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CAPITAL FUNDING GUIDANCE

chesterdbe.co.uk



**Chester Diocesan
Board of Education**

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INTRODUCTION

The DfE have confirmed that VA Schools will be able to receive SCA funding for capital projects through their Responsible Body. Chester Diocesan Board of Education acts as the Responsible Body for Church of England VA schools within the Diocese of Chester.

The SCA process begins in early September each year. It is important to see this as a 12-month process: which begins with a conversation between the school and their Building Consultants about the capital needs and requirements in September for works to start on-site the following summer term. The School Building Consultants have a pivotal role to play in this as they are the sole professional employed by the school.

Although capital projects are the responsibility of the Governing Body, Chester Diocesan Board of Education (CDBE) must give approval on all capital projects as required in the DBE Measure 2021.



It is therefore the Building Consultant's responsibility to:

- Prepare a building development plan for a five-year period. This plan is to include repairs above the de-minimis level in addition to refurbishment, alterations, extensions and new buildings to meet all the school's building needs and requirements.
- Advise the school on all building matters including repairs & maintenance, refurbishment, alterations, extensions & new buildings to address condition, suitability and sufficiency of the school's premises.
- Advise on all financial matters relating to buildings including available funding streams, financial liabilities and the financial management of building projects.
- Liaise, on behalf of the Diocese, LA, DfE, ESFA and other relevant bodies.
- Obtain all necessary surveys, special reports, specialist services and statutory approvals, and advise on any legal issues relating to a project and ensure they are resolved.
- Complete CDBE forms & provide invoices to CDBE in a timely manner.
- Advise insurance suppliers of projects when applicable.
- Ensure that the project is delivered on time.

This paper sets out the process and gives guidance to school Governing Bodies and Building Consultants on how to submit a SCA bid for capital work in our VA schools.



FUNDING TIMELINE

Sept - Dec

Schools bid for up to 2 projects via building consultant.

Mar - Apr

Schools informed of preliminary successful projects in March, confirmed in April after funding announcement from ESFA.

Sep - Feb

Second wave of projects completed using remaining funding (including contingency funds).

Jan - Feb

DBE ranks projects in priority order under scrutiny from a committee of the board of directors.

Jul - Aug

After being tendered in May, most projects are onsite over the summer holidays.

BUILDING DEVELOPMENT PLANS



SCA BIDS

It is important that bids for SCA funding are in line with the school’s 5-year building development plan, apart from unforeseen repair work. The building development plan shall be such that it can be phased, and these phases prioritised. The solutions proposed in the plan must be achievable and realistic in terms of being fundable – it is advisable to seek the advice of CDBE in this respect during the process. Whilst it is difficult to predict future inflation, the plan and its phases shall be costed. This will inform viability and will provide guidance as to the Governors’ contribution over the life of the development plan.

The 5-year development plan shall be revisited each year to be updated and revised if necessary and is to be the basis from which a SCA bid is constructed.

If a school does not wish to submit a SCA bid, the CDBE will need to receive a Nil Return notification before the bidding deadline each year.

It is the responsibility of the School Buildings Consultant to prepare bids on behalf of the school for submission to the CDBE. The bids shall be based on the approved development plans and shall be costed on an ‘out-turn’ basis to include:

- building costs,
- furniture, fixtures & fittings
- Building Consultant’s professional fees,
- surveys,
- special reports & services,
- statutory fees,
- demolition,
- temporary accommodation,
- VAT,
- plus any other associated building costs.

PROJECT PRIORITIES



As with previous years, priority will be given to condition work projects. It is important that the infrastructure of the school remains robust. Essential condition works such as boiler replacements and roofing must be prioritised and a SCA bid should be submitted. Please do not submit a ‘nice to have’ condition project.

- For all condition works, the following priority criteria will be used:
- Highest priority given to for urgent works which, if not completed, could cause the school to close (e.g. failing/failed boiler replacement projects).
 - Second priority given to safeguarding and other health & safety projects.
 - Third priority given to other repair works such as roofing, heating/boiler replacements and window replacements.
 - Other refurbishment work will then be prioritised.

CDBE acknowledges that it is important to invest in the development of its VA schools to ensure pupils have the best possible learning environment and will look to fund Development & Suitability projects. Allocation for potential development works will be prioritised in the following order:

- Additional accommodation to ease classroom and space pressures.
- Internal reordering to create suitable sized classrooms.
- Internal reordering to create suitable ‘break-out’ spaces.
- Internal reordering to create suitable staff meeting rooms and administration rooms.

Please be aware that the development funding would be largely targeted to create functional and suitable teaching and learning spaces. Projects which can demonstrate a positive impact on learning, teaching and outcomes are more likely to be successful. It is highly unlikely that there will be funding for the ‘nice to have’ projects. However, consultants and schools with a sound infrastructure should be encouraged to have a serious conversation about development plans, and to assess whether a SCA bid for funding would be appropriate.

NUMBER OF SCA BIDS

CDBE will only consider a maximum of two SCA bids per school – whether condition and/or development projects. Where schools bid for two projects, it should be noted on the applications which is the highest priority.

COSTING PROJECTS

All costs must be gross outturn, including fees and VAT where applicable and must take into account any abnormal conditions that may apply. The costing should also include estimates for any possible surveys, planning applications and other additional costs. An estimated cost analysis and breakdown is essential.



FUNDING PROJECTS

Each of the successful projects are likely to be funded from three separate sources:

1. School Capital Allocation (SCA)
2. Devolved Formula Capital (DFC)
3. Additional Governor Contribution (beyond the 10% liability)



DFC FUNDING

We expect schools to contribute a minimum of 20% of the total cost of a project from their DFC allocation. Where this is not possible or practical, we ask that consultants detail this on the project bid.

Where DFC monies are being used, Building Consultants must ensure there are sufficient DFC funds available. When changes are made to DFC monies, CDBE will continue to notify both the Building Consultant and the School as well as providing the remaining uncommitted DFC balance. Schools and Consultants are encouraged to keep their own accurate records of their DFC balance and raise any discrepancies immediately with CDBE.

If schools wish to commit DFC before CDBE is in receipt of their allocation, the school must write to CDBE specifying how much of their anticipated DFC they wish to commit as well as stating that, should CDBE receive insufficient DFC, the remaining balance will be made up from 100% Governors' Non-Grant Aided costs as well as how this will be funded.

GOVERNORS' CONTRIBUTION

It is the Governors' responsibility to fund 10% of the total grant-aided funding (SCA and DFC) element of a project. This will be invoiced to the school, in full, when the project is approved.

However, if Governors have funds available over and above their 10% that they are willing to contribute to Development and Suitability projects, this should be clearly stated. Development projects are more likely to be successful if schools can contribute more than the required 10%.

LA FUNDING

In rare cases, if any LA contribution is agreed, please obtain written confirmation from the LA of the amount and which funding pot this will be paid from. This reduces the risk of future disagreement when, for example, there is a change of staff at the LA.

OTHER REQUIRED INFORMATION

Completed SCA bids should be returned to CDBE along with the following:

1. Confirmation from the school that the Governors' have approved the project bid. This could be in the form of Governing Body meeting minutes noting the discussion of the bid.
2. Any Mechanical and Electrical (M&E) implications including capacity of the plant and incoming services must be investigated together with any drainage implications.
3. Existing and proposed total areas must be provided on plans where extensions and adaptations are to take place.
4. Planning: Where a school is in a conservation area or has listed status, prior discussion should have been undertaken with planners and other relevant organisations and proof of this must be provided in writing.
5. Ownership: Any ownership issues need to be investigated, particularly where land is involved.
6. Disruption: A written statement on how the school will function when the project is onsite should be provided.
7. Any specific needs relating to health & safety, asbestos, security and Ofsted reports.
8. A copy of the school's development plan must accompany development SCA bids. The existing school plan and proposed school plan should be included. Room measurements should be shown on all plans.



TENDERING PROCESS

Projects should follow a single stage tender process. Building Consultants should follow their own procedures for receiving (whether hard-copy or electronic) and opening tenders. Tenders submitted after the deadline, cannot be accepted.

Where tenders are returned over or below the funding allocation, CDBE is to be notified as soon as possible. CDBE reserves the right to reallocate any SCA saving on a funding allocation to another project. Likewise, for projects that are over-budget, CDBE reserves the right to revoke SCA funding if project schemes cannot be value engineered to fit the allocated budget.

CHANGING THE SCOPE OF WORKS

Once a project has been approved, schools should not alter the scope of works. If a school wishes to change the scope of works, CDBE should be informed as soon as possible, giving details of the original scheme, plans of the new scheme, along with a price breakdown and a detailed report explaining the need and reasoning for these changes. CDBE reserves the right to refuse any changes and revoke SCA funding where necessary.

ASBESTOS

Under the Control of Asbestos at Work Regulations 2006 (CAWR), governing bodies are required to ensure the risk from asbestos is managed by:

- finding out if there is asbestos in the premises, its amount and what condition it is in;
- presuming materials contain asbestos, unless they have strong evidence that they do not, such as bricks, glass, steel, timber etc.;
- making and keeping up to date a record of the location and condition of the asbestos containing materials, (ACMs) or presumed ACMs in their premises;
- assessing the risk from the material;
- preparing a plan that sets out in detail how they are going to manage the risk from this material;
- taking the steps needed to put their plan into action;
- reviewing and monitoring their plan and the arrangements made to put it in place; and
- providing information on the location and condition of the material to anyone who is liable to work on or disturb it.

It is essential that schools have a system to manage the asbestos materials in their premises. An asbestos register must be available for inspection before any intrusive work is undertaken. LAs and consultants may have assisted schools in providing surveys, updating the register and developing maintenance procedures. In certain cases, a more extensive survey may be needed which must be arranged by the school consultant. No approval can be given for building projects unless certification of compliance is received at the CDBE office.

Consultants must ensure the Asbestos Register is kept up-to-date and simultaneously inform the LA.

INSURANCE

If the school buildings are insured through Ecclesiastical Insurance Group (EIG), they should be notified whenever any building works total over £125,000 (including VAT & fees) and are subject to any JCT minor, standard or intermediate building contract in which the Governing Body is the employer. EIG must also be notified of works carried out under any other type of formal building contract irrespective of value. Additional premiums are grant aidable and the invoice for payment should be forwarded to the CDBE.

Consultants must:

- Complete the Insurance questionnaire and return to EIG via DBE Services Ltd when the Approval Form is submitted to the CDBE office. Insurance costs should be included in the professional fees in the Approval Form.
- Notify the insurers of the dates the contractors move onto and off the site.
- If schools are not insured through EIG, they should check with their own insurers for procedures and requirements.
- If schools are insured through EIG as part of the Warrington Educational Trust, they should contact EIG for procedures and requirements.
- Ensure any additional insurance cover is in place before the project commences on site.
- When Governors only carry insurance cover for the Governors' 10% liability and rely on LA insurance to cover the remaining 90%, consultants must also notify the Local Authority insurers of any capital project by following their procedures and requirements.
- Insurers must also be informed of the 100% non-grant aidable costs on projects

CONSULTANT'S PROFESSIONAL FEES

Professional fees shall only be chargeable, unless otherwise agreed with the School, on specific building projects receiving DfE funding or on projects funded directly by the School. The level of fees is set out below and is only subject to adjustment by prior agreement with DBE Services Ltd.

Contract Value	Professional Fee
Up to £100,000.00	15% of contract sum including all surveys (excluding asbestos surveys), special reports and specialist services but excluding insurance, planning fees and building control fees
£100,000.00 to £250,000.00	14% of contract sum including all surveys (excluding asbestos surveys), special reports and specialist services but excluding insurance, planning fees and building control fees.
£250,000.00 to £500,000.00	12% of contract sum excluding all surveys, special reports, specialist services, insurance, planning fees and building control fees.
£500,000.00 to £1,000,000.00	12% of contract sum including all surveys (excluding asbestos surveys), special reports and specialist services but excluding insurance, planning fees and building control fees.
Over £1,000,000.00	By negotiation. DBE Services Limited Framework will apply.

Any statutory fees should be paid by consultants in advance of project approval, and these should not be given to school to pay. Consultants should contact CDBE as soon as possible if there are any issues with paying these fees.

APPENDIX 1



INFORMATION FOR CONSULTANTS

POINTS TO REMEMBER

- 28 days must be allowed in any contract for payment.
- Bottom line costs must include fees and VAT and must be adhered to or CDBE officers must be consulted.
- Consultants must keep an up to date record of each school's DFC funding. Checks should be made when email information is provided by CDBE office and discrepancies should be raised immediately.
- All contracts must indicate a six months' defects period unless a different period is agreed with CDBE officers prior to approval submission.
- Within two days of the invoice or certificate date all interim certificates and fee notes with form PDS must be sent directly to the CDBE and not to the Governors.
- Grants cannot be processed and invoices paid unless these procedures are adhered to.
- The CDBE office must be consulted in advance about the date of the pre-start and handover meetings and should, where possible, attend these meetings.
- Consultants should continue to follow any previous guidance from CDBE that is not updated in this document.

SUBMISSION OF FORMS

In order to simplify submissions for project approval, CDBE has created one form to be used by consultants for all types of projects being handled by consultants.

When consultants are notified by the CDBE that a capital bid has been successful in gaining an allocation, they should:

- **Obtain three competitive tenders for the work.**
If this is not practical then this should be discussed with CDBE officers in advance of submission and explained in the tender report.
- Consultants should send all documentation via email to Sandra Jones (sandra.jones@chester.anglican.org).
- **Forward to the CDBE the original copy of the following:**
 - * Approval Form (downloadable from the CDBE website)
 - * Tender Report
 - * Signed Addendum to Tender
 - * Three Competitive Tenders
 - * Priced schedule of work or cost breakdown
 - * Proposed building plan (if there is a change to the gross area of teaching or non-teaching spaces) or sketch of the school building highlighting proposed work.
 - * Asbestos Letter confirming either:
 1. Asbestos is known to be in the area and will be dealt with following statutory requirements.
 2. On checking the asbestos register, it is confirmed that there is no asbestos in the area of works.
- **Written CDBE approval must be obtained prior to work commencing.**
This will be notified by email from the CDBE.
Once a project has been approved, it should be undertaken as soon as possible.

CONTRACTS & PAYMENTS

- Contracts must be signed by an authorised representative of the Governing Body and the Governors must be provided with a copy contract.
- **All contracts must specify a 28-day payment period. Failure to meet this condition may result in Governors being liable for interest charges on the outstanding grant.**
- Once the work is underway, consultant's interim certificates and invoices should be sent direct to the CDBE office to avoid delay in payment. These must be with the CDBE within two days of issue.
- Fee notes should be sent direct to the CDBE office for payment. These must be with the CDBE within two days of issue.
- When finalising the project, the consultant should complete 'a 'Final Cost Certificate' form and forward it to the CDBE office together with the final certificate/invoice and the final fee invoice.

ADDITIONAL COSTS

- Consultants must keep the governing body fully informed of any additional costs and obtain their approval for any such costs.
- Should genuine unforeseen additional costs arise after contracts have been signed and a tender report certificate provided, consultants should contact CDBE officers to discuss additional funding options.
- Once agreed with CDBE and Governors, consultants should complete an Additional Costs Form along with supporting documentation to prove additional costs are needed.
- Before submitting an application for additional costs, contingency sums should be used and savings sought from within the contract works. This will need to be demonstrated in the supporting documentation.

