**Post-16 Capacity Fund**

**Purpose**

To provide additional capacity in 16-19 providers, where there is due to be a demographic increase in learners in September 2024 and there is not enough existing capacity to accommodate that increase -

• to ensure that provision to be delivered through the additional space developed meets local and national skills requirements and is reflective of learner demand; and

• to do so in the most efficient and sustainable way possible, to ensure value for money in the investment of public funds, and to support the Government’s target of achieving net zero carbon emissions by 2050 as set out in the Climate Change Act 2008.

Eligible post-16 institutions are invited to bid to the Department for Education for capital funding to support these objectives.

Projects funded through the Post-16 Capacity Fund must be completed by the end of August 2024 to support the delivery of learner places from September 2024.

**Important dates for Post-16 Capacity Fund**

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| --- | --- |
| **Milestones** | **Dates** |
| **Launch of Fund**: information for applicants published and online application window opens | 7 September 2022 |
| Deadline for all applicants to submit applications | 11 November 2022 |
| The department to notify applicants of outcome | Spring 2023 |
| **Project completion** | 31 August 2024 |

Applications must be submitted through the online **DfE eTendering Portal** (Jaggaer). You will need to register for an account to be able to **access the application form and supporting templates**; we encourage you to do this as early as possible and you must have registered by **30 September 2022**. See section 5.1 for further information.

**LA maintained schools**

Where a school sixth form is maintained by their Local Authority it is the school, with approval from the Governing Body, that should apply to the fund.

**Multi academy trusts**

If an academy is part of a multi-academy trust (MAT) then applications must be completed and submitted by the MAT on behalf of the academy. For each academy, you may submit one application per academy.

Applicants looking to expand their estate must demonstrate that:

• the proposed project is required as a direct result of a demographic increase in learner numbers in their catchment area (or travel to learn area) and therefore a forecasted increase in pupil numbers -

• the proposed project is required for their institution to accommodate these additional learners starting from September 2024

• there are no alternative solutions, including learners attending another local provider

and

• the proposed project best meets the criteria for the Post-16 Capacity Fund

As such there are likely to be two types of building works that are eligible for support:

• those that increase the overall gross internal floor area (GIFA) of learning space and associated functional areas or facilities

or

• those that reconfigure the estate within the existing GIFA to accommodate more learners

**Requirements**

All investment made through this fund will be required to meet the following requirements, but this is not an exhaustive list:

• As a minimum, any projects must seek to increase the capacity in your estate to accommodate at least **30 additional learners aged 16-19 in September 2024**.

• Capital investment should be made into an asset held on freehold or long lease (125+ years) at a peppercorn or nominal rental. It is highly unlikely that the tenure arrangements in commercial leases, subject to annual rental payments, will satisfy the department’s value for money requirements.

• In exceptional circumstances, where the land is held by charitable trustees for the provision of education by the provider, we may consider alternative tenure arrangements to those set out above, but only where there is strong justification that it is the best value for money option available to you. In such cases we will consider a range of factors, including overall life expectancy of the works, the scope and total value of the works, how confident we are that the premises will remain in educational use, and the amount of grant requested.

• Where freehold or leasehold acquisition is required, the department will only provide funding in exceptional circumstances and will need to be satisfied that the agreed terms represent open market value and secure strong protections for its investment.

• The asset must be used primarily for the provision of education to learners between the ages of 16-19. Where it is appropriate to your institution’s remit, we would expect wider benefits to be realised in the provision of adult education or key stages 1-4, in the interests of securing a sustainable investment that provides value for money in the longer term beyond the demographic increase in 16-19 year olds. However, the investment cannot be for the sole purpose of providing adult or key stage 1-4 education.

• Where funding is requested for demolition and rebuilding projects, the demolition must be of blocks that are in poor condition and additional capacity must be provided in the replacement accommodation.

**Ineligible projects**

Projects or elements of projects that are not eligible for funding include the following, but this is not an exhaustive list:

Projects which are not primarily concerned with provision for additional learners as a direct result of the demographic increase in 16 – 19 learners. This includes accommodating the 40 additional learning hours for Band 5 and T Level students, and growth due to increasing your market share within the travel to learn area (ie. cohort growth due to popularity of provision and learner choice rather than demographic increases). This is to avoid creating a surplus of places in a local area.

Purchase of land, except in exceptional circumstances where there is a strong value for money justification. Academies should seek Secretary of State approval for any land transactions including the buying and selling of a freehold or leasehold interest in land or buildings. Please refer to the guidance for further information, which also sets out the process to follow if the project includes the change of use of a playing field. For all applicants, where the project includes the purchase of land this should be supported by open market valuations, or for land transactions that have not yet completed, agreed heads of terms.

Estate created that is not demonstrably intended for the provision of 16 – 19-year-old further and technical education, for example large atria, accommodation of non 16-19 further and technical education activities, and commercial activities not related to government funded provision or where the estate is being let to tenants. The primary purpose of the estate created should be delivery of 16–19-year-old education.

Estate expansion already being addressed through other local and central government grant funding. Examples could include but are not restricted to:

Condition Improvement Fund

T Levels Capital

FE Capital Transformation Fund

Institutes of Technology

Towns Fund

**Prescribed alterations process – LA maintained schools**

At the point of submitting a bid to the Post-16 Capacity Fund, LAs will need to have carried out a consultation on the proposed expansion (‘stage 2’ of the statutory process as set out in the guidance).

**Project value thresholds for the Post-16 Capacity Fund**

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| --- | --- |
| **Minimum project threshold** | **Maximum project threshold** |
| £200,000 | £4,000,000 |

**Minimum threshold**

The minimum value of bids to the Post-16 Capacity Fund is £200,000, excluding any ineligible expenditure, such as recoverable VAT. The department reserves the right to amend the lower limit where there is sufficient evidence of need, and the programme funding allows.

**Maximum threshold**

The maximum upper threshold for bid applications is £4,000,000 and grant awards will be capped at that level. The department reserves the right to amend the upper limit where there is sufficient evidence of need and programme funding allows.

**Assessment Criteria**

Each project will be assessed using the information contained within the application. Assessors will make a relative judgement to award an overall project score. They will assess projects by using financial and performance data generated from the department’s centrally held sources, alongside information provided by applicants.

Post-16 Capacity Fund applications will be subject to the criteria in the table below, which will favour bids from applicants demonstrating the greatest need for additional capacity, strong project planning and those presenting the best value for money. It is important that plans are realistic and deliverable. Points will be awarded in the assessment process, as set out in the relevant sections.

|  |  |
| --- | --- |
| **Assessment criteria** | **Heading** |
| Project Need | 60% |
| Project Planning | 20% |
| Project Cost | 20% |
| **Total** | **100%** |

Scores for the Project Need section will be weighted to account for 60% of the total score. Applicants will need to demonstrate that additional capacity to accommodate the demographic increase in 16-19 learners is needed and justified and that the proposed project will not result in a surplus of post-16 places in both the institution and the local area.

**Learner Growth and Demand**

Applicants need to include historic, existing, and projected future annual data for 16-19 demographic growth and student demand for the institution in the application.

**Schools and Academies**

If you are a maintained or academy school with a sixth form including free schools, 16-19 Academy, University Technical College, Studio School or a Maths school you are required to complete and submit the following templates:

• Pupil Numbers Template: Template available within the application portal. Please use this to demonstrate current and planned learner numbers as a result of the demographic increase in 16-19 year olds.

• Net Capacity Assessment (NCA) Templates: Template available within the application portal. This should cover the whole institution at the time of application, based on the existing buildings, including any approved projects and a separate NCA including any new or remodelling work proposed within the project applied for. Both NCAs should include the 27/28 learner numbers.

**Match funding**

All applicants are invited to contribute match funding towards the cost of their project proposals. It is for the applicant to decide what level of contribution is affordable. Points will be awarded on the basis below (table under 9.4.4 ). Match funding means your contribution to the funded project plus any contribution from third party sources, which are listed as eligible match funding below.

Eligible sources of match funding can include:

• applicant’s own reserves

• corporate or other donations

• commercial loans

• buildings or land acquired for the project at market value

• buildings or land donated by a third party subject to market value being supported by an independent valuation

• works that have been undertaken to prepare the site for the project proposed in the application

• grant funding provided by schemes outside of central government; and

• locally managed grant funding, including Towns Fund and funding available through Greater London Authority (GLA), mayoral combined authorities (MCAs) and Local Enterprise Partnerships (LEPs) and local authorities.

**Ineligible sources of match funding**

Central government capital funding from other sources cannot be used as match funding. This includes, but is not limited to:

• FE Capital Transformation Fund

• T Levels Capital funding

• Institutes of Technology capital funding

• Condition Improvement Fund (CIF) funding

• Capital funding from other central government departments

• Levelling Up fund

• School Rebuilding Programme

• Free Schools capital funding

• Priority School Building Programme

• Strategic Development Fund

**Local Authority Maintained Schools (including Community, Voluntary Controlled, Voluntary Aided and Foundation Schools)**

The Local Authority should provide a letter of assurance that the LA maintained school is in a sound financial position to manage this investment and confirm that there are no significant issues in relation to the school’s latest budget forecasts. This assurance should be approved by the Director of Children’s Services.