

Renewal Grant and Enhanced Renewal Grant

Application Guidance

1.0 Introduction

Following the announcement of the implementation of the £50 million Renewal Grant, this document sets out the information detailing how the fund is to be allocated to the sector.

The Government's announcement confirmed that the £50 million will be allocated in two parts:

- **Renewal Grant** – All eligible colleges will receive an initial allocation of £225,000 each. This will be subject to those colleges making an additional contribution of twice the allocated amount to an appropriate project. The allocation will represent a minimum of 1/3rd of the overall project investment.
- **Enhanced Renewal Grant** - All eligible colleges will then have the opportunity to bid through a challenge process for further funds, increasing the total grant available to up to £1million for an individual project. Projects will have to demonstrate that they deliver clear benefits in terms of improved condition of the college estate, benefits to learners and impact on urban and rural regeneration. As with the Renewal Fund allocation, colleges will be required to provide its own funding equivalent to at least 2/3rds of the cost of the investment;

Colleges eligible for the either of these two grants are Further Education colleges that will have received less than £5 million of grant since the 1 April 2001. Attached at Annex 1 is a list of colleges that the Agency believes are eligible to receive funding through these two routes.

The funding is only available in the current financial year, to 31 March 2011.

2.0 Renewal Grant

2.1 Funding Criteria

The £30 million fund will be distributed equally among all eligible colleges (see Annex 1). Each college will receive an initial allocation of £225,000. To

enable colleges to utilise this capital funding, the following criteria should be used for building and refurbishment projects that address some or all of the following criteria:

- 2.1.1 Improvement in the condition of the college's estate
- 2.1.2 Provide clear and direct benefits to learners
- 2.1.3 Contribution to economic and social re-generation to local communities in rural and urban areas
- 2.1.4 Reduce estates running costs and carbon emissions
- 2.1.5 Be complete and fully operational in time for the commencement of the 2011/12 academic year
- 2.1.6 The funding is not to be used for any previously approved project

2.2 Conditions of Renewal Grant

The Renewal Fund allocations will be paid to colleges in August 2010. This will be subject receipt of written confirmation that eligible colleges will use the funds for the purposes set out above and to confirm that it has the funds available to make the necessary contribution to the project costs¹. The written confirmation must be received by 30th July 2010. As part of this confirmation, colleges must provide an expenditure plan setting out how they intend to apply the funds in the period to the end of March 2011, and to completion of the project ready for September 2011, in line with the stated funding criteria.

On completion of the project, the college will be required to complete a 'Use of Funds' statement, confirming the final project costs, sources of funding and that the project has been completed in accordance with the criteria set out above. The Agency will reserve the right to claw-back any funds that have not been used in accordance with these criteria.

The Agency will require that the college's external auditors provide written confirmation that the funds have been used for the intended purposes.

3.0 Enhanced Renewal Grant

3.1 Eligibility and Qualification Criteria

3.1.1 Projects must be complete and operational by September 2011, ready for the 2011/12 academic year

3.1.2 Proposals will need to be developed up to the stage where their extent can be properly identified and costed – for example to RIBA stage C or

¹ Colleges that are not able to provide the additional funding required must contact the Skills Funding Agency at the earliest opportunity

equivalent - with supporting sketch plans and cost plans. Colleges must be able to commit to a firm budget and demonstrate relevant certainty and ability to deliver the project to timescale

3.1.3 Proposals are expected to achieve high levels of environmental performance. Proposals will be expected to achieve a BREEAM 'excellent' rating for new build and 'very good' for refurbishments².

3.1.4 Proposals put forward for the Enhanced Renewal Grant are expected to achieve a high quality of architecture and design. Applicants are expected share their plans with the Commission for Architecture and the Built Environment (or equivalent design review body) to confirm that the proposals will achieve an excellent standard of design.

3.1.5 Colleges with existing project consents can consider their projects for the Enhanced Renewal Grant but must demonstrate that they are proposing additional works over the originally approved project. In these circumstances colleges can apply for grant up to the value of the additional works, subject to a maximum value of 1/3rd of the overall increased project costs and a cap £1 million

3.1.6 Acquisition and adaptation and/or refurbishment of new **freehold** space will be considered eligible where this can be shown to replace space that is in poor condition. Leasehold acquisition will not be considered eligible unless premises are to be held on a 99+ year ground lease.

3.1.7 Proposals involving work that would normally constitute the usual summer works of planned maintenance and redecoration will **not** be considered eligible

3.1.8 Procurement of consultants and contractors will be in accordance with EC Procurement Directives. (Use of the LSC/Skills Funding Agency consultants framework will not be mandatory)

3.1.9 Any proposals involving improvement to or addition of temporary buildings will **not** be considered eligible

3.1.10 There will be a minimum project value of £1,000,000 for the Enhanced Renewal Grant. There be no upper limit on project value, only on a maximum grant of £1m. The maximum rate of grant support for any project will be 1/3rd of eligible costs, with a cap on grant of £1,000,000.

² An exception to this requirement may be considered where Colleges are undertaking projects that address urgent health and safety issues.

3.2 Application Process and Timescales

The table below summarises the timescales for the application submission, assessment and approval process:

Date	Action
21 June 2010	Announcement of launch of fund allocation process by Minister
21 June 2010	Eligible colleges notified by Skills Funding Agency of process and timescales for implementation of the allocation
21 June 2010	Application Form and supporting documents published on Skills Funding Agency web-site.
30 July 2010	Deadline for submission of applications to the Challenge Fund
2 nd to 20 th August	Assessment and moderation process
27 th August	Target date for confirmation and announcement of projects approved for the Challenge Fund

The timescale above reflects that fact that the funds must be drawn down and spent end of the current financial year. This is also reflected in the level of detail required for the college applications. Application information has been kept as brief as possible. Application documents and information are available at the link set out below:

<http://propertyservices.skillsfundingagency.bis.gov.uk/capitalfunding/>

The forms made available through the above link to applicants comprise the following:

- Application form – Detailed guidance on how to complete the application form is included with the form itself, with applicants required to over-write application information. All information is to be incorporated into the application form with the exception of the information requested below. Taking into account the limited time available to carry out assessments and approvals of the applications, colleges are required to keep answers brief and to the point - guidance is given in the application form for length of responses (word limits).
- Cost breakdown break-down form
- Investment appraisal

- Planned Expenditure profile

In addition to completion of the above forms, colleges must provide;

- Sketch plans and elevations (To equivalent of RIBA Stage C)
- A detailed flow chart (for example a Gantt chart) setting out the project programme

Assessment of applications will be based only on the information submitted in the required format. The Skills Funding Agency cannot guarantee that any additional information provided by colleges will be considered at the assessment stage.

The completed application form and required supporting information must be received by the Skills Funding Agency Capital Team by 10:00 Monday, 2 August. As well as a hard copy, colleges must submit all information in electronic format, in the form of a memory stick or disk.

Assessment, moderation and approval of bids for the Enhanced Renewal Grant will be undertaken during August. Successful colleges will be notified by 31st August.

Applications must be submitted to:

Capital Team
Skills Funding Agency
Cheylesmore House
Quinton Road
Coventry

3.3 Assessment Criteria

Projects submitted for the Enhanced Renewal Grant will be assessed on the following main criteria:

- Condition of the college's estate and facilities
- The benefits to learners
- Re-generation to local communities in rural and urban areas

Annex 2 sets out in more detail how the applications will be assessed against these criteria. In the event that applications exceed the value of the funds available, the Agency will use the same criteria to carry out a needs-based prioritisation process to determine which projects will be funded.

3.4 Grant Payments and Project Monitoring

Colleges with projects approved for the Enhanced Renewal Grant process will receive a letter from the Chief Executive Skills Funding confirming the funding

in relation to the project and setting out the conditions of grant. Colleges will be required to indicate acceptance of the terms by signing and returning a copy of the funding letter within two weeks of receipt.

The grant will be paid in equal monthly instalments from October 2010 to March 2011. Colleges will be required to submit a reconciliation of expenditure to date by the 31st March 2011, followed by a final reconciliation at the end of the project – it is expected that these will have been received by the end of October 2011. The Chief Executive Skills Funding will reserve the right to recover funds by claw-back from college revenue allocations in the event that project costs are less than originally approved, or have not been used for the agreed purposes.

Colleges will be expected to provide monthly updates on progress to the relevant Agency Senior Property Manager and will be expected to report against programme approved as part of original proposal.

Annex 1 – Eligible colleges

Abingdon and Witney College
Accrington and Rossendale College
Amersham and Wycombe College
Askham Bryan
Aylesbury College
Barking College
Barnfield College
Basingstoke College of Technology
Bedford College
Bexley College
Bicton College
Blackburn College
Blackpool and the Fylde College
Boston College, Lincolnshire
Bournemouth and Poole Further Education College
Bradford College
Bridgwater College
Brockenhurst College
Brooklands College
Brooksby Melton College
Burton College
Bury College
Cambridge Regional College
Capel Manor College
Carlisle College
Carshalton College
Central Bedfordshire College
Chelmsford College
Chesterfield College
Chichester College
Cirencester College
City College Brighton
City College Plymouth
City of Bath College
City of Sunderland College
City of Wolverhampton College
Cleveland College of Art and Design
College of Haringey, Enfield and North East London
College of West Anglia
Craven College
Dearne Valley College
Derwentside College
Dudley College
Eastleigh College
Fareham College
Farnborough College of Technology (FCOT)
Fircroft College of Adult Education
Grantham College
Greenwich Community College
Grimsby Institute
Guildford College of Further And Higher Education
Hackney Community College
Halesowen College
Harlow College

Harrow College
Hartpury College
Havering College of Further Education
Henley College, Coventry
Hereford College of Arts
Hereward College, Coventry
Hillcroft College
Hopwood Hall College
Hugh Baird College
Hull College
Huntingdonshire Regional College
Isle of Wight College
Joseph Priestley College
Kensington and Chelsea College
Kidderminster College
Kingston College
Kingston Maurward College
Knowsley Community College
Lakes College West Cumbria
Lancaster and Morecambe College
Leeds College of Art and Design
Leeds College of Building
Leek College of Further Education & School of Art
Lewisham College
Lincoln College
Loughborough College
Lowestoft College
Mary Ward Centre (The)
Mid Cheshire College
Milton Keynes College
Morley College
Moulton College
Myerscough College
New College Nottingham
New College Stamford
New College Swindon
Newbury College
Newham College of Further Education
Northern College for Residential Adult Education
PETROC
North East Surrey College Of Technology (Nescot)
North East Worcestershire College
North Hertfordshire College
North Lindsey College
North Nottinghamshire College
North Warwickshire and Hinckley College
Northbrook College
Northumberland College
Norton Radstock College
Norwich City College
Oaklands College
Otley College
Oxford and Cherwell Valley College
Peterborough Regional College
Plymouth College of Art and Design

Preston College
Redbridge College
Richmond Adult Community College
Richmond upon Thames College
Riverside College Halton
Rotherham College of Arts and Technology
Royal Forest of Dean College
Runshaw College
Ruskin College
Salford College
SEEVIC
Shipleigh College
Shrewsbury College of Arts and Technology
South Downs College
South Nottingham
South Staffordshire College
South Tyneside College
South Worcestershire College
Southgate College
Southport College
Southwark College
Sparsholt College
Stafford College, Staffordshire
Stanmore College
Stourbridge College
Stratford College
Strode College
Sussex Downs College
Tameside College
Telford College of Arts and Technology
Thanet College
The Calderdale Colleges Corporation
The Henley College
The Oldham College
Tower Hamlets College
Tyne Metropolitan College
Uxbridge College
Wakefield College
Walford and North Shropshire College
Waltham Forest College
West Nottinghamshire College
West Suffolk College
Weymouth College
Wiltshire College
Worcester College of Technology
Workers' Educational Association
Working Men's College (The)
Worthing College
Yeovil College

Annex 2

Additional £50 million Capital Allocation – Assessment Criteria

Condition of estate - Estate need

- Estate need, - bringing inoperable estate back into effective use, urgent health and safety work, percentage of college area improved as result of the project (area of college moved out of RICS condition C/D)
- Value for money - both in terms of cost/m², costs/learner, running costs savings and return on investment (using simplified investment appraisal)
- Sustainability – Energy efficiency (reduced running costs arising from the [proposal - demonstrated in investment appraisal), BREEAM rating
- Quality of design – confirmation of review of proposals by CABE/equivalent design review body

Benefits to learners

- Benefit to existing learners inc LLDD is the main priority – any new numbers are a bonus – numbers of learners affected by the proposals
- Apprenticeships/Skills
- Supported curriculum areas
- Quality

Regeneration - contribution to local economic regeneration (urban and rural)

- Contribution in relation to local regeneration
- Impact on economic indicators such as job and business creation, impact on unemployment and improvement in skills profile
- Improving access and involvement of under-represented groups
- Minimising environmental impact

Additional financial considerations:

- Investment appraisal
- Affordability – Agency Finance team (Provider Financial Management) will undertake a quick, light touch review of the application to ensure colleges can afford their contributions to challenge fund projects
- no 'normal' range of borrowing eg 30-40% of turnover 3rd year after completion, in this exercise. Review will look to establish that any proposed borrowing does not put a college at risk of inadequacy
- in line with proposed new borrowing and other property-related consents limits associated borrowings consent would be necessary only if the additional amount associated with an application would take the percentage beyond 25% of total annual income, except for colleges that are in 'inadequate' financial health which would have to apply for consent for all additional borrowings

