SKILLS FOR LONDONERS CAPITAL FUND
ROUND 2

Stage 2 Guidelines

Guidance notes

This guide should be carefully read before filling in the Stage 2 application form. It provides guidance on how to complete each section within GLA OPS and outlines expectations on what information should be provided and helpful tips. It also states contact information, formatting advice and information on the submission deadline. Applicants can always refer to the Skills for Londoners Capital Fund Prospectus for additional detail.

Applicants are expected to provide a robust application and business case to increase the chances of approval for funding. More importantly, due to the competitive nature of the process and the oversubscription experienced at Stage 1, we advise applicants to carefully read the questions asked and answer in a direct and concise manner. Providing statistics, background information or other contextual data where this is not requested will result in the project scoring lower than those who have clearly addressed the question.

Lastly, applicants should strive to highlight, as much as possible and where relevant, the contributions and specific components of their project that will deliver the Fund's and Mayoral priorities.

<u>Generic statements and/or a simple indication that the project will follow/abide by current standards or the objectives of such strategies will not suffice as proof of conformity with the Fund's requirements.</u>

Submission and format

- Stage 2 applications will open **within the GLA OPS system at 12pm (midday) on the 19 December 2019**. All questions and required information were nevertheless provided in advance to successful Stage 1 applicants.
- Applicants should complete all blocks and **submit before 12pm (midday) on the 21 January 2019**.
- Information must be factual and reference evidence that supports statements (e.g. government or sector reports, environmental performance data, reports and independent verification (assessments) such as valuations, financial reviews, and state aid guidance).
- Supporting documents will be shared with evaluators and our due diligence consultants. Where applicants need to submit additional documents, they can do so under the Miscellaneous section within Block 12 – Supporting documents. If documents surpass the size limit, please refer to the Appendices section below. **<u>Only documents submitted through GLA OPS and the procedure below will be accepted. These should nevertheless be relevant to the application and support the narrative within it.</u>**

If applicants have any system queries when completing the online application, they should first consult the information below and can refer to the GLA OPS section within the FAQs document. For other queries, you can email skillscapital@london.gov.uk.

Note on additional files

Only documents which are larger than the GLA OPS size limit will be allowed through this procedure. You should list all documents within a Word file (including the project title and leading organisation) and highlight at the top of the document the link from which these can be downloaded. These files/links must remain accessible throughout the evaluation period, which will take place in January and February 2019.

You must ensure that they are named consistently throughout the list and where necessary, clarify the content and purpose of the documents (see below). **The word document should then be uploaded within GLA OPS.**

Example:

Project title: The XYZ redevelopment project
Leading organisation: XYZ College

https://wetransfer.com/downloads/3c1f2f155acc9a028317ddgfguf92

1. Project name_Applicant name_Stage2_Masterplan

2. Project name_ Applicant name_ Stage2_Site images (Notes: Photos showing the site in early 2018)

NOTE FOR APPLICANTS

Applicants are expected to update ANY and ALL information submitted at Stage 1. This includes updating the project stage, GLA contribution ratio and any of the previously-submitted answers where GLA feedback might have indicated a lack of clarity or detail, where changes have occurred since Stage 1, or where there is an opportunity to improve on Stage 1 submission.

Block 1 - Applicant details

Secondary contact

Applicants must provide an additional contact should the primary contact not be available. This contact will be used for any clarifications or announcements regarding the application, along with the primary contact. Similarly, your organisation's OPS admin (the assigned org admin when your organisation registered within GLA OPS) is responsible for requesting access and approving this contact to ensure they can log in and provide relevant information where necessary. User registration will require your organisation's registration key. Step by step instructions can be found here.

Multiple parties

You must provide a clear explanation of each partner's role and contribution towards the project in terms of achieving objectives and/or providing funding. You may upload organisational delivery structure charts within Block 12 - Supporting Documents if needed.

Mergers

Where applicable, update the status of any merger or mergers with other partners in the sector at the point of the application, including a target date and any relevant details. If the potential partner is currently undertaking any capital works, a summary and explanation of interdependencies and potential impacts should be included.

Block 4 - Project information

Public headline

Successful projects are often quoted in government reports, press releases and other publications. The headline provided should then capture the essence of your project and its key objectives within a short paragraph. Including the top 3 deliverables or project objectives in bullet points is highly advised. In doing so, keep in mind that objectives should be SMART (Specific, Measurable, Achievable, Relevant, Time bound).

You must note that the GLA reserves the right to use this summary for any publications or reports associated with your project. As such, no confidential information should be included here.

Permissions and approvals

Where relevant, you should summarise any discussions or actions pertaining to pre-planning/planning applications, consents and approvals for any project components which requires so. Relevant details include projected timelines, the teams met and any recommendations/feedback provided as a result of such discussions. Where a planning application has been submitted or granted, you should provide the link of the Planning Authority's page where this can be found. Associated risks and mitigation strategies should be clearly outlined within Block 10.

Similarly, you are expected to outline any surveys/investigations which have been conducted to date. This will inform our assessment on potential risks/deliverability issues for the project compared to a scenario where further information needs to be requested before any funding is approved.

Block 5 - Project Rationale

Skills provision

The application should demonstrate adequate research and consultation for the proposed provision, whether this is new or complementary to existing provision. Applications must provide an assessment of the supply of similar provision in the local area and evidence of the shortfall being addressed, where possible. This means well-thought strategies which account for or integrate provision of neighbouring providers, rather than compete with them. They should make clear how the planned provision will be sourced and identify "feeder" provision (e.g. at the lower level of qualification) and "destination" opportunities, where appropriate.

As such, applications which show consideration and/or evidence collaboration with other providers will be looked on favourably.

Block 6 - Cost components

Applicants should update the proposed GLA funding ratio and confirm the amounts of non-GLA contributions that have already been secured and those which are pending but expected to be confirmed (with only those that are confirmed by a completed contract to be outlined as 'secured'). Evidence of secured funds must then be uploaded within Block 12.

The sources of non-GLA contributions must be specified alongside relevant timescales, any foreseen issues and potential impact should these not be secured. These should only include capital funds and they should only support the capital expenditure requirements of the project.

For projects which include a residential component, only the amounts associated to land acquisition or disposal should be considered. Development costs should not be included here or within the Quarterly budget profile section in Block 8 but should be indicated within the project details, the cost estimate and/or any independent advice information provided within Block 6.

Acquisitions and disposals

Applicants should confirm whether there are any planned acquisitions, disposals or rationalisation of land which will impact project funding. You are expected to provide a value for each of these as well as the anticipated timings. You must also indicate the basis for any valuation (i.e. are there any special assumptions?) as well as any conditions or negotiations which have taken place to date (including any Heads of Terms or contracts completed).

Where land transactions are needed, you must provide an assessment of the value of land and/or property in accordance to the Red Book Valuation by a qualified and experienced valuation surveyor (either in-house or an external expert).

For disposals, where capital receipts have already been received, the value to be entered should be 0. However, if part of the project funding (non-GLA contributions) is reliant on a capital receipt from disposal, you must provide relevant costing and timing information and explain, within Block 10 – Risks and issues, what the approach will be should the value be lower than expected.

Where non-GLA contribution is dependent on rationalisation of land for development, you should provide details of how the scheme (including the development) meets planning conditions, including criteria set out within the Mayor's draft London Plan and Affordable Housing and Viability Supplementary Planning Guidance (SPG). More information on the Mayor's Affordable Housing and Viability SPG is available here.

Block 7 - Milestones

You should review and update your project milestones to reflect the latest programme plan. **Close attention should be paid to the logic and order of the milestones.** You may also use the pre-defined milestones in combination with bespoke ones to highlight different components/phases/funding streams of the project. Milestones should be carefully outlined as they will serve as baseline for your project's Quarterly budget profile within Block 8.

If your project involves any land acquisitions or site disposals, these should be indicated as well. Similarly, every project should clearly indicate milestones in terms of tendering and procurement activities as well as project closure and evaluation.

Block 8 - Budget

Applicants are expected to outline their budget and expenditure plan within this section. To do so, you will need to use the milestones that have been selected in Block 7. Unlike Stage 1 however, applicants must provide a detailed breakdown of activities for each milestone and provide the necessary cost values associated with these (at Stage 1, a default 'Projected cost' label was assigned to any amounts entered for a given Quarter or Milestone).

To complete this block, you should first select the appropriate year under the Annual budget section and update the yearly GLA and applicant contributions values. Once the yearly values are entered, you can proceed to the Quarterly budget profile section where specific Quarters and Milestones can be selected.

Previously created quarterly expenditure (shown with the label 'Projected cost') can either be edited by changing the activity label or deleted, as needed. Similarly, new Milestones and activities can be added within each Quarter/Year.

Careful consideration should be given to the order and amounts associated to each Milestone and corresponding activities. **This is particularly important for GLA contributions which should only be profiled after planning permission is achieved** (see page 53 of the Prospectus). Projects which submit a quarterly budget profile and programme plan which do not follow a proper time logic will be penalised under the credibility, costing plan and deliverability sections. Moreover, these will serve as baseline for an eventual funding contract and monthly reporting for project expenditure and overall progress.

If you would like to review or assess the information you have entered, you can simply go to the Total project budget section at the top of the page and select the 'Project funding summary' or 'Capital funding by Y & Q' views from the dropdown menu. Similarly, if the amounts profiled under the Annual budget and the Quarterly budget profile sections are not equal, an error message will be displayed at the top of the Quarterly budget profile section and the Block will remain as Incomplete until these balance out.

*Note: quarterly profile in Block 8 is NOT a replacement for the Cost breakdown template or the Programme plan that are to be uploaded within Block 12. As such, Block 8 should be completed in full and align with the information provided in both these documents.

Block 9 - Outputs

To ensure consistency and clarity of output information, **applicants should update their output information based on the below guidelines and the information provided within the Core Metrics and Definitions documentation** (found in the Resources section of the SfLCF website).

Applicants are expected to identify all relevant outputs which will be delivered as a result of the investment sought and the metrics/evidence that will be used to measure progress and impact. First, a baseline measure should be entered for a given category/output, which indicates expected outputs without the intervention.

With a clear baseline identified, the yearly output numbers can then be entered (or edited, just as they were at Stage 1), which should demonstrate the additionality of the project, meaning the additional quantity of the chosen output to be delivered as a result of the investment. Once completed, applicants can also enter any assumptions/comments which led to or relate to the output calculation. This can be done within the table at the bottom of the page, by clicking on the 'Add assumption' button, which will help scorers better understand how the numbers were forecasted or any factors impacting those values.

All projects should clearly indicate **outputs throughout project delivery in addition to 3 years following project completion**. This might not be possible for all relevant outputs during project delivery, especially for new builds. However, applicants should strive to identify which outputs can be measured as the project progresses and to what measure (e.g. m2 of additional training space being completed/finalised throughout each year, etc.).

Block 10 – Risks and issues

Applicants should provide a detailed risk assessment of all project related risks, including an appropriate mitigation strategy. Risks should include (but not limited to) an assessment of cost, deliverability and management of the project as well as construction, operational and financial risks. Failure to provide a thorough assessment and/or a lack of adequate mitigation strategies will result in a negative score for the entire Deliverability category.

Risks are to be identified for the build and capital element of the project as well as for the delivery of outputs and outcomes related to the use of the building.

Block 11 - Value for money & Deliverability

FE Commissioner notices/Ofsted report

For any notices or Ofsted reports, projects are asked to provide the direct link to such reports. For the former, it is important to update your Stage 1 answer to provide a detailed breakdown of the latest actions undertaken to address the Commissioner's report as well as any upcoming action items with relevant timeframes.

The GLA should receive the latest information related to any such reports. Failure to provide relevant information might result in a project being rejected or being at risk of losing any funding awarded.

Procurement

You should use this section to summarise your overall procurement strategy and highlight how you intend to achieve a high-quality design while maximising social value. This means clarifying whether you are using a procurement framework (pre-procured framework and if so, which one if known), public procured through OJEU or commercial tender. You should then provide details and the rationale as to why this

route was chosen. Similarly, you should indicate the form (fixed priced, cost-reimbursable, time and materials, etc.) and nature of the contract (design and build –single or 2-stage–, full design contract, management contract, PFI, priced, prime cost or target contract) for all parts of the scheme.

Projects which demonstrate a concise plan around procurement timelines, due diligence, sustainable procurement practices and SME/apprenticeship support (including the integration of local workforce in the supply chain and other social value outcomes) will be looked on favourably and expected to providence evidence of this during the procurement process.

Legal Interests

If there are any legal interests or restrictive covenants around the proposed land or asset(s), these should be explained in detail. The applicant is required to address the following questions:

- are there any known restrictions, charges or covenants over the use of the land and/or asset into future years?
- how will the use of the asset continue into future years for delivery of the project?
- is there flexibility in allowing a change of use of the asset in response to changes in market demand?

Relevant documentation should be uploaded within this section, where appropriate.

Delivery capacity

You must provide a detailed explanation of your organisation's ability to deliver the project and its overall governance structures, accounting for resource capacity, expertise and connection with other capital schemes (in delivery or planned). This comprises accountability, delegation, controls and responsibility for the day to day running of the project (designated Project Manager or other). You may equally upload organisational delivery structure charts within Block 12 - Supporting Documents, if needed.

You should also explain how the performance of partners is to be managed where partners are involved in the delivery of the project. Include any partners present in the delivery structure, their responsibilities and involvement, and how and why the partner(s) were selected. You should therefore strive to provide adequate evidence that demonstrates their and their partner(s) capabilities and experience/track record in delivering capital projects in the sectors to be served.

It should also be noted that previous performance of GLA funding recipients on delivering and reporting against LEAP funded projects will be taken into consideration during the application assessment.

Outcomes

As indicated in the Prospectus, outcomes are the result of outputs (i.e. they are longer term effects). They can be changes in behaviour or conditions that reflect a positive impact from the investment and related outputs. Similar to objectives, they should be specific and measurable, and they must have a meaning or fulfil a purpose, which demonstrates long-term impact. To ensure consistency and clarity when setting out outcomes, applicants should refer to the Core Metrics and Definitions documentation.

Outcomes might be more difficult to measure and may take longer to emerge, with more detailed work required to collect this evidence, such as surveys or other primary research (often following the end of the project). As such, applicants must clearly identify the long-term ambitions for their projects within this section to then assess what kind of evaluation strategy might be required along with expected timescales and resources. The latter can be explained in the Evaluation section.

Monitoring and reporting

Successful projects will be required to provide regular monitoring reports throughout the delivery of the project. As such, applicants should describe the financial management controls and internal reporting procedures that will be followed to provide assurance that there are frameworks and metrics in place to report against proposed deliverables and outputs.

These should demonstrate a sound structure and procedures to compile and provide regular, timely and accurate reporting on monthly progress, project expenditure and outputs. This includes the monitoring and reporting activities that will be undertaken to ensure project deliverables and milestones are achieved on time and to budget as well as the sources and evidence that will be used to track outputs during and post-completion of the project.

Evaluation

Applicants should set out the approach to complete an impact evaluation of the project post-delivery, including benefits or impact of the project, lessons learnt and dissemination of information. Unlike outputs, outcomes will likely become measurable only after project completion. However, adequate planning must be demonstrated around the project's ambitions, what the existing baseline is and how these will be evaluated in due time. The below table illustrates the sample questions that any given project should consider for an evaluation strategy.

Before – brings together the existing evidence base, identifies uncertainties (and so where a future evaluation might focus), and helps reduce risk associated with an intervention prior to full implementation.	☐ How is the intervention expected to work? ☐ Is it likely to work? ☐ How is it expected to be delivered? ☐ What can we learn from previous monitoring and evaluation work? ☐ Can the intervention be piloted and tested before full roll-out?
During – allowing emerging evidence to inform ongoing adjustments to the intervention and informs implementation. It can also inform subsequent operational delivery.	☐ Is the intervention working as intended? ☐ Is it being delivered as intended? ☐ Why is this? ☐ How can it be improved? ☐ What are the early impacts?
After – involves an assessment of the outcome of the intervention and provides a summative assessment of the learning gained throughout its design and delivery.	☐ Did the intervention work? ☐ Were there unexpected outputs and outcomes or were they as expected? ☐ What was the size of the impact? ☐ What was the cost to deliver the benefits and did the intervention achieve Benefit Cost Ratios estimated at appraisal? ☐ What can we learn to inform future interventions?

The Green Book, HM Treasury (https://bit.ly/2Dv2nXH)

The evaluation process should therefore consider the evaluation objectives, the target audience, the selected approach (impact vs. economic) as well as the data and resources required to do so. Conducting the evaluation could then involve professional services with a specialism in such matters, internal surveys, community outreach activities, etc. HM Treasury's Magenta Book clearly outlines these considerations and should be considered when assessing evaluation objectives and strategies.

Block 12 - Supporting documents

Cost breakdown template

A capital cost breakdown template is available for download within the Resources section of the SfLCF website. Applicants should **carefully read the Guidance notes tab** and complete all information to provide a detailed breakdown of capital expenditure according to the information provided within Block 8.

Lastly, **the terms of reference tab**, where assumptions, exclusions and clarifications must be entered, **is mandatory for all projects** and should therefore not be blank under any circumstances. You must include any relevant evidence supporting the cost calculations and assumptions made with rationale behind cost breakdowns. State whether costs include VAT and confirm whether the organisation is VAT registered or exempt and an explanation should be provided of how costs are assessed; this could be by third parties (surveyors etc.) or benchmarked costs. Similarly, an explanation should be given of how project constraints and risks are considered and a justification contingency and inflation allowances. Any exclusions should be clearly stated.

As stated in the Prospectus, you should note the following in preparing cost profiles:

- the Skills for Londoners Capital Fund only funds capital expenditure for capital works and equipment. Non-GLA contributions must be appropriate for capital spend and any revenue expenditure related to the project must be capitalizable in the applicant's accounts at year-end;
- the GLA financial year is 1st April to 31st March;
- when providing cost profiles, applicants should be as realistic as possible about when expenditure will occur;
- applicants should demonstrate that all expenditure is state aid compliant.

RIBA 2 Cost plan

Applicants should also provide the cost plans which they used to input the cost data into the capital cost breakdown template. It is expected that anyone at RIBA Stage 2 should have this information or, at a minimum, an order of costs estimate produced to inform the costing plan.

Programme plan

You must provide a detailed programme plan which illustrates the main milestones for the project and a schedule of project activities, in an MS Project or Gantt chart format. This should highlight the project's critical path, dependencies and timing of activities including project start and end dates, physical completion of capital works, fit-out, occupancy and use of buildings, payment completion, project (practical) completion and evaluation. Multiple programmes can be provided as applicable.

Costed risk register

All projects with a total value exceeding £5 million should provide a costed risk register. While applicants are expected to provide a full list of risks within Block 10 (Financial, Legal, Delivery and other relevant categories), any investments beyond this threshold should have undergone due diligence in costing the ensemble of project risks in order to quantify an adequate amount for contingency as well as for related mitigation strategies. This document is not a replacement for Block 10 but should complement the information provided for the identified risks and mitigation strategies.

Curriculum

Please provide a succinct brief of the curriculum which will be delivered as a result of the project, including the qualification level, for example:

Higher Apprenticeship, Level 4 in Applied Science: Laboratory Scientist
Higher Apprenticeship, Level 5 in Visitor Economy: Hospitality Manager

Fire Standards Questionaire

All applicants must complete the Fire standards questionaire that can be downloaded from the Resources section of the SfLCF website. This should then be uploaded within GLA OPS, in Word or PDF format.

Options appraisal/Cost Benefit Analysis

All applicants should set out for the preferred option:
- the additional outputs that will be delivered as a result of the project. For example, the number of additional learners supported above 'business as usual' (refer to Block 9 of the application);
- the Present Value (PV) of total project costs – that is the future stream of costs discounted at the social discount rate of 3.5%;
- the Present Value (PV) of any potential cost savings (e.g. savings on energy costs) – the future stream of benefits discounted at the same discount rate;
- the Net Present Value (NPV) of project costs net of cost savings (PV of project costs minus PV of cost savings).

Projects requesting funding over a threshold of £2 million should provide a more comprehensive Cost-Benefit Analysis. This should include:
- a Present Value of project benefits that can be meaningfully monetised (e.g. increased income for participants), also discounted at the social discount rate of 3.5%;
- a qualitative assessment of project benefits that can't be monetised;
- an overall Net Present Value (NPV) for the project (NPV of project benefits – NPV of project costs);
- a Benefit Cost Ratio (BCR) for the 'preferred option' (NPV of project benefits/NPV of project costs) and ideally also for 'do minimum' option.

A narrative supporting the appraisal is also to be included with this documentation.

The Cost Benefit Analysis must include:
- an assessment of the overall capital costs, allocated to the years in which they will be incurred;
- an assessment of the expected changes in running and maintenance costs and any other savings, allocated to the years in which they will be incurred or accrued;
- a statement of the main types of outputs and outcomes, quantified in volume terms and in terms of duration and a profile of when these will be expected to accrue, reflecting persistence/growth/decay, and valued in money terms. If this is not possible for any item, an explanation as to why should be provided.

State the basis for the Net Present Value calculations, including specifically:
- the base year for discounting;
- the base year for prices;
- confirmation that all items of cost and benefit are expressed in constant (base year) prices;
- what rates of persistence and additionality for benefits have been assumed.

All impacts – social, economic, environmental, financial etc. – should be assessed relative to continuing with what would have taken place in the absence of intervention, i.e. relative to the business as usual (BAU) option.

A Net Present Value (NPV) calculation is to be undertaken and the results should be included. This will entail converting all the costs (differences from the BAU case) in base year prices to a net present value at the discount rate of 3.5%; and assessing the present value of the benefits in the same way. The difference between the present value of benefits and the present value of costs is the NPV of the proposal.

These calculations require the careful assessment of true additionality – that is the estimation of the extent to which benefits would have not occurred otherwise.

Any items for which a monetary value has not been estimated should be summarised alongside the present value calculations. The following page offers an example of such an assessment.

Proposition

After careful consideration of the College's strategy, St Mary's FE College has decided to focus more on programmes aimed at providing for those who seek or have employment in the creative and leisure sectors. It has carefully explored the market, especially in terms of supply, for programmes in these sectors and has concluded that it can develop significant numbers of takers for new provision at Level 2 and Level 3.

Apart from not proceeding (Option O) the two main options identified are:

Option A: This option would utilise part of an existing building (late 1990s) which would require substantial modification. Space provided 15,000m2.

Option B: This includes a number of sub-options, all based on building new on a part of a car park within the college premises, which could offer a range of capacity. The provisional preferred option is B2 with 10% less space than Option A.

Option A and Option B2 have relatively similar space provision but B2 has the following significant advantages:
* The layout of performance/demonstration space is substantially better
* The space would be substantially more energy efficient (or cheaper)
* There is much easier access from the High Street
* There are better opportunities for commercial use and sponsorship

Capital costs are fairly similar but capital costs per square metre are slightly higher for B2.

The major categories of benefit are expected to be:
* Increased volumes of learners
* Increased numbers of students achieving higher level qualifications
* Hence increased employment sustainability and earnings
* Savings in running costs
* Reductions in emissions
* Additions to running costs
* Modest increases in academic staff costs (some rationalisation)
* No increase in non-academic staff costs

(Ideally, options A and B2 would be subject to cost-benefit analysis. Here, for brevity, only Option B2 is analysed. Moreover, benefits could be counted at a number of stages in the overall "chain" of effects. Thus, for Green Book purposes, the most appropriate measure of the benefits for UK plc from more individuals in employment and some individuals being in more productive, more highly paid employment would normally be the (change in) Gross Value Added for those employees. For the individual the benefits are increase in income plus other enhancement of wellbeing. More narrowly, for the college itself, the increase in fee income is of most significance. Assumptions also have to be made about true additionality. In practice, it would be expected, at a minimum, that the first and last of these would be undertaken. Finally, many potential benefits may be relatively modest in scale. In such cases, it may be sensible to identify them, but not worthwhile to try to quantify or value them.)

Option B2 appraised

For simplicity, it is assumed that the works occur in Year 1 and the fit out in Year 2. Additional students are recruited from Year 3, but benefits to those securing improved employment are (arbitrarily) assumed to persist for 25 years.

YEAR	1	2	3	4	5	6	7	8	9	10	…	30
COSTS (£000)[1]												
Capital	1200	500										
Revenue		20	60	60	60	60	60	60	60	60	…	60
Discount Factor @ 3.5%[2]	0.966	0.934	0.902	0.871	0.842	0.814	0.786	0.759	0.734	0.709	…	0.356
Present Value (Costs)	1159	485	54	52	51	49	47	46	44	43	…	21
Cumulative Present Value of Costs	1159	1645	1699	1751	1802	1851	1898	1943	1987	2030	…	2634
BENEFITS (£000)												
Gross Value Added				100	400	800	800	800	800	800	…	800
Additionality = 25%[3]				25	100	200	200	200	200	200	…	200
Discount Factor @ 3.5%	0.9662	0.9335	0.9019	0.8714	0.8420	0.8135	0.7860	0.7594	0.7337	0.7089	…	0.3563
Present Value (Benefits)				22	84	163	157	152	147	142	…	71
Cumulative Present Value of Benefits				22	106	269	426	578	725	867	…	2882
NET BENEFITS (£000)												
Benefits – Costs	-1200	-520	-60	-35	40	140	140	140	140	140		140
Discount Factor @ 3.5%	0.966	0.934	0.902	0.871	0.842	0.814	0.786	0.759	0.734	0.709		0.356
Present Value (Benefits -Costs)	-1159	-485	-54	-31	34	114	110	106	103	99		50
Cumulative Net Present Value	-1159	-1644	-1699	-1729	-1695	-1581	-1471	-1365	-1262	-1163		247

Present value of total project costs	£2.63m
Present value of total project benefits	£2.88m
Net present value	£247,000
Benefit Cost Ratio (BCR)	1.09

Notes:

1. Costs and benefits are expressed in £000, in the prices of Year 0
2. Discount factors @ 3.5% social discount rate
3. Additionality is assumed to be 25%; the effect of raising this to 40% would be to increase the present value of benefits to £4,611,000 and the NPV to £1,976,000 and the BCR to 1.75

Commentary

The table reflects the very simple nature of this illustration. Many potential benefits and some costs have not been estimated or included. Amongst these would be:

- Wellbeing increases for those securing enhanced employment income;
- Any reduction in emissions from better energy efficiency;
- Modest numbers of FTE jobs, and hence income or GVA from construction and fit-out;
- Disruption and other costs of construction and fit-out.

Implicit assumptions have been made about the numbers of those securing enhanced employment and the Gross Value Added that can be attributed to their production. Only the last is included in the table and care should be taken to be explicit about such figures as well as the true additionality. There is always a danger of double counting.

Normally, it would be expected that many of the figures in the table above would be relevant to the assessment of the commercial/financial impact on the college itself. For the sake of brevity, this has not been shown here.

For further information, consult HM Treasury Green Book: central government guidance on appraisal and evaluation. You may also see BIS (2011) 'Measuring the Economic Impact of Further Education': Research Paper 38.

Budget/cashflow forecasts

You must provide your organisation's 3-year financial plan which includes the costs of delivering the proposed project, ongoing maintenance, running costs and other expenditure. This should be consistent with the options appraisal for the preferred option and include supporting commentary stating the rationale and assumptions behind it.

All sixth form, FE Colleges and Specialist Designated Institutions (SDI's), or any organisation found within the list of Colleges in the template, must upload the College financial planning template which they provided to the ESFA. The list of Colleges is included as one of the tabs within the template.

The template and further information can be found on the ESFA's financial planning page.

ESFA does not mandate other types of providers to supply the above template. However, applicants should still enclose sufficient information for their financial forecasts over the next three years, including capital budget for fixed assets and other capital projects. ESFA's financial planning document can therefore be used as template for such purposes (e.g. using tab '4a FA' to inform on capital projects).

The information supplied should equally demonstrate:
- availability of revenue funding (to be funded by the applicant independently of this project) for delivery of outputs and outcomes following physical completion of works and investment by the GLA;
- the organisations financial position including evidence of reserves, loan agreements etc. for the applicant contribution element;
- affordability of the proposed project over the longer term (including provision for the repayment of any other loans, maintenance, service, additional staffing costs etc.);
- there is no negative impact or that there is a positive impact on net revenue costs.

ESFA finance record template

All sixth form, FE Colleges and SDI's are mandated to prepare and submit their annual report and financial statements (accounts) to ESFA by 31 December 2018. Such providers (or any organisation found within the list of Colleges in the template) should submit the Finance record template along with their application. This will provide the evaluation panel with further information around the applicants' financial performance as well as detail on the condition of their estate and associated costs. The template and further information can be found on ESFA's College accounts page.

Other providers are not required to provide this document. However, it is expected that their audited accounts and/or annual report and the information provided throughout the application clearly provide the same level of information for their 2017-18 performance. You should then upload either your audited accounts for the year ending 31 July 2018 here or provide your own version of the Finance record template and supporting documentation.

Design documents

Projects should be developed to a minimum of RIBA Stage 2. Please provide details of the architect's brief, scheme design drawings, cost information and reports that illustrate the qualitative aspects of the urban design and architecture of the proposed intervention.

Where applicable, local urban design plans or masterplans should be provided and demonstrate how the proposals fit within these wider spatial strategies. It is important that the proposals are considered in response to their wider locality such as nearby high streets or other areas of socio-economic activity, public and open space or other public facilities, existing or proposed.

Any designs should serve to demonstrate how the proposed intervention will help to define or strengthen a place's own identity and character, support attractive and well-used outdoor areas and active frontages, is easy to navigate, can adapt easily to future requirements and provide variety and choice.

For the avoidance of doubt, if the costs of the project exceed the approved amount, no additional funding will be available and the GLA shall not be liable for the same from the Skills for Londoners Capital Fund or otherwise. A reasonable amount of contingency can be included in the amount of funding requested; however, funding can only be drawn down on the basis of costs incurred or expended.

Block 13 - Declaration

As a public organisation we must follow the Data Protection Act 1998, the Freedom of Information Act 2000 and the General Data Protection Regulations. We have a data protection policy, which is available from our website at www.london.gov.uk. We also have a Freedom of Information policy which is also available from our website.

Applicants must acknowledge that this application form and any information provided to us, such as the project's public headline and images supplied, may be published if the project is selected for funding. By confirming the declaration, you give the GLA full permission to publish information about you relating to the activity we have funded, including the amount of funding and the activity it was for. This information may appear in our press releases, on our website and other print and online publications produced by the Mayor of London as well as publications or websites of any partner organisations who have funded the activity with us.

Block 14 – Mayoral Strategies

During Stage 1, you were asked to set the scene and explain how your project aligned with the Fund's main priorities and related Mayoral Strategies, as set out in the Prospectus. At Stage 2, the evaluation process is much more competitive and you are expected to clearly indicate the specific project components which address the above priorities and Strategies. You should therefore consult the relevant sections within the key Strategies associated with the Fund to assess which elements and policies are covered by your project.

You are advised to use bullet points, to be concise, and to explicitly illustrate the links between Strategies/policies and your own project outcomes and objectives. Example answer:

Draft London Plan – Project will deliver on:
- *Policy H6 through 50% affordable home units*
- *Policy T6 through EV charging infrastructure (for 30% of car spaces)*
- *Policy S3 through provision of on-site child-care facilities*

Environment Strategy – Project will deliver on:
- *Increasing energy efficiency by 30% through new window glazing, updated BMS and heat-pumps to regulate heating/cooling*
- *Increase of 10% in green coverage on public realm areas*
- *Reduction of carbon emissions through solar-generated energy and a CHP boiler*
- *Positive contribution to zero-waste and circular economy targets through the organisation's Sustainability Strategy (attached in Block 12)*

Equality, Diversity and Inclusion Strategy – Project will deliver on:
- *Provision of wet-room and other facilities for SEND learners*
- *Curriculum with a focus on BAME learners and parents/carers through 24/7 facilities*
- *Increasing interaction amongst people from different ethnic groups/backgrounds through facilities open to the larger community/for public events*
- *Increasing the numbers of learners from under-represented groups completing courses, in particular construction, STEM and digital courses.*
- *Engagement of an Access consultant throughout the entire design/development process*
- *Etc..*

Similarly, for social value outcomes you are expected to identify clear indicators and deliverables which will come as a result of your project or which will be integrated within your procurement strategy. You are advised to consult the Core Metrics documentation to understand expectations around outcomes. Examples include:

- increased engagement of social enterprises and local SMEs/businesses in the supply chain or other project components;
- increased community involvement (throughout the design process and thereafter);
- requiring contracts to prioritise local employment;
- using locally sourced goods and materials;
- increasing provision of employment/apprenticeships for local community during the design or construction phases;
- increased support to voluntary sector organisations or sponsoring community events;
- increased engagement of ex-offenders.

RE:FIT

As indicated in the Prospectus, any project proposals which involve a refurbishment component were expected to contact the RE:FIT programme to assess their energy efficiency, energy savings and carbon emissions reduction potential. While not all projects might need the RE:FIT team's services, it is important that such discussions happen as early as possible to increase the chances of delivering additional savings and accelerate the delivery of such benefits. Some of the advantages of RE:FIT include:

- guaranteed energy savings, through an energy performance contract;
- free technical assistance through the services of a dedicated Programme Delivery Unity;
- access to pre-approved, OJEU compliant industry leading contractors;
- faster procurement and installation process, with a specific service provider pre-selected for educational institutions; and
- access to free training and project management support;

To contact the team, you must fill out this form, **including the name of your project and a mention of the Skills for Londoners Capital Fund**. More information on RE:FIT services and their framework can be found within the RE:FIT London website.

BREEAM

Applicants at Stage 2 are expected, at a minimum, to have embedded the main principles of BREEAM Certification within the design and planning process. This could mean having a BREEAM assessor involved in the process, having conducted a BREEAM pre-assessment or having identified the main categories in which the project will meet Outstanding/Excellent rating.

You should therefore provide a summary of any BREEAM assessments performed to date (and attach a copy of the report) or where this is not the case, provide a clear explanation as to why this has not been included in the process. If the latter is true, you should then provide a clear plan as to when this will be performed and how this will be integrated with the design, costing and programme timelines. As such, undertaking the assessment should be included as a milestone within the programme plan and quarterly budget profile.

To find out more about BREEAM standards, ratings and categories, you may consult BREEAM's Technical Standards finder to see those which are most appropriate for your development type.

Equality, fairness and inclusion

The Fund's priorities highlight the Mayor's ambitions around equality, diversity and inclusion, including decreasing the levels of deprivation around all Boroughs. Projects should then identify specific project components or qualities which contribute to such ambitions. Applicants should, for example, outline the number and percentage of learners on roll for the academic year 17/18 whose postcode generated a disadvantage uplift factor[1] and convey how the investment will further contribute to enrolment numbers from the most deprived areas. Similarly, the EDI Strategy should be used to demonstrate adherence with relevant policies (FE Colleges for example, have a specific duty under the Equality Act 2010 to publish equality information on an annual basis, while other providers are equally expected to comply with the requirements of the Public Sector Equality Duty).

---

[1] The 'disadvantage uplift' is used by the Education and Skills Funding Agency to provide extra funding to support the most disadvantaged learners (based on the Index of Multiple Deprivation 2015), recognising that they are sometimes more costly to recruit and retain. The uplift is applied based on the postcode of the learner, as recorded in the 'Postcode Prior to Enrolment' field of the ILR data held by providers. Applicants can consult the interactive map of Indices of Deprivation for this purpose.

Moreover, as indicated in the Prospectus, the Fund's priorities include the integration of learners which are representative of London's diversity and its communities. As such, successful applicants will be asked to provide data on learner diversity before any funds are committed or paid. This will help set a baseline for the provider's current learner diversity composition, which will then be assessed on a yearly basis following project completion.

Inclusive design statement

To ensure that the highest standards of inclusive design are achieved and to bring about better-quality development, an inclusive design statement is required. The planning of inclusive design elements and drafting of the statement should have input from or be undertaken by a suitably qualified specialist with relevant experience in inclusive design, such as a member of the National Register of Access Consultants, local authority access officers or inclusive design advisors.

The statement should:

- explain the design concept and illustrate how an inclusive design approach has been incorporated into this;
- detail what best practice standards and design guidance documents have been applied in terms of inclusive design;
- show that the proposal's potential impacts on people and communities who share a protected characteristic have been identified and assessed;
- highlight any historical contextual considerations;
- set out how inclusion will be maintained and managed, including fire evacuation procedures;
- highlight how relevant planning policy and legal requirements have been addressed;
- detail engagement with relevant user groups such as disabled or older people's organisations.

Safeguarding policy and protection procedures

Any applicants seeking GLA funding should demonstrate appropriate safeguarding policies, including activities to be carried out on your organisation's behalf by third parties and contractors. You are therefore asked to confirm that:

1) your organisation has an up-to-date safeguarding policy and protection procedures including:
   a. appropriate security clearance (DBS) checks or other clearance that may be required for all those working with children, young people and adults at risk;
   b. adequate provision for any allegations or concerns regarding abuse or child protection to be raised with the statutory or responsible authorities;
2) where this is not the case, you agree to act in conformity with the principles of the GLA CPPP as applied to your organisation (see GLA CPPP, or develop your own policy and procedures by consulting, for example, https://learning.nspcc.org.uk/safeguarding-child-protection/writing-a-safeguarding-policy/ and https://knowhownonprofit.org/organisation/operations/safeguarding);
3) where any contracted or partnership activity is to take place in a setting of a school, training provider or statutory body, the contract or equivalent will state that partners should abide by the school/the provider's policies and procedures.