



Education
Funding
Agency

Condition Improvement Fund (CIF) 2015 to 2016

Information for applicants

October 2014

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Introduction

On 16 October 2014 the Department for Education announced that it will provide a Condition Improvement Fund (CIF) for academies and sixth-form colleges to access in the 2015 to 2016 financial year (April 2015 to March 2016).

The CIF replaces the Academies Capital Maintenance Fund (ACMF) for academies, and the Building Condition Improvement Fund (BCIF), for sixth-form colleges.

The [CIF announcement document](#) sets out the programme priorities, eligibility and timescales for the CIF application round, the strategic context and programme features.

Applicants should familiarise themselves with the announcement document. This guidance provides more detailed information on the application round. Separate guidance is available for larger multi-academy trusts (MATs) that will receive formulaic capital funding.

Key features of the CIF

The key features of the CIF application round are:

- applicants can apply for project funding to address either the condition or expansion priorities
- the condition priority is keeping academy and college buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency and health and safety issues with the most significant consequences
- the expansion priority is to support eligible academies and colleges to expand their existing facilities and/or floor space to either
 - increase the number of admissions in the main year of entry of Ofsted Good or Outstanding academies and colleges
 - address overcrowding, including cases of recently approved age-range expansions, nursery and sixth-form expansions
 - address a lack of, or the suitability of, key specialist facilities such as kitchen and dining facilities, science laboratories or sports hall
- applicants can submit up to 2 projects per academy or college, only one of which may be for an expansion project.
- eligible MATs are encouraged to consider projects across more than one academy site to promote strategic and procurement efficiencies. Multi-site projects will count as one project for each of the academies affected
- applicants can request capital funding between £8,000 and £4 million per project (in total, irrespective of project duration).

- applicants can apply for an interest free Salix loan as all or part of the project funding for energy efficiency projects that provide revenue savings
- applicants can apply for a loan (at Public Works Loan Board interest rates) as all or part of the project funding for any project
- applicants can submit an initial proposal for works expected to cost more than £500,000 for initial approval prior to further development and final approval at a later stage
- projects costed at less than £500,000 and other projects that require full approval in March 2015 must be ready to start on site before December 2015
- there is no obligation at application stage to keep projects within a single financial year. Construction programmes should be realistic and achievable. Approved projects will need to keep to agreed milestones, particularly within financial years. All projects must be complete by 31 March 2018, but the majority of funds allocated are expected to be for projects that can be completed by 31 March 2016
- projects will be scored against 4 weighted assessment criteria: outputs – project need (40%); outputs – project response (20%); costs and funding (20%) and deliverability (20%)
- projects will typically be fully funded or rejected. Exceptionally, projects may be part funded

Two stage approval process

For projects requesting more than £500,000, and not sufficiently developed for work to begin on site before December 2015, we are offering academies and colleges the opportunity to submit a less detailed project proposal for initial assessment.

Such projects should not be speculative. The projects prioritised through this process will still be required to evidence a strong project need against the programme criteria – either addressing building condition or a case for expansion – and are also expected to outline their proposed project response, estimated costs and the likely programme of works as part of their application, but we will not expect the same level of detail within such applications compared with those submitting proposals for full approval.

Following initial approval in March 2015, projects will need to develop a more detailed feasibility study and funding profile for final approval, secure relevant approvals and procure the necessary works. We will assess the feasibility studies as they are completed, but academies and colleges wishing to start works in January 2016 will need to have their feasibility study agreed by EFA by 30 November 2015, and those wishing to start works in the summer 2016 will need to have their feasibility study agreed by 28 February 2016.

Projects that have not had their feasibility study approved by February may be rejected and need to submit a new application in a future round. Funding for the approved project will be released in a timely manner to enable delivery of the proposed programme of works.

Project types

Project eligibility

Projects must be to improve and/or purchase a capital asset held in freehold or on a long lease for educational provision for pupils between the ages of 2- and 19-years-old by the relevant academy or college.

ICT hardware or software is 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.

Categories of project

Applicants can apply for projects that meet either the condition or expansion priority.

Most projects will address one or other priority but some, for example projects to replace poor conditions blocks may include elements addressing expansion. Block replacement projects must be categorised as:

- a condition project – where the gross internal area of the new block is no larger than the previous block
- a condition with expansion project – where the gross internal area 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 functional areas or facilities. These projects will be treated as condition projects but additional information can be included in the application outlining reasons for the expansion
- an expansion project – where the gross internal area of the new block is more than 10% larger than the previous block or adds functional areas or facilities. These will be assessed as expansion projects but if they also address the condition priority, this will be considered when the application is assessed.

We will moderate projects within each category to ensure consistency, and reserve the right to change a project's category if appropriate.

Condition projects

We will target most of the fund on building condition projects and assess each application against the project need, urgency and consequences of issues.

For all but the smaller scale projects, we expect academies and colleges to provide appropriate building condition survey data or extracts to evidence such need. The high level Property Data Survey will assist applicants in identifying and prioritising the worst condition areas of their site and provide an appropriate source of evidence in many cases. Additional, more detailed survey data may be necessary to both provide more detailed evidence of condition and to manage works on site. As far as possible, surveys 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 gradings and prioritisation ratings are clearly defined to ensure the assessor interprets the information correctly.

Compliance projects

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. Some compliance issues can have severe consequences on the operation of all or part of an academy or college and this will be reflected through the scoring awarded under the project need criterion.

Academies and colleges should prioritise the use of their own maintenance funds for such compliance works. Where a significant scale of works is required, the CIF can support projects to improve compliance such as fire, electrical and gas safety and legionella prevention to ensure buildings are safe for use and we will prioritise the most urgent cases. Careful consideration should be given to the value for money of piecemeal works to building services, particularly where the building structure or fabric is poor and/or there is asbestos present. In some cases it may be better value to replace the building.

Independent evidence is very important to enable us to understand the nature of the problem and its urgency. Letters from fire officers, or electrical engineers carry more weight than a recommendation from the same consultant that has costed the work required. Photographic evidence of such issues tend to be inconclusive.

Safeguarding projects

Safeguarding projects often involve provision of additional security measures, or remodelling of pedestrian/vehicle access points. As part of an options appraisal

underpinning a safeguarding project we expect to see details of how the applicant has attempted to address the issue through other means and evidence that the scope of works proposed is appropriate to the scale of the risk/issues. Independent evidence – such as police reports or *published* Ofsted reports - are useful to demonstrate the scale and nature of the risks posed.

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 works

All academies and sixth-form colleges 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 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 may apply to CIF for support to remove it, and should plan works around holiday periods.

Many condition projects will need to remove asbestos as part of wider works – the costs should be detailed within the application.

Block replacement/refurbishment

We expect to support a significant number of block and whole school redevelopments through the Priority Schools Building Programme 2 (PSBP2), due to be announced in December, close to the CIF application deadline.

Those applicants that have applied to PSBP2 for a specific block replacement may also submit an application to CIF; given academies and colleges can apply for such a project through the 2 stage process, there is no need for the academy or college to progress a detailed feasibility study prior to submission, unless they regard the replacement as extremely urgent.

We will cross check all projects for block replacement/refurbishment with PSBP2 assessments. Where a block is to be funded through PSBP2 we will consider whether to reject, reduce or assess any overlapping CIF projects on their merits. We will not allow the CIF applicants to amend or substitute projects after the deadline in light of their PSBP2 outcome.

Applicants should consider whether a replacement block needs to be any larger than the existing block and be mindful of the implications (see categories of projects above).

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.

A key challenge for all applicants is choosing the correct specification for key components across the school site. Lower cost items – such as uPVC windows for example – may be appropriate and cheaper, but aluminium frame windows may last longer and be more appropriate for certain areas of the country that experience the worst of the weather. Applicants should get professional advice and summarise any value for money considerations made as part of their options appraisal where appropriate.

Energy efficiency projects

Academies and colleges are expected to consider the opportunity for incorporating energy efficiency during wider building refurbishment as this frequently provides a highly cost effective opportunity for such works. As part of the CIF, EFA is working closely with Salix Finance to promote energy efficiency projects, and other condition projects that also address energy efficiency, that provide revenue savings by providing an interest free loan as all or part of the funding.

Salix loans

[Salix Finance](#) is an independent, publicly funded company, dedicated to providing the public sector with loans for energy efficiency projects.

By providing Salix loans, with 0% interest, as part of the CIF allocations, we can support more projects, such as boiler and lighting replacements in a preventative manner. This helps ensure academies and colleges embed the principle of energy efficiency in their long term maintenance planning, freeing up vital funds for them to invest in their other priorities. Through recycling Salix loan repayments back into the CIF programme, we can fund more such projects in the future.

Salix loans have already been approved by HM Treasury and no additional approval to take out these loans is required. Where applicants offer to contribute to project funding through a Salix loan, they will receive a higher score under the costs and funding criterion.

Boiler and heating system projects

Given the high impact of failed heating systems on school and college operations, we award higher scores under the project need criterion compared with other sorts of project with the same condition grading. Preventative works are often appropriate to manage the risk of closure of a block or whole school or college.

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 get advice from consultants to model their energy usage and likely savings to support their application for projects. [Salix Finance](#) have developed an Energy Savings Support Tool to help academies and colleges to estimate and evidence their energy savings. This tool along with further guidance on calculating energy savings can be found on the Salix Finance website and applicants should submit this tool to support their application.

In most cases, replacing the boiler and associated infrastructure will result in significant energy and maintenance savings – our benchmark is around 20 to 30% of the energy usage for that block/site – so to reflect that, we expect that these projects should be funded through a combination of interest free Salix loan, repaid over 5 to 8 years from the energy savings arising from such works, and capital grant where necessary.

Table 1. Expected energy savings for projects

Boiler system improvements	Typical energy savings	Expected loan/grant ratio
Building Management Systems	Up to 20% saving on space heating load	100:00
Insulation – pipework	Up to 80% saving on heat loss from pipes	100:00
Heating Controls (TRVs, zoning etc.)	Up to a 15% saving on space heating load	100:00
Boiler Fuel Switching (oil to gas)	Up to 50% (efficiency and fuel cost)	100:00
Boiler Fuel Switching (coal to gas)	Site specific - efficiency gains may well be outweighed by current cost difference	20:80
Hot Water (typically point of use heater upgrades)	Up to a 20 to 25% saving on hot water load	100:00

Renewable energy

Please note that due to current rules set out by the Department for Energy and Climate Change, academies and colleges that are successful in securing any support through the CIF (as grant and/or Salix loan) for a solar, wind or biomass based solution are not eligible to claim Feed-in Tariff (FIT) or Renewable Heat Incentive (RHI) payments on top of the grant/Salix loan.

Rather than apply to this programme, academies and colleges may wish to investigate taking the benefit of the FIT or RHI payments directly, and consider alternative funding mechanisms including operational leases and crowd funding ([further advice on solar/photovoltaic cells](#)). Academies and colleges can take out operational leases working at their own risk without needing to secure additional permission from EFA.

We will not consider applications for backup systems (gas or electricity) where schools have installed such renewable energy systems using capital funds from this or previous programmes. We are also unlikely to support applications for additional 'green energy' installations if the current systems are working effectively.

Lighting projects

Given the significant energy savings that can accrue from lighting upgrades (energy efficient fluorescent tube or LED lighting), we would expect such projects to be funded through a Salix loan equivalent to 70 to 100% of the capital cost and repaid over 5 to 8 years. Where such projects involve significant amount of asbestos removal from ceilings and roof voids to enable the lighting replacement, the Salix loan can be combined with an element of grant to ensure the project can be progressed fully. Applications for lighting projects that do not contain a significant Salix loan element are unlikely to be successful.

Roof, window and curtain walling/cladding projects

We expect to fund many roof and window replacement projects through the CIF. As well as making sure schools are dry and secure, such projects are likely to secure significant energy and maintenance savings, making them appropriate for Salix loans. Applicants quantifying these savings, and utilising Salix loans as part of the funding package will be scored higher under the cost and funding criterion.

When re-roofing, or installing new curtain walling/windows, the choice of insulation is often crucial in determining the scale of the energy savings that can be secured, and we would encourage applicants to consider including additional insulation to secure longer term energy savings of benefit to the academy or college, and utilise Salix loans to support the additional capital costs of the project.

Kitchen and dining facilities to enable the delivery of the UIFSM offer

Academies with infant pupils may apply to this programme for capital funding to develop facilities and enable full implementation of the Universal Infant Free School Meals (UIFSM) initiative. Priority, in order, will be given to:

- projects which require funding in order to provide hot meals (or in order to continue providing hot meals)
- academies which are losing class time or where there is an impact on areas of the school curriculum as a result of the implementation of UIFSM; or there is any consequential impact on the provision of meals to other groups of pupils
- academies which are bringing in 250 meals or more per day and present strong evidence that the proposed solution will improve the quality of food/increase take up.

The majority of such projects – notably those enabling hot meal provision – are expected to be delivered by 1 September 2015. It is unlikely that bids of over £250,000 will be accepted for UIFSM projects, unless there are other building condition or expansion priorities that can be addressed at the same time and an appropriate strategic project presented. For all such schemes, academies should set out clearly the nature of the capacity constraints that drive the scope of works being proposed, and consideration should be given to the installation of ‘pod’ style kitchens, rather than extending existing facilities.

Some academies may be acting as ‘hubs’, providing hot meals to other nearby schools. In such cases, where additional capacity is required to sustain such a service, the academy applying should include letters of commitment from the other schools to demonstrate their case.

Our UIFSM support service is there to provide advice and support directly to schools that require it. The support service can be contacted on 0800 680 0080.

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 for 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.

Other refurbishments

In general, refurbishment of classrooms and other areas that are not in poor condition will not score well under the project need criterion and are unlikely to be funded given the significant backlog of building condition issues that are a higher priority for the fund.

As such, applicants wishing to refurbish areas of the academy or college to improve the environment for teaching and learning should consider funding such works through other sources; we can only generally support refurbishments of key areas where these are appropriate and cost effective as part of wider works to address key building condition issues in the same area of the building/site.

Improvements to external areas

Given the anticipated demand for funding, we are unlikely to support projects looking to completely resurface playgrounds, hard play areas or car parks. While we recognise the potential trip hazards that uneven playgrounds pose, particularly at primary schools, the high cost of resurfacing large areas means that a patch repair approach to such areas should be favoured unless there is a very clear value for money case for complete resurfacing. In a similar way, installation of canopies and refurbishment of play areas are not priorities for the CIF programme. We would encourage such projects to be delivered through other funding, and not through applications to the CIF.

Demolition

In general, demolition of unwanted/unusable facilities (e.g. derelict swimming pools) is better addressed as part of a wider project to replace/expand other facilities. Where such a demolition is needed due to concerns about health and safety of the building, clear independent evidence should be provided to support the case.

Expansion projects

We will allocate a relatively small amount of the CIF to address expansion issues across academies and colleges. As an indication, in recent main ACMF rounds, around 15% of the funding has been for expansion projects.

Applicants can apply 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 expansions, nursery and sixth-form expansions
- address a lack of, or the suitability of, key specialist facilities such as kitchen and dining facilities, science laboratories or sports hall

The latest full inspection Ofsted rating for the college or academy (or its predecessor school) must be as below to be eligible to apply:

- increase the number of admissions - Ofsted 'Outstanding' or 'Good'
- overcrowding or key specialist facilities - Ofsted 'Outstanding', 'Good' or 'Requires Improvement'

The scoring of the project need criterion will broadly promote projects to increase the number of admissions, over those addressing overcrowding over those addressing a lack of key specialist facilities.

Given the demand for expansion monies, applicants will need to demonstrate that they have both a strong case for expansion in one of these 3 areas and that their proposal to address the need is the optimal solution, cost effective and deliverable. Only projects that address the issue in the most efficient and cost effective manner are likely to be funded. We do not expect to fund significant numbers of projects relating to new or extended nursery or sixth-form provision.

The applicant should put in place a robust business plan to manage the planned expansion appropriately, and should include details of that business plan within their application. Such business planning will also help the academy or college to understand the scope to take some of the overall funding package as a loan (see section below).

Academies require approval for significant changes to their funding agreement (significant expansion, change of age range, etc). Under the [significant change process](#), the approval of such cases is now overseen by the Regional Schools Commissioners on behalf of the Secretary of State. Any academy wishing to pursue such a development should begin the significant change process as soon as possible and submit appropriate evidence as to the progress made as part of their application. Any project awaiting significant change approval will be put on hold until confirmation has been received.

Data required to support an expansion scheme

The application requires expansion projects to set out the following data (as appropriate for the age range of the academy or college):

- current and proposed gross internal floor area of the whole school (m²)
- past, current and future forecasts of the number of pupils on roll (NOR)
- current and proposed Published Admission Number (PAN)
- current and proposed sixth-form admission number
- historical numbers of applications, ideally first or second preference applications
- sixth-form applications
- sixth-form admissions per year
- nursery places (2- to 3-year-olds and 3- to 4-year-olds)

Projects increasing the number of admissions

The majority of funds awarded for expansion projects through the CIF programme are likely to be for projects adding significant numbers of additional places at popular and successful academies and colleges. We will use information relating to the demand for places, admission numbers, Ofsted inspection judgements (where necessary, on the predecessor school), public performance data, and capacity constraint to inform the scores under the project need criterion.

Expanding academies and colleges should note that they will receive additional revenue funding on a lagged basis, in line with the additional pupil numbers. No transitional or exceptional funding will be made available by EFA either to manage the first year of the expansion (before the additional pupil numbers are reflected in the revenue budget) or as a result of the expected additional demand for places not materialising either initially or in subsequent years.

Expansion in areas of high basic need

The department wants to support popular and successful academies and colleges expand irrespective of the demographic demand in the local area. Local authorities have been provided with a longer term (to March 2017) funding allocation for basic need in line with their projections of the number of places required across their area. Expansion funds through this programme are not intended to replace that 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. 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

Small increases in PAN

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.

Sixth-form expansions

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, and thus we would expect academies and colleges to contribute towards the cost of the development using their reserves or via the loan mechanism described below. Such projects must be submitted as projects increasing the number of admissions (irrespective of whether it is the main year of entry) and so are restricted to Ofsted Good or Outstanding academies and colleges.

Addressing overcrowding

We will use the results from the June 2014 School Capacity Survey, data on demand for places, admission numbers and the specific overcrowding consequences to inform the scores under the project need criterion.

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. The proposed solution should be accompanied by a clear rationale of the impact of overcrowding.

Age range expansion projects

Academies that have already secured DfE/EFA agreement to changing their age range (other than to include a sixth-form), such as moving from junior to primary age ranges or adding a nursery can apply for capital funding for this expansion through the CIF as an overcrowding project.

In those areas where age-range reorganisations have taken place, academies should work closely with local authorities to ensure that any appropriate proceeds of land sales, Basic Need funds and developer contributions can be utilised to avoid significant calls on the CIF programme for additional facilities.

Addressing lack of key specialist facilities

Given the demand for expansion funds, we anticipate that we will only be able to fund a small number of these projects. To support applications for these types of project, we would encourage applicants to consider the business case for the development, including:

- direct costs of off-site provision, transport costs and quantification of the disruption caused to pupils and the curriculum
- clear options appraisal, including consideration of leasing other facilities (e.g. local leisure centre) or alternatives involving other partner organisations.
- operational benefits of the development, included better staff professional development, lower maintenance and other costs, and other sources of income (e.g. from community lettings etc)

Reference should also be made to the current utilisation of the existing site/facilities.

Land purchases and leases

In exceptional circumstances, we will consider land/building purchases, or securing a long lease as part of an expansion scheme, where a new build option on the existing site would not be possible (for example, due to planning reasons) or provide good value for money. As well as an appropriate options appraisal/feasibility study, reassurances around the timescale for the land transaction will be expected for the proposal to score well against the CIF criteria.

Loans

Academies are currently not permitted to take out loans without the permission of the Secretary of State, which is rarely granted. However, this year, through the CIF, academies and colleges can take out a loan for all or part of the project costs to demonstrate their commitment to the proposed scheme. Academies and colleges can choose the size of loan they want to take, and the timescale (up to a maximum of 10 years) over which they want to repay it. Repayments – made through a reduction of the revenue funding paid to the academy or college – will be recycled back into capital budgets to maximise the impact of the available funding in the long run.

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. Through the scoring mechanism, we expect most projects addressing serious and urgent condition need will be prioritised regardless of whether or not a part loan or grant is requested. However, academies and colleges choosing to take a loan will score higher under the costs and funding criterion (worth 20% of the overall score) than if they had applied for their project to be funded through grant alone.

This increase to their score under this criterion 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
- the length of time over which the loan will be repaid – e.g. a project requesting a loan to be repaid over 2 years will get a higher score than a loan to be repaid over 10 years
- the nature of the project – the score increase will be bigger for an expansion project than for a condition project.

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 [Condition Improvement Fund](#) webpage.

Table 2 Interest rates, and typical repayments on a loan of £100k

Duration of loan (years)	Interest rate (%)	Total repayable on a loan of £100k	Annual repayments over period of loan
2	1.55	£102,330.96	£51,165
3	1.69	£103,398.88	£34,466

Duration of loan (years)	Interest rate (%)	Total repayable on a loan of £100k	Annual repayments over period of loan
4	1.83	£104,616.48	£26,154
5	1.97	£105,986.85	£21,197
6	2.1	£107,477.26	£17,913
7	2.22	£109,074.90	£15,582
8	2.34	£110,813.99	£13,852
9	2.45	£112,645.03	£12,516
10	2.55	£114,554.17	£11,455

Interest rates are set based on the PWLB annuity rate as of 12.15 on 23/10/14

Affordability tests

Before deciding whether to apply for a loan academies and sixth-form colleges must consider the affordability of repayments. The department will apply a number of tests to assess the affordability of proposals:

Academy affordability tests

- the annual loan repayment must be less than 4% of the revenue grant ('GAG') that the academy received in 2014 to 2015
- the academy trust must not be under a Financial Notice to Improve or 'minded to' Financial Notice to Improve
- the trust's last audited financial statements must show that the trust was in cumulative revenue surplus
- the trust's latest budget forecast shows a forecast cumulative revenue surplus to the end of the forecast period
- 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)
- the trust must have submitted all their key financial returns (in the last 12 months) on time
- neither the trust's last audited accounts nor its regularity statement were qualified

Sixth-form college affordability tests

- the annual repayment must be less than 4% of the revenue grant that the college received from EFA in academic year 2014 to 2015

b) the college has a financial health assessment of satisfactory, good or outstanding

Academies or sixth-form colleges failing to meet these tests will not be eligible to receive a loan – but can still apply for a grant.

Repayments

Repayments will be made through a reduction in the revenue payments made to the academy or sixth-form college. An academy or sixth-form college may repay its loan early if it wishes; no early repayment charges will be made. The [loan calculator](#) can be used to assist academies and colleges to understand the impact of repaying their loan early.

Assessment criteria

Our assessors will make judgements about each project primarily based on the information contained within the application, and make a relative judgement, based on scoring benchmarks. The scoring mechanism is not a box-ticking exercise; such an approach is not appropriate as it would result in most projects being 'compliant' and would not provide sufficient guidance to allocate limited funding between projects. Some scores – notably those for expansion schemes involving reference to Ofsted and school performance data - will be generated from 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 ACMF or the BCIF approach; the scoring mechanism and criteria weighting have been updated and adjusted in light of the development of the CIF programme.

Table 3 Assessment criteria and weightings.

Assessment criteria	Weighting
Outputs – project need	40%
Outputs – project response	20%
Costs and funding	20%
Deliverability	20%
Total	100%

The intention is to fund academies and colleges with the most pressing needs, but only where the proposed project response to that need is sufficiently appropriate, cost effective and readily deliverable by the applicant. Applicants must demonstrate both a strong case for the investment in line with the programme priorities and present an effective, efficient and deliverable project to address the identified issues.

This section sets out the basis for judgements under each criteria, and the sort of 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.

Outputs – project need (40% weighting)

Scores under this criteria will consider:

Table 4 Project need considerations

Condition projects	Expansion projects
Nature and extent of impact – issues risking closure of a whole school will tend to score higher than those not risking closure or only affecting smaller areas	Popularity/demand for places as judged by first and second preference data and PAN/admissions numbers – indicators of high over subscription will tend to score highly
Urgency of condition/compliance need for main element – higher scores will be given to addressing poor condition/high priority works	Performance – Ofsted rating and relevant KS2/4 attainment and value added scores - indicators of success will tend to score highly (not used for overcrowding /key specialist facilities)
Urgency of conditions/compliance of other elements of the project – projects that focus on the most urgent items will tend to score higher than those addressing a range of priorities	Capacity constraints – based on the Schools Capacity data return to the department - indicators of overcrowding will tend to score highly (not used for key specialist facilities)
Strength (not quantity) and independence of evidence to support the issues. Strong and proportionate evidence will support a higher score	Severity, impact and evidence of overcrowding/lack of key specialist facilities on school and curriculum, etc.- high impact to school or key curriculum subjects will tend to score highly (not used for increased admissions)
Projects addressing key priorities for the department will tend to score higher, notably: <ul style="list-style-type: none"> • mechanical and electrical systems • key preventative works on roofs, boilers, etc • toilets • kitchen/dining facilities required for the Universal Infant Free School Meals offer 	Strength (not quantity) and independence of evidence to support the issues. Strong and proportionate evidence will support a higher score

Evidence to support applications under this criterion, might include:

Table 5 Types of evidence to be included to support application (cumulative)

Scale of works / funding request	Evidence 'should' include	Evidence 'could' include
<£50,000	Extract of PDS survey	Photographs
£50,000 to £200,000	Independent condition survey extract or consultant report including condition gradings and priority ratings. Photographs Demand data, evidence of overcrowding	Letters about compliance Specialist reports Ofsted or other reports on impact of facilities on teaching and learning
£200,000+	More detailed survey data and/or specialist reports	

Outputs – project response (20% weighting)

Assessors need to be able to see that the project response to the need is appropriate to the nature, extent and urgency of the need described. The application form enables applicants to quantify the key outputs from the project – whether that relates to specific component replacement or new build areas – and set out a high level options appraisal. Higher value projects should include a more detailed options appraisal within their supporting documentation; for projects requesting over £1 million, such options appraisal should be included within the feasibility study.

For both condition and expansion projects, scores under this criteria will consider:

- appropriateness of proposed project response in relation to the identified need
- extent, adequacy and quantification of the options appraisal, including energy and maintenance savings
- business case underpinning the development (for expansions)
- extent of evidenced future revenue or capital savings
- whether the proposed solution fits into a wider strategy or site masterplan (if appropriate)
- the degree of prioritisation and/or phasing considered

Evidence to support applications under this criterion, might include:

Table 6 Types of evidence to be included to support application (cumulative)

Scale of works / funding request	Evidence 'should' include	Evidence 'could' include
<£50,000	Quantification of other options	
£50,000 to £200,000	Options appraisal Quantification of benefits – energy and maintenance costs; timescale	Evidence of energy savings Project context for wider site
£200,000 to £1million	Evidence of energy savings Consideration of phasing or prioritisation	Evidence of master planning for site Feasibility study High level business plans to support expansion proposal
>£1 million	Feasibility study including options appraisal (for project due to start on site by December 2015 starters)	

Costs and funding (20% weighting)

Having an appropriately costed project to respond to the identified need is crucial as the academy or college is responsible for cost overruns. Applicants should make use of Salix loans (for energy saving projects) and/or the broader loan system where possible, affordable and appropriate for the given project and institution, and factor these into the funding package being requested; utilising such arrangements will boost the project score under this criterion.

Applicants should note that the average size of past ACMF bids was around £400,000 (though with a wide variation between the funding limits); this is a good indication of the scale of works that can be delivered effectively within a financial year and have a significant impact on the school site.

Costs of works will vary significantly from site to site due to issues around location, presence of asbestos, planning constraints and specification. We will also refer to historical benchmark data and experience to consider whether the level of costs are appropriate. In addition we are looking for applicants to demonstrate that the costs are right for their project and their site.

Applicants applying for projects through the 2 stage approval process should provide a high level estimate of the costs of their project and indicate the assumptions made relating to the level of contingency built into the costing. Those projects prioritised will need to firm up the costs through the development of their feasibility study and subsequent procurement, prior to final confirmation of funding.

Scores under this criterion will consider:

Table 7 Cost and funding considerations

Condition projects	Expansion projects
Clarity of scope and reasonableness of costs	Clarity of scope and reasonableness of costs
Additional value for money of the development secured	Additional value for money of the development secured
Strength (not quantity) of evidence of costs and extent of cost certainty	Strength (not quantity) of evidence of costs and extent of cost certainty
Proportion of funding being provided from other sources, via a Salix loan and/or loan	Proportion of funding being provided from other sources including via a loan

Evidence to support applications under this criterion, might include:

Table 8 Types of evidence to be included to support application (cumulative)

Scale of works / funding request	Evidence 'should' include	Evidence 'could' include
<£50,000	Quote/Estimate	Summary of tender exercise Cost plan
£50,000 to £200,000	Cost plan Details of energy savings	Summary of tender exercise
£200,000 to £1 million	Detailed cost plan Evidence of energy savings Wider cost metrics (cost per sq m, cost per additional place)	Summary of tender exercise Feasibility Study Cashflow forecast

Scale of works / funding request	Evidence 'should' include	Evidence 'could' include
>£1 million	Feasibility Study including options appraisal Summary of tender exercise (if complete) Letters of commitment from other sources	Detailed costs for alternative options Detailed business plans Cashflow forecast

Professional fees

Depending upon the nature and type of project, some projects will not incur costs against all headings set out in the Project Costs section on the application form. For larger projects involving building works, applicants may choose to appoint technical advisers to help them develop and deliver the project. Maximum limits (not allowances) for professional fees including any in house project management costs are:

- new build projects – 12.5% of total project cost
- refurbishment projects – 15% of total project cost
- minor works projects (windows/roofs, etc.) – 10% of total project cost

We will downgrade scores for projects with costs for professional fees above these limits during assessment. Statutory fees and other costs such as surveys, etc. should not normally exceed 2.5% of total cost of the project.

It is for the academy to determine and negotiate the rates and scope for any technical adviser support they require to complement the in-house resource available.

VAT

Academies must exclude VAT from all project costs as it can generally be reclaimed under the provisions in the Finance Act 2011. Sixth-form colleges cannot reclaim VAT and can include VAT.

Deliverability (20% weighting)

Projects need to be planned appropriately and realistically so that milestones and more detailed plans take into account potential issues (including weather related delays) and securing appropriate statutory permissions. The dates entered on the face of the form

should tally with that set out in any supporting information as these key milestones will be used to inform the scoring under this criterion.

Applicants applying for projects under the 2 stage approval process that will start on site after December 2015 should consider the likely programme of works and set this out on the form and in any associated documentation. Those projects prioritised initially will need to firm up their programme through the development of their feasibility study prior to final confirmation of funding.

Applicants may choose their own procurement route and secure good value for money. The EFA Regional Contractors framework is available for applicants to use, particularly for larger value works and for those projects being submitted for 2 stage approval. More details of the Regional Framework can be found [here](#) or provided on request.

Scores under this criterion will consider:

Table 9 Deliverability considerations

Condition projects	Expansion projects
Readiness to deliver	Readiness to deliver
Expectation of completion within year	Expectation of completion within year
Strength of evidence to support programme/ timescale assumptions and likelihood of delivery	Strength of evidence to support programme/timescale assumptions and likelihood of delivery
Consideration of remaining risks relating to procurement, necessary approvals and delivery risk, including works during term time	Consideration of remaining risks relating to procurement, necessary approvals and delivery risk, including works during term time

Evidence to support applications under this criterion, might include:

Table 10 Types of evidence to be included to support application (cumulative)

Scale of works / funding request	Evidence 'should' include	Evidence 'could' include
<£50,000	Milestones and high level risks completed on the application form	
£50,000 to £200,000	More detailed programme plan/Gantt chart	Pre-planning advice (if required) Details of procurement route
£200,000+	Planning approval notice or pre-	Evidence of consultant

Scale of works / funding request	Evidence 'should' include	Evidence 'could' include
	planning advice Details of procurement route Additional risk analysis	appointment (if required) Evidence of other approvals being in place

Planning and other approvals

In cases where planning permission is required for a development, it is the responsibility of the applicant to consult their local planning authority, building control department etc to confirm whether the project requires their approval.

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 online. Applicants may wish to include relevant forms as part of the supporting information for the project. We can process these alongside the funding application to minimise delays to the project.

Prioritisation process

Assessment process

We will assess all the projects for compliance with the eligibility criteria and project requirements, and score each against the weighted application criteria, taking into account the submission, supporting information and any other information that is available to the EFA. Projects will then be ranked according to their overall weighted score.

Where appropriate, notably for whole block replacement/refurbishment projects, reference will be made to the Property Data Survey results for each academy and college during the assessment phase. However, this data will primarily be used as an additional source of information and will not be used on its own to make allocations between individual projects under this programme. The evidence provided by applicants will be the main determining factor in assessing projects.

Setting the initial threshold for funding

Once projects have been scored and ranked, we will consider setting appropriate thresholds for funding. Based on previous ACMF rounds, the quantum of good quality projects addressing the programme priorities significantly exceeds the available funding.

For projects that are ready to begin, in order to make best use of the available funding, we will consider the likely cashflow of funds based on the key milestone dates set out in each application, and set the thresholds at the overall weighted score that would result in full expenditure of the available programme budget.

Moderation

Once the projects have been scored and ranked, and the initial thresholds for funding established, we will moderate the data set to check for consistency of assessment. We will also consider previous funding allocations and the capacity of applicants to deliver multiple schemes at once.

Funding from other capital programmes

Projects in buildings and whole schools that have recently been, or are due to be, modernised through central government programmes are unlikely to be successful without a compelling case. We will consider the impact of previous ACMF, BCIF and Targeted capital programmes when finalising allocations.

Deliverability

Academies and colleges that have had more than one project scoring well above the initial threshold for funding will be considered again. Those academies and colleges that demonstrate through their application that they have sufficient capacity to deliver multiple projects at once – or indeed if there is additional efficiency in doing so – may receive funding allocations for multiple projects. If such capacity is not adequately demonstrated, we reserve the right to postpone funding allocations on either project to a later date.

Finalising the allocations

Once the moderation process has been completed, and appropriately quality assured, Ministers will determine the final allocations and we will inform applicants of their outcome. Information about successful and unsuccessful academies will be published on GOV.UK. Individual allocations will be published around 6 months after the completion of the round, so to not unduly prejudice any procurement processes and hinder the applicant's ability to secure good value for money.

Preparing your application

The online application process for the CIF will open by 20 November 2014. We will published a detailed user guide to the application process when it goes live.

The application process will be high-level and designed to summarise succinctly the key features and rationale behind a project, and allow applicants to attach key project documentation alongside the information to provide the necessary evidence to support the case being made.

As well as having a building condition issue, or a case for expansion, applicants to the CIF need to have an appropriate, cost effective and deliverable capital project scoped to address the identified issue.

We do not expect applicants to spend significant time and money in preparing bids to the 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 information that is more robust for a project requesting £100,000s than one requesting £10,000.

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.

Applicants that can demonstrate a significant and vital building need, but are not able to progress such preparatory works at risk, may apply for this project and if approved, can work up a more detailed feasibility study for approval, before works beginning on site in January or summer 2016 start.

Technical advisers and representatives are not permitted to apply on behalf of an academy, MAT or college.

Applications from MATs

MATs that do not qualify for a formulaic allocation are strongly encouraged to co-ordinate capital requirements and apply on behalf of their academies, rather than their individual academies submitting applications. MATs can secure valuable procurement efficiencies by grouping component replacement projects (e.g. roof , boiler, windows etc.), across their sites to maximise the value for money of the available funding. A multi-site project will be counted as one project for each academy it covers.

Larger scale block replacement or refurbishment projects should be submitted individually, not presented as a large multi-site project.



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