School nurseries capital fund

Application guide

September 2018

Contents

1.   Introduction

This document aims to provide applicants for the School Nursery Capital fund (SNCF), with information on application requirements which will be used to support the assessment of bids.

2.   Information before you start

All bids for new or extensions of current nursery provision must target disadvantaged children and must be directly linked to a school, and governed by that school or multi-academy trust. Ensure you read the accompanying guidance before completing the application form.

2.1 Equalities Impact Assessment

Applicants must confirm on the application form that an equalities impact assessment has been undertaken in order to examine the expected impact of the proposed project on all individuals with protected characteristics (Equality Act 2010). Further guidance on how to conduct equality impact assessments can be found on the Equality and Human Rights Commission's (EHRC) website.

2.2 Use of technical advisers

The applicant 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.

Technical advisers and representatives can be used, but are not permitted to apply on behalf of a local authority.

The applicant is responsible for the accuracy and relevance of the information submitted as part of their application. If incorrect information is provided, this may have an impact on the overall score of the application.

2.3 Professional fees

The majority of straightforward projects are 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.

2.4 Grant and grant assurance

All local authorities with successful projects will be expected to provide us with assurance of spend. We will confirm details of the assurance required when the grant terms and conditions are issued.

2.5 Procurement

Applicants may choose their own procurement route to secure best value for money.

The ESFA Construction Framework is available for applicants to use. The framework contains pre-selected contractors across 12 regional lots. 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 £1m.

> There is no obligation to complete a tender exercise before submitting a bid but applicants should set out their planned procurement route and demonstrate how they plan to achieve value for money. Further advice on procurement is also available.

Academies and LA maintained schools must exclude VAT from all project costs.

2.6 Scored Assessment

The application form will be evaluated on the information provided, including any supporting evidence as well as centrally held data. A score will be given for each criterion and the assessors will make a relative judgement to award an overall project score.

A dual assessment process is built into the assessment stage to ensure fairness and consistency.

We expect SNCF to be oversubscribed and the assessment scores will be used to rank the applications (relative to other applications) to determine how the funding is prioritised.

Please refer to the accompanying guidance for details on the criteria.

3.   The Application Form

The application comprises of five parts:

- **Part 1 - Overview:** details of the school and pass/fail criteria and requests information about your project. Include the school name and URN (Please enter your 6-digit URN so we can locate the details for the school. You can find your URN on Get information about schools where you can also provide details on any joint partnerships or Non-Provider Partners if applicable.

- **Part 2 - Deliverability:** This section asks that you provide details covering term-time, wraparound and holiday provision. You can also submit your options appraisal, project milestones and associated risks.

- **Part 3 - Disadvantage:** details of existing or proposed approaches targeted at closing the disadvantage gap in early years.

- **Part 4 - Value for Money:** covers project costs and planning

- **Part 5 - Declaration**

Please note that SNCF will be very competitive, so please submit your best projects in accordance with the assessment criteria.

3.1 Part 1 - Overview

We will ask applicants to make a declaration that they meet the six pass / fail criteria.

1. The project must be directly linked to a school, and governed by that school or multi-academy trust. (The nursery does not need to be located physically in the school. That is, it could be in a separate building, not necessarily on school grounds).

2. The school must deliver early years entitlements.

3. The school must have at least 20% of pupils registered at the school eligible for FSM in their census data from January 2018. If FSM data is not available from the January 2018 census, bids should provide evidence that the school has at least 20% of pupils registered at the school eligible for FSM.

4. The school must have a good or outstanding rating with Ofsted. If the initial inspection result is pending, the local authority or regional schools commissioner will need to provide a statement assuring us that the school is of good quality.

5. The project must offer wraparound and holiday care, or make the nursery provision available to other early years providers to offer wraparound and holiday

care. If a project cannot deliver this, then they must supply a strong and convincing reason why they cannot.

6. The project must confirm that their local authority is content that the project outputs will deliver new early years funded places for disadvantaged children, without detriment to existing good quality early years provision.

3.2 Part 2 - Deliverability and sustainability (15%)

Sub-criteria	Scoring
Appropriateness of solution	To score maximum marks a costed options appraisal with quantified benefits that supports the solution should be provided. Small projects should have an appropriately scaled options appraisal to support the solution. Applicants will score low marks where there is no options appraisal.
Timescales	The project delivery timescale must be appropriate to the scale of the project. Projects are expected to be delivered by March 2020 or as soon as practicable thereafter. Applicants will score low marks where there are concerns with deliverability to timescale given the scale and nature of the project.
Delivery plan	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. Applicant 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.

Table 1: Deliverability and sustainability

Applicants must demonstrate that the proposed solution appropriately addresses the nature of the need evidenced and that they have the ability to deliver the solution. Projects must be planned appropriately and realistically, taking account of potential risks.

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

- quantification of other options/options appraisal (see detail below)

- indicate appropriate utilisation of the existing spaces. Physical factors such as location on site, access issues, impact on existing facilities, and land suitability should be considered

- justification of any areas in excess of the area guidelines e.g. design and layout of the existing building constraining its usage – acquisition of non-school buildings or listed building status

- milestones chart/a detailed programme plan/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

We would also expect to see the following information:

- a feasibility study setting out the full details of the scope of work and cost estimates for the proposed scheme

- site plans, consultants' design drawings with cost estimates, quotations or tenders with final costs

- photos of the proposed location for the new building and photos of the existing building where the extension will be located

3.3 Part 3 - Testing and evaluating approaches aimed at closing the Disadvantage Gap in the early years (25%)

Applications will be assessed on the degree to which their proposals test and evaluate approaches aimed at closing the disadvantage gap in the early years, and the strength of these proposals.

Projects that provide the following will achieve the highest score for this criterion:

- Clear evidence that their existing activity or proposal is focused on improving the outcomes of disadvantaged children

- Clear evidence of improving outcomes, including any evaluation or research evidence. In the absence of this, a robust theory of change, and an explanation of how their current activity or proposal fits with evidence in the wider literature

- Be scalable, in terms of its potential to be implemented widely through the sector. This means providing clear evidence both on the viability of the proposal to settings, and the affordability

- Be financially sustainable without additional revenue support from the DfE

- A plan for evaluation

The outcomes referred to above are the Early Learning Goals (ELGs). These sit underneath the 7 areas of learning. These areas must shape educational programmes in all early years' settings:

- Communication and language
- Physical development
- Personal, social and emotional development
- Literacy
- Mathematics
- Understanding the world
- Expressive arts and design

We will also consider proposals which seek to improve self-regulation and/or executive functioning, which can be defined as the ability of children to manage their own behaviour and aspects of their learning, and underpin many of the other areas of the EYFS. Please refer to the 2018 Early Years Foundation Stage Profile handbook for more details on these outcomes. The EIF Guidebook provides information about early intervention programmes that have been evaluated and shown to improve outcomes for children and young people. The EEF Early Years Toolkit is an accessible summary of research studies on early years interventions.

3.4 Level of deprivation (10%)

Assessors will use centrally held deprivation and social mobility data to determine to what degree applicants meet the fund priorities.

Sub-criteria	Scoring
Relative proportion of deprivation in the school (5%)	Assess applications against the relative proportion of registered pupils at the school who are eligible for FSM. The higher the proportion of registered pupils eligible for FSM at the school, the higher the application will score for this criterion, relative to other bids. Where there is a joint project between multiple providers, the FSM of the school with the lowest FSM proportion will be used to score the application, this is in addition to the FSM eligibility threshold. This will be taken from published data collected in the 2018 schools census.
Social Mobility Index (5%)	Assess the relative position on the Social Mobility Index for the local authority (district) of the school. This measure takes account of the position on the social mobility index, acknowledging that some places have a greater challenge to improve social mobility. Where there is a joint project between multiple providers, the data from the school in the area with the lowest position on the Social Mobility Index will be used. This will be taken from the published social mobility index data (2017).

Table 2: Level of deprivation

3.5 Part 4 - Value for money (50%)

We will be looking for evidence that projects are appropriately costed and that all project costs are within a suitable cost range for the type of works proposed. We will check that the cost per square metre is within an acceptable range, taking into account local factors. We will also review the cost per place of the proposal to check that it is also within an acceptable range.

The DfE reserves the right to reject applications where overall costs for the project receive the lowest scores, or where cost per place is outside of the acceptable range without reasonable justification.

Assessors will want to see a costed options appraisal with quantified benefits that supports the solution. They will want to see that applicants have the ability to deliver the solution. The applicant must be able to show that projects are planned appropriately and realistically, taking account of potential risks.

Applicants should make use of all funding sources available, such as local contributions when putting together their funding package proposal.

Sub-criteria	Scoring
Overall costs	To score maximum marks there should be a clear scope with overall costs below expectations/industry benchmarks. All cost elements should appear reasonable and where there are 'abnormals' or high costs they are clearly justified. DfE will look at the cost per place for nurseries and will expect these to meet industry benchmarks unless clear justification is provided. You will score low marks where the level of costs are above expectations with no clear justification e.g., there are excessive fees, allowances and contingency.
Funding sources and savings	To score maximum marks there will be a significant (and affordable) contribution from other sources. 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 and/or no evidence of future capital savings.
Cost certainty	To score maximum marks, tenders/quotes should be thorough and well evidenced, with fixed prices and in line with 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.

Table 4: Value for money

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

- cost plan (breakdown of costs) appropriate to the size and scale of the project
- copies (including electronic) of quotes/estimates/a summary of any tender exercise
- cash flow forecast (where appropriate)
- details of procurement route
- market testing to demonstrate additional/exceptional costs, where appropriate
- details or evidence of any savings being made
- letters of funding commitment from other sources (if applicable)

Cost of works will vary significantly from site to site due to local economic variances, site features (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 school, although an appropriate level of contingency funding is permitted. Where there are local features which may lead to costs being outside of industry benchmarks then you should clearly explain why this is the case and provide supporting evidence.

Cost plans should take account of the proposed risk of price increases and local economic conditions. Cost plans should also be realistic about the level of fees, allowances and contingency. This should be appropriate to the scale and type of the project, and the level of work already undertaken to establish price certainty.

3.6 Part 5 - Declarations

We ask that applicants complete all the declarations in Part 5 of the application form, failure to do so could delay or prevent your application progressing to the next stage.

4.   Submitting your application

Local authorities must submit their application, including all projects, by **noon on Thursday 22 November 2018,** using the ESFA Enquiry Form. To ensure your query is directed to the correct area, please make sure you select the following options within the enquiry form:

- Query type - School building/capital provision
- Organisation type - A local authority

Please follow the instructions on the webpage to attach the completed application.

When prompted to input 'What is your query about' please select 'LA Funding - Early Years' from the drop down list and enter '**Early Years Application – submission X of X**' when asked to provide more details about the query.

Your completed submission should consist of **one application form per project** and any supporting material.

Please note that the ESFA Enquiry Form allows a maximum of 4 attachments (2MB per attachment). Local authorities can submit multiple applications with the above constraints. We recommend you submit your application in advance to avoid any delay that could lead to missing the submission deadline.

Compressed/zipped folders <u>are not</u> compatible with the enquiry form. It is important to include the 'submission X of X' e.g. 'submission 1 of 4', and include an index page listing your attachments in the details of your query so that we can check that all submissions have been received.

4.1 File names

Please ensure you use the following name convention for your files when submitting your application through the ESFA Enquiry Form so we can check that all submissions have been received:

- SNCF Application Form
- Additional Attachments [Local authority name] [Project number X] [Section X]

Annex A: Application checklist

Before you start your application

Check that you have:

☐ Referred to the guidance and used this to check that your application is in line with the SNCF priorities and assessment criteria

☐ Contacted your local planning authority and checked whether planning permission is required

☐ Checked you meet the six pass / fail criteria, or have provided appropriate evidence or statements to support your application

Preparation of evidence

Check that you have:

☐ Summarised your project description, project plan, costs and delivery plan in your application

☐ Provided the supporting documents and detailed evidence that is summarised in your application form

☐ Provided concise and relevant extracts of more lengthy documents (as applicable) without losing the context

☐ Included an appropriate, relevant and qualified opinion for specific issues e.g. fire, asbestos, legionella or safeguarding issues

☐ Completed all five parts of the application form for each project you submit

Making an application

Check that you have:

☐ Planned your application ahead of the deadline so that you can review it and seek advice in order to resolve any issues before the application deadline

☐ Not modified the application form in anyway, for example by adding or removing rows, columns or cells. The application you return will be processed electronically and if you modify it in any way, we may be unable to process it

☐ Not duplicated information provided within the attachments

☐ The correct file naming conventions described under 'File names'

☐ Not included embedded files with your application

☐ Not included website or other external links in your application as these will not be accessed

☐ Ensured your documents are readable – especially scanned documents which can appear too dark to show detail; or documents which have been shrunk so much that they are illegible when expanded

Annex B: Feasibility study

A feasibility study looks at the viability of the proposed project with an emphasis on identifying potential problems and attempts to answer one main question: will the project work and should it be approved by ESFA so the applicant can proceed with it?

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

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

What to include in a feasibility study

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

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

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