



Department
for Education

Children's Homes Capital Programme 2022-25

Information for applicants

June 2022

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1. About this guidance

This guidance is for local authorities that wish to apply to the open application round for matched capital funding between Autumn 2022 and March 2025 to create additional provision in children's homes for children and young people in their area.

If you wish to apply for funding, you should first familiarise yourself with this guidance before you complete the application form.

Only applications that demonstrate a high project need, supported with evidence, demonstrate value for money and which align closely with our programme objectives (as set out in section 2) are likely to be successful.

About the children's homes capital programme 2022-25

The Department for Education's (DfE) capital funding programme is designed to support local authorities (LAs) - individually or in a partnership or consortium - to establish new children's homes provision via expansion, refurbishment, or new building work.

This funding will be available to local authorities to help create provision to:

- establish innovative local and/or regional approaches to reduce the number of children needing care over time,
- ensure sufficient provision for children with more complex needs, and
- address current shortfalls, including in geographic areas with fewer children's homes.

Further criteria details are available at section 8 of this guidance.

The DfE will provide up to £64m capital funding over three financial years on a match-funded (50/50) basis.

Funding will be provided via a grant made under Section 14 of the Education Act 2002.

LAs are able to apply via two different application routes:

1. **Lot 1** is for those with sufficient planning and agreements/assurances in place **to begin in 2022.**
2. **Lot 2** is for those in early planning/discussion stages but can demonstrate a clear plan **to capital works beginning in 2023.**

Applications for both approaches must demonstrate how they intend to complete works by 2025.

This bidding round is open to local authorities, either bidding alone or as part of a consortia with other local authorities and/or with the voluntary and community sector, or private sector providers. Local authorities must remain the sole owners of the capital asset and the lead bidder for all types of applications. Regional or consortia bids must set out the lead LA and a clear governance structure for decision making.

Local authorities may enter more than one project bid, which will be assessed separately and independently from each other. If the projects are linked, then please refer to this in the application form. There is no guarantee that if one project is successful, the other one(s) will be too.

You may want to consider whether a single, combined application might be more appropriate. Where applications are combined, we reserve the right to fund either all or part of the application submitted.

This children's homes capital funding can only be used for the project it was awarded for. Any changes to a project's scope must be agreed in advance by the DfE and the project may be liable to cancellation or clawback if a change of scope is not agreed.

It is the expectation that grant funding will be awarded in Mid/Late October 2022, with work starting on the projects as soon as possible after the award has been given.

DfE funding cannot be extended past March 31st 2025.

DfE has a separate programme of capital funding for secure children's homes; **such bids are therefore out of scope for this funding.**

Links to the Care Review and Competitions and Markets Authority recommendations

The **Independent Review of Children's Social Care**, led by Josh MacAlister, was published on Monday 23rd May 2022, and delivers on Government's manifesto commitment to review children's social care.

The **Competitions and Markets Authority (CMA)** conducted a market study into the children's social care placements market and their report and recommendations were published in March 2022.

The Care Review took a fundamental look at the needs, experiences and outcomes of the children the system supports. It set out what is needed to make a real difference to bring

forward change, improve life opportunities and outcomes for vulnerable children, and reduce associated costs to society.

The Government has committed to establishing a National Implementation Board consisting of people with experience of leading transformational change, and those with their own experience of the care system. This will support the delivery of an implementation strategy on children’s social care later this year, in which will be responding fully to all recommendations, including the recommendations from the CMA report.

The Care Review has recommended regional co-operatives to run care provision, including LA-owned children’s homes. The CMA also made similar recommendations relating to a more collective approach to engagement with the placements market through forecasting, market shaping and procurement.

However, we are also mindful of the sufficiency concerns in the sector and the urgent need for more provision, so as the recommendations are explored and developed, we will work with you to align the projects where it is needed.

We strongly encourage LAs to bid as consortia to enhance their local and regional commissioning and to develop innovative approaches to support children with complex needs and place children within the region. Lot 2 requires applicants to demonstrate early thinking and/or plans for partnership or consortium working. Applicants must score 2 or higher on this question to be successful.

Other recommendations within the Care Review align closely with this programme of work to address the most urgent issues facing vulnerable young people by investing in improved places in children’s homes, where appropriate, closer to home.

The CMA report found that high demand leads to places being filled even when they don’t fully meet children’s needs (e.g. geographical location, environment). Therefore, the extra support provided through this investment is key to ensuring support for LAs sufficiency of placements.

2. Indicative timeline for the children’s homes capital programme

Table 1

Milestones	Dates
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Programme launch: Information for applicants circulated	28th June 2022
Deadline for clarification questions	01 st September 2022
Deadline for all applications	09th September 2022
Notify applicants of outcome.	Week of 10 th October 2022
Grant letters issued to successful bidders	Week of 24 th October 2022
Project Initiation	From November 2022
DfE funding ends	March 2025

3. Who can apply for funding?

Bids will only be accepted from local authorities or agreed lead local authority if part of a consortium. Local authorities can bid individually or in consortia with other local authorities and/or the voluntary and community sector.

Where a trust is delivering services on behalf of an LA, we would expect applications to demonstrate clear agreement of the LA and the details of asset ownership.

4. Grant conditions

If your application is successful, you will be expected to comply with our grant funding terms and conditions. Failure to comply with the terms and conditions will affect payment of the grant.

Grant conditions will include the (not exhaustive) requirements to:

- Agree to match-fund the proposed work.
- Agree that if the project runs past March 2025, any additional costs for overruns will be at the expense of the local authority/consortium.
- Report the progress of the project throughout its lifecycle by completing monthly project monitoring reports; and
- Inform DfE of any changes/delays to planned project milestones and of any project overspends/underspends.
- Agree conditions of claw back, payment suspension and early termination clauses in circumstances where monies are not spent for the purposes as set out in the grant or if the programme is unable to be completed.

An example of the grant funding terms can be found at Annex A

5. Types of projects which are eligible for funding

The aim of this programme is to ensure the needs of children requiring residential care are met, promoting innovation in how we meet these needs, and where necessary increase the number of places available for children in children's homes, in particular where there are current gaps in provision.

This funding will be available to local authorities to help create provision to:

1. ensure sufficient provision for children with more complex needs, and
2. address current shortfalls, including in geographic areas with fewer children's homes.
3. establish innovative local and/or regional approaches to reduce the number of children needing care over time,

We are willing to accept a range of projects in size and scope that demonstrate an increase in places in children's homes in the local area/region and meet the objectives described in Section 8.

While DfE capital funding needs to be used for registered children's homes, we are supportive of projects which include linked service provision, for example step down provision or to prepare those exiting the care system, or move to fostering arrangements .

Projects can be:

- expansions of existing children's homes,
- purchase / renovation of an existing property that is not currently operating as a children's home or.
- new builds of residential provision
- Co-located schemes – innovative approaches involving other local services as part of the children's home provision.

We will also accept applications to remodel existing children's homes that are no longer meeting local needs to change the type of provision on offer in line with the objectives for this funding. For example, if the local authority has a large children's home and wants to convert it into smaller units that would better support children with complex needs who cannot cope in large homes or wish to co-locate other services on site.

Funding is not available for:

- Building works to foster carers' homes or families' homes.
- Accommodation / services for care leavers or semi-independent / independent provision (unless as part of registered children's home where we would be supportive of bids) or unregulated provision.
- Accommodation for children who are not looked after children; and

- Refurbishing existing operational children’s homes unless to change the type of provision offered or expand the number of places.

Any bids, or elements of bids, that are deemed to be out of scope will be rejected and will not be evaluated.

We have not set a threshold on the amount of funding that can be bid for, but we expect all bids to demonstrate best value for money and benchmarking of costs against similar projects where tender/work estimates are not available. All bids should clearly set out expected yearly spend between 2022 and 2025. All bids will be evaluated independently against the criteria and scores set out in Section 8.

We will accept applications for projects that were already planned prior to the announcement of this funding as well as applications for new projects. In the case of projects that were already planned, you will need to provide evidence of funding that has already been secured (our assumption is that this funding will continue) and what the added funding and value would be if you were to secure DfE funding. The DfE will not accept applications that claim for any works that have been undertaken prior to the notification of the outcome of your bid.

Current Wave 1 sites are welcome to apply but will need to demonstrate how additional provision is required and how the project is sustainable alongside the current programme.

All applications will be judged independently and irrelevant of the outcome of previous applications. Those unsuccessful in their Wave 1 applications are welcome to apply for both Lots in Wave 2.

Two applications routes are available:

- Applications for those able to demonstrate against the criteria they have proposed plans in place to be able to commence capital/building work within 2022-23
- Applications for proposed plans that require a longer lead in time (consortium/regional bids for example or without a planned site)– with the condition that capital/building work should begin in 2023 - 24.

6. Application forms

All applications for capital funding must be completed on the application forms accompanying this email.

Two application forms are available - please ensure you have selected the application relevant to the Lot you are entering.

The bid process will be conducted in a manner that ensures bids are evaluated against the criteria set out below in Section 8.

Our intention is to fund projects which meet our strategic priorities, and where the proposed project is appropriately planned and presents best value for money.

The application form is designed for you to summarise the most important features and rationale behind a project.

There are three key sections to complete:

1. Project Need;
2. Project Delivery; and
3. Project Cost.

You must attach key project documentation as evidence to support the case being made.

We encourage regional/consortium bids and are happy to accept consortium bids that are with other LAs, Voluntary or Charity Sector (VCS) or private providers **if the capital element/funding of the programme is supplied by the local authority and remains in its control**. We would expect to see in the application details of the consortium structure and governance.

We would expect to see commitment to continue to operate the new provision for a minimum of 3 years from when placements begin.

In situations where the provision is deemed no longer required, or significant local/regional changes means LA ownership of the asset need to change, consultation with DfE will be required to discuss how this will be managed, and where an asset is sold, how DfE funding will be reinvested into the local children services.

The lead authority should complete and submit the proposal on behalf of the other LAs or those that form part of the consortium bid.

If you wish to enter a consortium/partnership bid, you will be expected to identify the following:

- a) Who will be the lead accountable Local Authority.
- b) Proposed governance structure including the responsibilities of different organisation/consortium members, how they will work together and the capacity of each member
- c) How agreements will be put in place regarding delivery/tasks and sub-contracting arrangements.

- d) How any consortium bids, which include VCS or other organisations, will maintain LA/regional placement costs control and set out clear, accountable long-term capital ownership/placement plans.
- e) Where an LA is working with private provider, we would require evidence that due diligence has taken place prior to consortium agreement.

7. Match Funding agreements

We expect applicants to be able to demonstrate they can match fund the DfE investment by 50% of the total capital cost of the project.

Capital Spend is defined by accounting standards, IAS 16 sets out that capital costs include all costs necessary to bring the asset to working condition for its intended use. This includes not only the original purchase price of land and materials etc, but also any costs of site preparation, delivery and handling, installation, related professional fees for architects and engineers, and the estimated cost of dismantling and removing the asset and restoring the site.

Project management costs can be included under this definition if it is wholly/solely linked to the construction works.

We will accept current LA owned property or land as part of this investment; however, applications will need to demonstrate clear evidence of value for that property or land.

Works to properties with long leases (for example 125-year leases) will be considered but details will be required about the nature of the lease and who owns the freehold (for example Homes England or another public body). We cannot accept short term leases.

We cannot accept revenue money as the LA element of match funding as this would mean we are providing 100% capital funding for that bid; this would be unfair to other bidders.

You can use grant money from other government departments, if it is capital funding, and the conditions of that grant funding allow it.

DfE funding, if awarded, can be prioritised in the spending profile of the project, as long as a clear commitment to the LA match funding is evidenced and all spend is set out clearly in the project's payment profile. It will be a condition of the grant funding that if an LA subsequently does not fulfil that requirement, the DfE would have the right to clawback the capital grant that has been issued.

If applying for Lot 2, a gateway or review point for the project/s will be included during the planning stage and before agreement to further funding for the building/capital works. These gateway points will determine whether the project has reached a suitable point of planning to allow further works to continue.

8. Evaluation Process and Criteria

Your response to the bid specification and questions will be evaluated via the following process.

Stage 1 – Receipt

Applications will be received by the deadline stated in Table 1.

Stage 2 – Eligibility reviews

The assessment panel will review each application to ensure it is within the scope of this bidding round. Any application not within scope will be rejected and not evaluated further.

Stage 3 – Evaluation

The assessment panel will evaluate each application against the requirements of the Department, the headings included within this section are listed below. The assessment panel may seek further clarification on any part of the application, including project costs.

Each question and section has been allocated a weighting to indicate its relative importance to the subject of this bidding round.

For Lot 1 - Applications must gain a score of 3 or higher for each question in order to be awarded funding, those scoring less than a 3 on any question will be disqualified from the process and will not be eligible for funding.

For Lot 2 - Applications must gain a score of 2 or higher for question 2.2 and must gain a score of 3 or higher for each question in sections 2.3 to 4.2 in order to be awarded funding. Those scoring less than a 2 on the first question and less than 3 on subsequent questions will be disqualified from the process and will not be eligible for funding.

The apportioned weightings for each of the sections are outlined below.

Lot 1

This bidding round is weighted: **Project Need 50%, Project Planning 30%, Project Cost 20%.**

Criteria	Question No.	Question weighting	Max Score Available	Max % score
Project Need	Q1	2	5	10
Project Need	Q2	2	5	10
Project Need	Q3	2	5	10
Project Need	Q4	2	5	10
Project Need (Social Value)	Q5	2	5	10
Project Need Max Total				50

Project Planning	Q1	1.5	5	7.5
Project Planning	Q2	1	5	5
Project Planning	Q3	1	5	5
Project Planning	Q4	1	5	5
Project Planning	Q5	1	5	5
Project Planning	Q6	0.5	5	2.5
Project Planning Max Total				30
Project Cost	Q1	2	5	10
Project Cost	Q2	1	5	5
Project Cost	Q3	1	5	5
Project Cost Max Total				20
Max Total				100

Responses to the questions set out within the criteria above will be evaluated on a scale of zero to five, as detailed below:

Table 3:

Assessment	Interpretation	Score
Outstanding	The response and evidence provided fully meets the information request and provides demonstrable added value.	5
Good	The response and evidence provided fully meets the information request.	4
Satisfactory	The response and/or evidence provided meets the information request but minor	3

	reservations exist about the quality, deliverability or extent of the evidence provided.	
Poor	The response and/or evidence provided shows that the information request is met but significant reservations exist about the quality, deliverability or extent of the evidence provided.	2
Unacceptable	Fails to demonstrate and/or provide evidence/sufficient information of an ability to meet a specific requirement.	1
Non-Compliant	Fails to provide the required information.	0

The score awarded for each question/section will be multiplied by the weighting to arrive at a weighted score for that question. The weighted scores will then be added together to give a total weighted score.

Any application that scores a 2 “Poor” or less on one or more of the questions will be rejected and their application will not be considered any further in the process.

Sample scoring table for Lot 1

Criteria	Requirement/Question	Score achieved		Weighting	Weighted Score (Score achieved X Weighting)
Project Need (50%)	Q1	2	2	4	
	Q2	4	2	8	
	Q3	3	2	6	
	Q4	4	2	8	
	Q5	3	2	6	
Project need Total (A)	-	16		-	32
Project Planning (30%)	Q1	3	1.5	4.5	
	Q2	4	1	4	
	Q3	4	1	4	
	Q4	3	1	3	
	Q5	3	1	3	
	Q6	3	0.5	1.5	
	Project Planning Total (B)	-	20		-
Project Cost	Q1	4	2	8	
	Q2	4	1	4	

(20%)	Q3	3	1	3	
Project Cost Total (C)	-	11			15
Total Weighted Score (A + B + C = 32 + 20 + 15)				67	

Please note that the above application would have been rejected as on project need Q1 this scored 2 'Poor'. As stated above on page 14 it states that any application that scores a 2 'Poor' for less on one or more of the questions will be rejected and their application will not be considered any further in the process.

For Lot 2 applications

Partnership Planning (question 2.2) is **not weighted but scored against confidence ranking**.

It will be evaluated on a scale of 1 to 4, as detailed below:

Table 4:

Score	Description	Criteria
4	Excellent – Very High Confidence	The response is of an excellent quality and of a level of detail that provides a very high level of confidence that the LA has the capacity and capability in the areas described in the response against requirements of the question. The response to the question is highly detailed and extremely clear, with no perceived omissions and contains very significant detail relevant to the question and response requirements
3	Good – High Confidence	The response is of a quality and level of detail that provides a high level of confidence that the LA has the capacity and capability in the areas described in the response against the requirements of the question. The response contains detail relevant to the question and response requirements and responds to it clearly and unambiguously but contains limited (or no) material going over and above the extent of the response requirement. Good, relevant evidence is provided to support the response.

2	Satisfactory – reasonable confidence	<p>The response is of a quality and level of detail that provides a reasonable level of confidence that the LA has the capacity and capability in the areas described in the response requirements against the question.</p> <p>The response to the question is reasonably clear and detailed (with only minor omissions), demonstrating a good understanding of what is being asked for and that the LA demonstrates the potential to deliver the project in line with criteria to a satisfactory standard and / or the response may lack some clarity or detail as to how the proposed solutions will be delivered.</p> <p>Relevant evidence is provided to support the response and any lack of clarity and / or any missing evidence and / or detail is only minor.</p>
1	Poor – Not confident	<p>The response is of a quality and level that lacks convincing and/or relevant evidence to provide confidence in the capacity and capability of the LA in the areas described in the response requirements against the question, demonstrating some misunderstanding and/or failing to meet the response requirements against the question in many ways and/or materially in one or more ways.</p> <p>The response fails to address the key criteria set out in the question and the response fails to sufficiently demonstrate or give confidence that the LA would be able to deliver the project in line with requirements to a satisfactory standard and / or there are gaps in clarity in the response and / or detail as to how the proposed solution will be achieved.</p>

Any application that scores a 1 “Poor” on Q2.2 will be rejected and will not be considered any further in the process.

The sections 2.3 to 4.2 are weighted as: Project Need **50%**, Project Planning **30%**, Project Cost **20%**

Criteria	Question No.	Question weighting	Max Score Available	Max % score
Project Need	Q1	2	5	10
Project Need	Q2	2	5	10
Project Need	Q3	2	5	10
Project Need	Q4	2	5	10
Project Need (Social Value)	Q5	2	5	10
Project Need Max Total				50
Project Planning	Q1	1.5	5	7.5
Project Planning	Q2	1	5	5
Project Planning	Q3	1	5	5
Project Planning	Q4	1	5	5
Project Planning	Q5	1	5	5
Project Planning	Q6	0.5	5	2.5
Project Planning Max Total				30
Project Cost	Q1	2	5	10
Project Cost	Q2	1	5	5
Project Cost	Q3	1	5	5
Project Cost Max Total				20
Max Total				100

Responses to the questions set out within the criteria above will be evaluated on a scale of zero to five as per Table 3

Question 2.2 is confidence scored as below:

Criteria	Question No.	Max Score Available	Max % score
Partnership/Regional/consortium plan	Q1	4	100
Partnership/ Regional/ Consortium Plan Total			100

Sample scoring table for Lot 2 applications

Question 2.2

Criteria	Requirement/Question	Score achieved	% score (Score achieved / top score achievable x 100)
	Q1	3	75
Partnership/Regional/consortium plan Total			75

Question sections 2.3-4.2

Criteria	Requirement/Question	Score achieved		Weighting	Weighted Score (Score achieved X Weighting)
Project Need (50%)	Q1	2	2	4	
	Q2	4	2	8	
	Q3	3	2	6	
	Q4	4	2	8	

	Q5	3	2	6	
Project need Total (A)	-	16		-	32
Project Planning (30%)	Q1	3	1.5	4.5	
	Q2	4	1	4	
	Q3	4	1	4	
	Q4	3	1	3	
	Q5	3	1	3	
	Q6	3	0.5	1.5	
Project Planning Total (B)	-	20		-	20
Project Cost (20%)	Q1	4	2	8	
	Q2	4	1	4	
	Q3	3	1	3	
Project Cost Total (C)	-	11			15
Total Weighted Score (A + B + C = 32 + 20 + 15)				67	

Please note that the above application would have been rejected as on project need Q1 this scored 2 'Poor'. As stated above on page 14 any application that scores a 2 'Poor' or less on one or more of the questions will be rejected and their application will not be considered any further in the process

Stage 4 – Moderation

In order to make a final selection for successful applications, a moderation meeting(s) will be carried out. The individual scores of the assessors will be considered and reviewed and a consensus score will be agreed by the assessment panel and an independent moderator.

Following the moderation meeting(s), a recommendation will be made on the basis of the consensus agreed by the evaluation team.

If, upon final moderation we have a number of bids with equally high scores that amount to more than the funding available, we will be prioritising bids against the evidence of need criteria in order of 1) provision for complex needs; 2) where there are current shortfalls e.g. geographic areas; 3) innovative approaches.

Stage 5 – Grant Award

Grant determination letters will be drafted and issued for signature.

Lot 1 - Application requirements

8.1.1 Project Need

Applicants are asked to evidence how funding will significantly aid sufficiency issues for children who require residential care services in their area.

They will need to demonstrate how they meet one or more of the DfE programme objectives to:

- a. provide for children with more complex needs or children on remand;
- b. where there are current shortfalls (e.g. geographic areas with fewer children's homes, reducing the numbers of children placed out of their local authority area in residential care - where it is their best interests);
- c. test innovative approaches to reducing the number of children needing care over time (e.g. respite care / edge of care, or step down from residential to foster care).

Each bid will be considered individually, and scores determined by the evidence of need and impact.

To achieve a score of 3 or higher we expect the response to have clear written information, and evidence to demonstrate the requirements below:

1. Their local/regional children home/ commissioning market.
2. The needs of their local or regional children looked-after population and a detailed explanation as to why existing provision is insufficient to meet these needs.
3. The expected outcomes of their project, highlighting areas of innovation as appropriate.
4. How the project demonstrates value for money, sustainability, and quality conditions for the cohort of children.
5. What commitment the LA and/or partners can give to creating employment and training opportunities for those who face barriers to employment and/or who are located in deprived areas.

As noted above, in the case of projects that were already planned prior to the announcement of this funding, you will need to provide an outline of the current project, evidence of funding that has already been secured (our assumption is that this funding will continue) and an explanation of what would be different / additional if you were to secure DfE funding.

We encourage bids that plan to open placements by end March 2025 but understand this may not be possible in all cases. Bids will not be prioritised by completion end date. While we would expect any building/capital work to have completed by end March 2025 we are aware registration of staff etc may delay placements being open. Bids should clearly set out their completion deadlines for a) capital work and b) provisional opening for placements. DfE will expect to hold a monitoring remit of the project to continue up until placements begin alongside the required longer-term evaluation of the objectives of the project.

8.1.2 Project Planning

Each bid must demonstrate robust project management and regular accurate reporting schedules. This will be essential throughout the entire grant agreement to monitor delivery, manage risks and issues, and to fulfil governance reporting requirements to build and give confidence that the capital project will be completed within the specified time and to the required level of quality.

To achieve a score of 3 or higher we expect the response to set out in the application form:

1. Capital programme evidence
 - What assurances/feasibility planning has been undertaken to assure projects.
 - A plan for site/building acquisition taking on board current market conditions, a view on whether this requires a planning application.
 - RIBA stage 2 design or, if this is not available, detailed plans of your expectations/requirements for properties, including a high-level planning risk assessment for the types of properties you intend to purchase.
2. A project plan outlining critical dates. Key milestones and activities to be undertaken to achieve this, the resource required to do so, and how the project team will work with others to achieve this.
 - a. This should include staffing and recruitment/ Ofsted registration alongside the intended capital programme.
3. The project management and reporting arrangements the LA will put in place and how often/when these will be updated/reviewed.
4. Details of the day-to-day operational management of the project are of a high quality, conducted professionally against agreed ways of working including how the LA will provide a comprehensive view of actual progress of delivery against the plan, with supporting evidence as necessary.
5. A risk register defining specific risks or issues in delivering the proposal and describing the contingencies that would be put in place to mitigate them. This should include both construction/capital, staffing recruitment/training and Ofsted registration. (An example risk register can be found at Annex A)

6. Examples of key performance indicators (KPIs) which show how progress and success will be measured. This should include both construction/capital, staffing recruitment/training and Ofsted registration.

8.1.3 Project Cost and Value for Money

The bid should clearly present a total fixed cost, these should include any local/national risk of price increases and local economic conditions. We would expect to see a contingency line of 10% as part of this risk mitigation and details should be covered in the risk register.

This should include an explanation of how the project costs and profile have been calculated, and proviso/in principle agreements across all parties/consortia to match-fund at least 50% of the capital costs.

Any cost overruns will be at the expense of the local authority/provider, this agreement is a bidding condition.

Applications should:

1. Clearly present a total fixed cost, taking into account any proposed risk of price increases and local economic conditions.
 - This should include an explanation of how the project costs and profile have been calculated.
2. It will need clear agreement across all parties/consortia members to match-fund at least 50% of the capital costs.
3. Show clear value for money against the requirements set, showing rationale and clearly evidenced costs calculations.

To note – If at the point of submitting your bid you are aware of the supplier who will be undertaking the project work, please provide details of the supplier organisation in section 4.4 of the application form.

If you have yet to select a supplier and your bid is successful, we require you to inform the Department of the supplier(s) when known.

The Department will undertake light-touch due diligence checks on the aforementioned supplier(s) at the point of grant award, however it is expected that the LA/ organisation will undertake full due diligence checks (including financial stability, fraud, criminal conviction checks, conflicts of interest) on any supplier contracted to undertake the works.

Lot 2 - Application requirements

8.1.4 Project Need

Applicants are asked to evidence how funding will significantly aid sufficiency issues for children who require residential care services in their area.

They will need to demonstrate how they meet one or more of the DfE programme objectives to:

- d. provision for children with more complex needs or children on remand
- e. where there are current shortfalls (e.g. geographic areas with fewer children's homes, reducing the numbers of children placed out of their local authority area in residential care - where it is their best interests)
- f. test innovative approaches to reducing the number of children needing care over time (e.g. respite care / edge of care, or step down from residential to foster care)

Section 2.2 - Partnership/Consortium planning.

We wish to encourage projects which work in partnership with other local agencies, across authorities, regions, or consortiums to ensure the best and most appropriate care for children.

The first scored question in the application asks for your current plans and your confidence in a partnership approach for this project. You will need to set out:

- What your plans for consortia or partnership working in your area with different LAs or service providers (i.e. health or private etc) as part of this project - your answer should include current as well as long term aspirations for governance structures/decisions making processes. This question will be scored by the criteria set out in Table 4.

Section 2.3 Project Need

The following questions will use the criteria as set in Table 3.

To achieve a score of 3 or higher we expect the response to have clear written information, and evidence to demonstrate how the LA will meet the DfEs strategic objectives by setting out:

1. current local/regional commissioning/placements arrangements/market for residential care with data/evidence of the local or regional children needing residential care population and an explanation why existing provision is insufficient to meet these needs
2. areas of innovation/complex care provision/geographical need as applicable
3. evidence of how this will improve outcomes for children in your care

4. how you will ensure this project will be sustainable in future including data around future trends
5. demonstrate how you and your partners will commit to creating employments and training opportunities for those who face barriers to employment and/or who are located in deprived areas

As noted above, in the case of projects that were already planned prior to the announcement of this funding, you will need to provide an outline of the current project, evidence of funding that has already been secured (our assumption is that this funding will continue) and an explanation of what would be different / additional if you were to secure DfE funding.

We encourage bids that plan to open placements by end March 2025 but understand this may not be possible in all cases. Bids will not be prioritised by completion end date. While we would expect any building/capital work to have completed by end March 2025 we are aware registration of staff etc may delay placements being open. Bids should clearly set out they completion deadlines for a) capital work and b) provisional opening for placements. DfE will expect to hold a monitoring remit of the project to continue up until placements begin alongside the required longer-term evaluation of the objectives of the project.

8.1.5 Project Planning

This section will use Table 3 to score between 1-5

Each bid must demonstrate robust project management and regular accurate reporting schedules. This will be essential throughout the entire grant agreement to monitor delivery, manage risks and issues, and to fulfil governance reporting requirements to build and give confidence that the capital project will be completed within the specified time and to the required level of quality.

To achieve a score of 3 or higher we expect the response to set out in the application form:

1. A clear project plan demonstrating key development of preparation/set up period (such as Consortium creation - through to RIBA stages and/or other)
2. A project plan demonstrating how the key project milestones will be met and how they will lead to full project completion in March 2025. The project management and reporting arrangements the LA will put in place and how often/when these will be updated/reviewed.
 - This should include staffing and recruitment/ Ofsted registration alongside the intended capital programme

3. The project management and reporting arrangements it will put in place and how often/when these will be updated/reviewed including how you will provide a comprehensive view of actual progress of delivery against the plan with supporting evidence as necessary
4. How you will ensure that day-to-day operational management of the project are of a high quality, conducted professionally against agreed ways of working
5. A risk register defining specific risks or issues in delivering the proposal and describing the contingencies that would be put in place to mitigate them.
6. Examples of key performance indicators (KPIs) which show how progress and success will be measured. This should include the planning stage, the construction stage, the staff recruitment/training stage, and Ofsted registration.

8.1.6 Project Cost and Value for Money

The bid should clearly present a total fixed cost, these should include any local/national risk of price increases and local economic conditions. We would expect to see a contingency line of 10% as part of this risk mitigation.

This should include an explanation of how the project costs and profile have been calculated, and proviso/in principle agreements across all parties/consortia to match-fund at least 50% of the capital costs.

Any cost overruns will be at the expense of the local authority/provider, this agreement is a bidding condition.

Applications expectations:

1. The bid should clearly present a total fixed cost for the preparation period.
2. The bid should contain estimated final costs of the project, to include projected construction costs. Cost plans should also be realistic about the level of professional fees, allowances and contingency budgets (include project management and professional time, admin costs, and travel and subsistence). This should include:
 - a. Cost plan (breakdown of costs) appropriate to the size and scale of the project including contingency budget for over runs/unforeseen circumstances.
 - b. An outline of what profile payment schedule may look like against milestones/critical tasks
 - c. details of planned procurement route
 - d. details or evidence of any savings being made.
3. Show clear value for money against the requirements set, showing rationale and clearly evidenced costs calculations.

All bids will need to demonstrate clear agreement and commitment across all parties/consortia members to match-fund at least 50% of the capital costs.

To note – If at the point of submitting your bid you are aware of the supplier who will be undertaking the project work, please provide details of the supplier organisation in section 4.4 of the application form.

If you have yet to select a supplier and your bid is successful, we require you to inform the Department of the supplier(s) when known.

The Department will undertake light-touch due diligence checks on the aforementioned supplier(s) at the point of grant award, however it is expected that the LA/ organisation will undertake full due diligence checks (including financial stability, fraud, criminal conviction checks, conflicts of interest) on any supplier contracted to undertake the works.

9. Procurement

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

There is no obligation to complete a tender exercise before submitting a bid, but you should set out your planned procurement route and demonstrate how you plan to achieve value for money.

10. Carbon Reduction Agenda

We will expect to see projects (where applicable) have engaged with the Government's sustainability and carbon reduction agenda and aim to achieve net zero carbon emissions where possible. We do not expect to see details plans at bidding stage and will not score this as part of the application, but you should consider as part of your plan:

- a. Formal carbon reduction plans and environmental accreditation standards that you have achieved.
- b. An explanation of how the project supports carbon reduction and/ or maintaining environmental accreditation standards.

11. VAT

It is applicant's responsibility to seek advice whether VAT is recoverable. Where recoverable by the applicant, VAT should be excluded from the application. If unable to claim back VAT, they should include VAT on the application and provide the supporting evidence.

12. Exit Planning

We expect the bid to set out how, at a high level, the LA/Consortia will complete any additional tasks required to complete project post March 2025 – including updating DfE with completion notifications.

We would expect to see commitment to continue to operate the new provision for a minimum of 3 years from when placements begin. In situations where the provision is deemed no longer required, consultation with DfE will be required to discuss how DfE funding will be reinvested into the local children services.

13. Application submission

Local authorities who wish to submit a bid to the Department should send their completed application to och.capital@education.gov.uk by **11:59pm on 09th September 2022**

No extensions to the deadline will be given.

Once you have submitted a bid to the Department you will receive confirmation of this within 1 working day, if you do not receive this then please contact the Department at och.capital@education.gov.uk to confirm this has been received successfully.

We aim to send outcome letters to those who have applied in early October 2022.

14. Clarification Questions

Any queries or questions regarding the application process should be emailed to och.capital@education.gov.uk .

The deadline for questions to be submitted on 01st September - 6 working days before the closing date: this will be **11.59pm on 09th September 2022**

Queries and responses will be shared with all potential bidders where applicable unless deemed commercially sensitive (the sender's identity/and any other identifying data will be anonymised).

Annex A



Grant Offer Letter Copy of Risk Register
Template - OCH.docx Template.xlsm



Department
for Education

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