issues through a single project. Academies and colleges 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.

In general, the costs of extending small classrooms to make them more suitable for average class sizes are likely to be high and not provide good value for money if very
few additional places are to be created in this way. Through a wider strategic view of
the whole site, it might be possible to build a new block to provide better sized
classrooms for the increased pupil numbers, and release or remodel the smaller areas
for administrative or more specialist, smaller group spaces.

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 two groups of
institutions. In both cases, we expect there to be a revenue benefit from expanding the
number of sixth-form places, and thus we would expect academies and colleges to
contribute towards the cost of the development using their reserves or via the loan
mechanism. Such projects must be submitted as projects increasing the number of
admissions (irrespective of whether it is the main year of entry).

**Addressing overcrowding**

We will use the results from the June 2015 School Capacity Survey, data on demand
for places, admission numbers and the specific overcrowding consequences to inform
the project need criteria scores.

In some cases, the overcrowding issue impacts a particular area of the site only and
consideration of the site overall would not indicate a case for expansion. We do not
expect to fund these applications.
Annex B: Loans

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

- Energy Efficiency Salix Loans
- CIF Loans

Applicants can take out a loan for all or part of the project costs to demonstrate their commitment to the proposed scheme and can choose the type of loan, the size of loan, and the timescale over which they 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. 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. Applications for CIF or energy efficiency Salix loans are made within the CIF application form on the CIF online portal.

Assessment under this section will be based on the ratio of loan to grant – e.g. a project funded 100% through a loan will see a greater increase in score than a project funded 50% through a loan and 50% 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 on the CIF GOV.UK page.

Table 3 - Interest rates, and typical repayments on a loan of £100k (Interest rates are based on the PWLB as of 06/10/15)

<table>
<thead>
<tr>
<th>Duration of loan (years)</th>
<th>Interest rate (%)</th>
<th>Total repayable on a loan of £100k</th>
<th>Annual repayments over period of loan</th>
</tr>
</thead>
<tbody>
<tr>
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<td>£102,225.44</td>
<td>£51,112.72</td>
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<tr>
<td>3</td>
<td>1.56</td>
<td>£103,136.10</td>
<td>£34,378.70</td>
</tr>
<tr>
<td>4</td>
<td>1.65</td>
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<tr>
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<tr>
<td>7</td>
<td>1.94</td>
<td>£107,909.06</td>
<td>£15,415.58</td>
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</table>
Affordability tests

Before deciding whether to apply for a loan, applicants 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 2015-16

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 key 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 2015/16

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>£109,396.19</th>
<th>£13,674.52</th>
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<td>8</td>
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<td>10</td>
<td>2.21</td>
<td>£112,553.23</td>
<td>£11,255.32</td>
</tr>
</tbody>
</table>
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 on [GOV.UK](https://www.gov.uk) 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. There is no other separate route to obtaining these loans. The Salix loans are funded and administered directly by the EFA from the CIF budget. We do not charge any interest on these loans.

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

These 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](https://www.salis.org.uk) on the Salix website, which will help you estimate the likely savings as a result of undertaking the proposed works.

By providing Salix loans, with 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.

Salix loans have already been approved by HM Treasury; therefore no additional approval is required to take out these loans.
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.

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 an annual saving. 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 C: Application checklist

- It has fully considered the guidance to assess whether the project will be in line with stated priorities for funding
- It summarises the what, when, why & how at the outset
- The what, when, why and how are clearly defined and evidenced
- The attachments are compliant with the document size limit
- It does not duplicate information within those attachments
- It does not include embedded files – these cannot be accessed
- It does not include website or other external links – these will not be accessed
- It is focused on the building issue – it does not include detail about the school history, ethos and attainment record
- It prioritises the worst condition element for the school – it does not include a mix of condition priorities
- It places the issue in the context of the overall needs of the school to illustrate the rationale for its prioritisation
- It provides concise and relevant extracts of more lengthy documents such as condition surveys – without losing the context
- It provides documents that are readable – documents submitted are not shrunk so much that when they are expanded they are illegible or are not scanned with sufficient clarity to serve their purpose
- The key data is consistent between the application form and the supporting information – e.g. milestone and programme dates that are inconsistent increase concern about delivery risk
- It includes an appropriate, relevant and qualified opinion for specific issues e.g. fire, asbestos & legionella