

ARC

Principal  
Fashion Retail Academy  
15 Gresse Street  
London  
W1T 1QL

Tuesday 28<sup>th</sup> July 2015

Dear [REDACTED]

**RE: Additional Arcadia donation towards FRA Capital project**

I am pleased to hear news that the capital project match funding has been granted, although disappointed to hear that it was not at the higher match level.

To preserve the integrity of the project and protect the outputs I can confirm that Arcadia will provide an additional donation of £200,000, on the basis that this amount is also matched by City Hall \ LEP with a further £100,000.

This brings the total donation made to the FRA for this project to £900,000 in cash and £110,000 in kind.

Yours sincerely

[REDACTED]

Group Chief Executive  
Arcadia Group

add!

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REGISTERED IN ENGLAND  
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## **FRA Business case for increase in match Funding**

FE capital bid

### **Executive summary**

The Fashion Retail Academy (FRA) knows what is required to prepare young people for employment; a fit-for-purpose venue, training programmes that industry value, teachers with industry experience, work experience and exposure and genuine employer demand.

We have demonstrable success designing and scaling up education-to-employment programmes. These have, and will continue to, achieve exceptional outcomes for London's young people regardless of their background.

We see an opportunity, similar to that observed at our organisation's inception, to open another talent pipeline to digital roles while refreshing our estate and technology to the benefit of every learner.

This will bring benefits in terms of educational outcomes, social returns, productivity gains for industry and lower operating costs for the FRA.

Without additional investment our ability to capitalise on this opportunity, with significant employer buy-in and investment, will be substantially impaired.

### **The opportunity**

Investing in the FRA's infrastructure is an opportunity to open up a new talent pipeline around digital skills, securing employment outcomes for young people and supporting business growth and productivity. At the same time, the experience of all our learners will be enhanced through the provision of specialist IT equipment.

It will also deepen industrial engagement in the mechanisms of further education, developing qualifications that capture the knowledge and skill essentials necessary for enabling larger-scale development of able employees to growth roles.

By the nature of our current student cohort and our fashion focus, the investment will engage young women, who are under-represented in the digital industry, to follow a career they are passionate about in a functional category they would otherwise not pursue.

### **The FRA's history and offer**

The FRA was established through joint investment by government and a consortium of UK retailers, led by the Arcadia group, Marks and Spencer, Tesco, Next and Experian (formerly GUS). This initial government-matched investment has been followed by an outpouring of support from other retailers who provide work placement, master classes, materials to aid teaching and other resources to equip FRA student for their careers.

With a clear focus on securing employment for young people, the Academy has worked closely with industry and awarding bodies to design programmes aimed a key skills-shortage roles. These programmes are enriched through exposure to industry's leading figures through master classes,

student projects which are co-designed and assessed by industry experts and centrally coordinated work placements. These aspects of the offer have features of our courses prior to the advent of study programmes policy.

### **Factors that underlie the FRA's success**

The following factors underlie the FRA's success to date, as well as the rationale for this investment opportunity. It is our experience that all of these factors have to be in place at the same time to achieve the outcomes we seek for our learners and industry:

***A fit-for-purpose venue, designed by industry for industry.*** At its inception, the structure and design of the FRA was conceived and realised working closely with industry. Care was taken to create an environment that would meet industry's own standards – ie what high-end fashion and design brands would expect of their own workplaces for their own staff, or from suppliers they work with. This includes both the quality physical environment and the type of technologies available for use within it. This factor cannot be under-weighted in terms of its importance to achieving credible employer engagement and employment outcomes.

***Programmes that industry value.*** The courses on offer at the FRA have been developed with a clear focus on the types of roles they lead to, particularly at level 4. FRA staff, industry and awarding bodies worked in close collaboration to develop these programmes. This process is both time consuming, costly and essential to keep programmes relevant.

***Teachers with industry experience.*** Our teachers and course leaders have worked in industry, very often in the roles which they are preparing learners to take on. This gives our learners an edge.

***Work experience and exposure.*** There is no better way to learn a trade than to experience it first hand, or to hear about it from experts in the field. By centrally coordinating work placements for study programmes comprehensive access to these experiences is provided to all our learners. Master classes involving leading figures in industry are core to all study programmes. Development projects are co-designed and assessed by industry for the benefit of participating learners. These experiences are what differentiate our programmes and underpin their success.

***Genuine employer demand.*** Since its inception the FRA has been careful to lay on programmes that lead directly to priority jobs in industry. The roles for which retailers are experiencing skills gaps are carefully targeted.

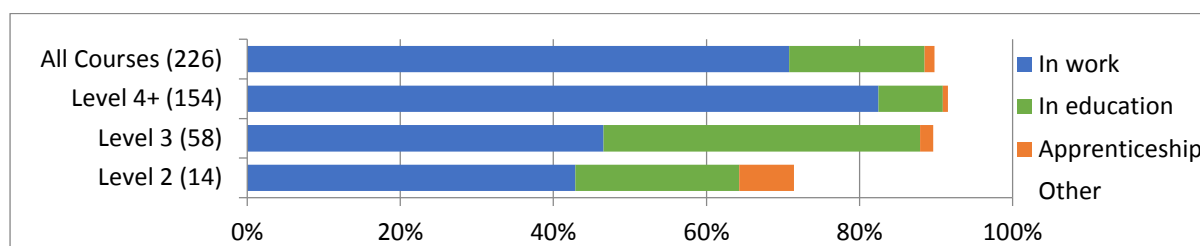
## Securing employment and progression outcomes – the FRA’s track record

As securing progression is core to the FRA’s mission, regular investment is made in collecting and assessing data on the destinations of graduating learners. Annually, an external company (J2Profit) is hired to conduct a survey of our learners 6 months after they leave.

### Learner outcomes

Table 1 below shows the proportion of learners going onto work, education or apprenticeships by level of course studied for 2013/14 leavers. As a whole, 90% progress to positive destinations with 72% of learner achieving employment (including apprenticeships) and 18% progressing to further or higher education. This is on par with rates seen nationally for 1<sup>st</sup> degree graduates<sup>1</sup>.

**Table 1 – Progression outcomes for 2013/14 student leavers by level of study**



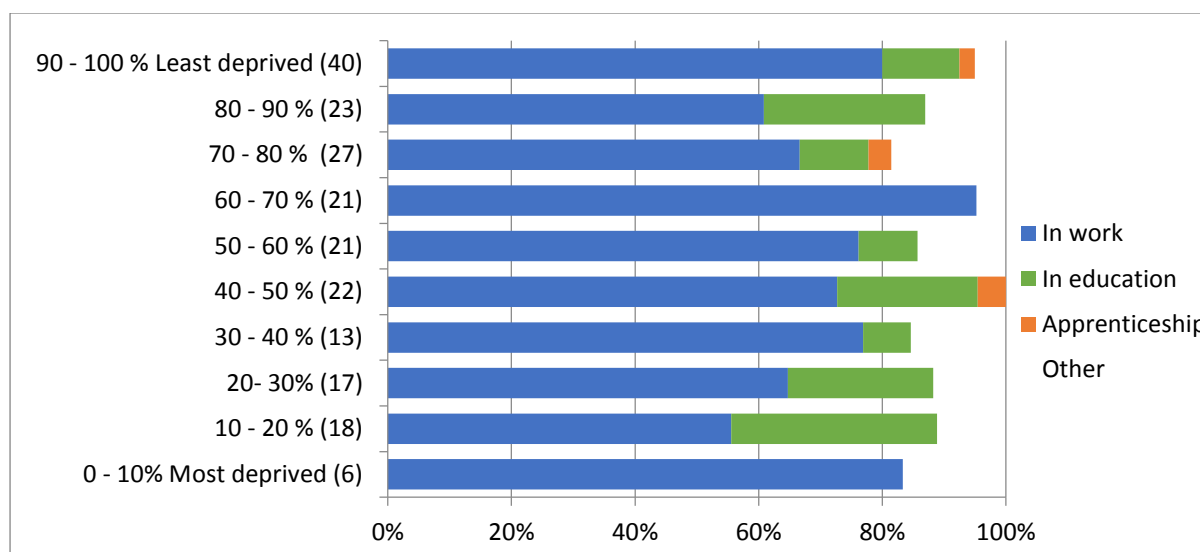
*N = 226 (sample size by category in brackets after name)*

These outcomes vary distinctly by level of course, with Level 3 acting as a staging point for either work or further study (learner progressing in the main to Higher Education). Level 4 acts as a more focused route to employment, with 82% getting jobs after completing their studies.

### Learner outcomes by deprivation

Our students progress regardless of their background. Through appropriate support, training and guidance student outcomes are relatively evenly distributed across socio-economic groups (see table 2 below), including for those experiencing significant barriers.

**Table 2 – Progression outcomes for 2013/14 leavers by deprivation (IMD\*)**



*N = 208 (sample size by category in brackets after name)*

*\* - Indices of multiple deprivation 2010 by decile*

<sup>1</sup> Source: HESA Destinations of Leavers from Higher Education in 2012/13 – 71% working, 17% studying, 7.8% unemployed, 4.4% other

### **What the additional funding will enable**

The additional match funding would facilitate the delivery of additional outputs outlined in Appendix 1 by the following means.

***Creating an environment that meets the standards and expectations of industry.*** The factors necessary for achieving the outcomes we envisage have been outlined in detail. Creating a physical environment that is both credible and meets the expectations of fashion-focused, design orientated and dynamic industry partners is an essential. It is a necessary element in bringing employers closer to the student developmental journey, and by extension enhancing the quality of the study programmes.

In a broader sense, it will also support the Academy's ability to facilitate development sessions for new sector-priority qualifications, bringing additional benefits beyond our institutional boundaries.

Meeting these standards does increase the costs base of the capital project, but will bring demonstrable and long-term benefits in terms of learner outcomes as well as assure deeper and broader employer engagement in the future.

***Specialist IT equipment suitable for the development of digital skills and services.*** The FRA's technical infrastructure is in need of renewal and does not currently meet the basic standards required to deliver a digital curriculum, or to win the benefits of moving the delivery of curriculum content online. This equipment is essential to both of these specific aims, but will also bring wider benefits to all the Academy's learners through carefully planning access to equipment to broaden student's capabilities.

***Increase in the number of young women entering digital roles.*** The Academy's student body is 90% female, a pattern that has held for years. By introducing opportunities to study and progress into digital roles that also meet their aspirations of entering the fashion industry, the Academy can contribute to a rebalancing of a currently under-represented demographic.

### **Outputs and outcomes – additional value for money**

The additional outputs are outlined in Appendix 1, already submitted. These outputs have been conservatively estimated and include only the difference in output resulting from the development project envisaged.

These outputs will translate into beneficial outcomes with a substantial monetary value in terms of increased contribution to GVA, savings to the public purse due to reducing the number of NEETs, etc. The aggregate value of these elements will be well in excess of project benefits indicated in estimates and submissions to date.

FRA Refurbishment Project - Donation in Kind

Name	Job Title	No of Days	No of Hours	Hourly rate £	Total cost £
[REDACTED]	Senior Project Manager	5	35	100	3,500
	Project Manager	70	490	75	36,750
	Designer	45	318	30	9,540
	Designer	45	316	30	9,480
[REDACTED]	Group Chief Executive	5	35	700	24,500
	Property Director	5	35	500	17,500
	Head of Design	5	35	150	5,250
	Finance Controller	5	35	100	3,500
<b>TOTAL</b>		<b>185</b>	<b>1299</b>	<b>1685</b>	<b>110,020</b>

# FURTHER EDUCATION CAPITAL INVESTMENT FUND

Detailed Application Form

April 2015

SUPPORTED BY  
**MAYOR OF LONDON**

## DETAILED APPLICATION FORM

Please read the guidance notes before completing this form

### SECTION 1: CONTACT INFORMATION

Applicant Name	[REDACTED]
Applicant Address	Fashion Retail Academy, 15 Gresse Street, London W1T 1QL
Project Location Address (if different from applicant)	
Applicant Contact Name and Job Title	[REDACTED] Principal
Contact Telephone Number	[REDACTED]
Contact Email	[REDACTED]@fra.ac.uk
Website	www.fashionretailacademy.ac.uk
UPIN	117623
Other Organisations involved in delivery of the project – partnership application (if applicable)	Arcadia Group Ltd, 70 Berners Street, London W1T 3NL

### SECTION 2: PROJECT DESCRIPTION & DETAILS

(a) Set out any changes to the proposal since Expression of Interest stage, including any changes which might impact eligibility, minimum requirements, state aid, affordability and any impact of applicant SFA or EFA funding reductions.

The project has developed to the stage where a comprehensive set of drawings and costings are available. These have been provided by our appointed quantity surveyor. Tenders have been sent to building, mechanical and electrical engineering companies. This has raised the total project cost including VAT to £1,673,600. The original Expression of Interest application made on 19<sup>th</sup> January 2015 was requesting a funding match of £262,340 on the basis that we had estimated the project cost to be ca. £787k. Since then the project has been budgeted in detail, including all unforeseen expenditure. The main material changes are:

1. Total construction costs including mechanical and electrical changes increased from £280k to £705k.
2. Total IT costs from £200k to £277k
3. Professional fees from £40k to £180k (including project management)
4. Furniture from £130k to £257k
5. Unforeseen work for lifts (£80k) and the fire alarm system (£44k)

Some of the large differences were due to lack of experience with the size and type of project. The team has benefitted since from the professional expertise and support of the Arcadia project team. Some of the differences have also resulted from subsequent meetings with retailers and prospective employers who contributed to a rethink of the refurbishment required.

(b) Project name	Fashion Retail Academy Building Development 2015
(c) Project summary	<p>The project will modernise the FRA estate and facilities to ensure our offer and delivery models are fit for the 21<sup>st</sup> century. The project takes an integrated approach to achieving this aim, furthering our mission to develop talent for the retail sector while enabling a diversification of income streams. The project will:</p> <ol style="list-style-type: none"><li>1) Modernise all current classroom space</li></ol>



	<p>2) Support the recommendations of the FELTAG report to implement online learning models</p> <p>3) Create new classroom space and Hubs:</p> <ul style="list-style-type: none"> <li>a) Digital Innovation</li> <li>b) Creative</li> <li>c) Business &amp; Entrepreneurial</li> <li>d) Retail</li> <li>e) IT open access space</li> <li>f) Modern library</li> </ul> <p>4) Improve IT infrastructure and equipment.</p>
(d) Total project cost	£1,673,600 total project
(e) Funding requested from FE Capital Investment Fund	<p>£773,600</p> <p>The deadline for receiving confirmation from the LEP of any funding being end of July, the Fashion Retail Academy will attempt to start some of the priority work on 20<sup>th</sup> June. This will mean delivering priority works related to the classroom space and hubs first, phasing back the IT infrastructure and equipment strands.</p>

### SECTION 3: RATIONALE AND STRATEGIC FIT WITH PRIORITIES

(a) Describe how the project delivers against the Further Education Capital Investment Fund priorities set out in the Prospectus

The project will enhance and underpin innovation in curriculum delivery through the creation and redesign of space to ensure the employment, self-employment and workforce development needs of the sector are met. Specifically, the project fits the priorities included in the FE College Capital Investment Strategy in the following ways:

**Renewal, rationalisation and modernisation of the FE estate:**

- Renewal of classroom spaces at the FRA to enhance the learning environment, improve learner satisfaction and support the embedding of online learning to the curriculum.

**Creation of space which is versatile, fit for purpose, transformational and tolerant to change:**

- The creation of new classroom spaces and dedicated Hubs (656m2) working in partnership with employers to enhance the skills, employment and self-employment prospects of learners. This will add additional capacity to the FRA, support the diversification of activity and income streams, and facilitate growth in priority provision for learners aged 19+, Level 4 provision, Traineeships and Higher Level Apprenticeships.

(b) Describe how the project supports the LEP's Jobs and Growth Plan Priorities and any other relevant local, regional or national strategies

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

- [REDACTED]

[REDACTED]

- [REDACTED]

(c) Please explain why the project is needed and provide evidence of the market failure?

Retail accounts for 10% of the UK workforce. High quality provision for key skills shortage areas, ie areas of significant employer demand, is in short supply. More and better 'talent pipelines' are needed to niche and emerging areas of labour demand to serve London's local concentration of retail outlets and head offices, while young people who could thrive in these careers remain unemployed.

These issues are well known to employers, often discussed in sector-relevant publications (eg Drapers salary survey) and of increasing concern nationally (recent UCKES retail research publications).

A complex set of factors have led to the market failure, as outlined below:

### **Priority skills and apprenticeship programmes: attraction, delivery and development**

- For genuine and lasting employer engagement, the training delivery infrastructure needs to meet industry standards and minimum expectations. Where the employers engaged are from head offices and high-end brands, their expectations are high. This requires significant ongoing investment.
- In areas of high employer demand, which are often niche established roles (eg garment technology or merchandising), there are persistent issues with communicating the available opportunities to prospective students, who perceive working in the retail sector as working in a shop. Building engagement through an IAG offer and better engagement with schools to raise awareness of these opportunities is both costly and essential.
- Where there are significant skills shortages, this also applies to the availability of teachers in these areas. This increases the costs of recruitment.
- Awarding bodies under-invest in niche markets, due to low volumes of qualifications they will be able to market compared with development opportunities with mass market appeal. What this means in practice is that the research and expertise has to be provided at provider level, where contact with local employer is established, to make the accreditation process an attractive investment. This issue particularly impacts on level 4 courses and apprenticeships.

### **Start-up potential**

- The high costs associated with developing a business idea to start up in central London is a well-established barrier. Developing a customer base is a key challenge for any business. Although a number of 'incubators' are in place which provide wrap around support, they do not have strong links with a community of large and established retailers and or an in-house raft of allied specialist provision which can either upskill start-ups or provide a home for entrepreneurial graduates of these courses. This provides an opportunity, particularly for start-ups orientated to supplying services to established retailers through brokering links at low cost, and increasing the prevalence of substantive transactions.

As high quality facilities, the capacity to build demand around opportunity, the ability to attract teaching talent of a sufficient calibre and to provide high levels of course development support are required in unison, it very rarely happens. The high costs and positive externalities of providing this set up, and underlying competition for talent between retailers, is why little investment in joint facilities occurs in the private sector – with notable the exception of the Fashion Retail Academy. Since its establishment, these issues have been present and overcome. To extend this practice to new areas of established employer demand, we now need to improve our infrastructure.

This investment will allow us to:

- Develop facilities to deliver digital and ecommerce provision: High street retailers impacted by the rapid growth of ecommerce and digital technologies are experiencing skill shortages. The demand for digital skills has never been higher, with almost 20% of all retail sales now online, the need for competent new entrants to the workforce will continue to intensify.
- Provide facilities to support a more proactive IAG and careers offer, focused mainly at schools.
- Enhance the experience of all existing and future learners expanding on the FRA's success in developing fit for purpose education that leads directly to employment (evidenced by the 90% of graduates who are working in the sector or progress to higher levels of education). We will work with industry to pioneer provision (to Level 4) in digital creative skills to give Londoners (and particularly those entering the labour market) – the skills they need to secure employment.
- Apprenticeships and Traineeships are not currently fit-for-purpose in the sector, with no credible routes at higher levels. Providing the facilities to enable their development and delivery will help to address employer demand for skills and trade knowledge from the resurgence of smaller fashion retail businesses across the capita, as well as progression routes to niche roles in established outfits.

- Address priority skills shortfalls, such as in garment technology and merchandising; better facilities will enhance the effectiveness of these specialist courses.
- We will create new space to deliver a programme of support to support SME start-ups.

(d) Please explain the demand for the project in relation to existing provision.

London is one of the main centres for fashion and retail in the UK and globally. The economy is highly dependent to a successful retail market. The development of skilful learners ready for work with specific knowledge relevant to the modern fashion retail industry is the main purpose of the FRA. The FRA is in constant communication with the trade through its sponsors (Arcadia, Next, M&S, Tesco & Accenture) and its retail links (135 retailers) developed through the last 10 years. This is the key in ensuring a relevant syllabus for courses and delivery.

[Redacted]

(e) Describe how the project takes account of existing and planned provision in the local area and sub-region.

[Redacted]

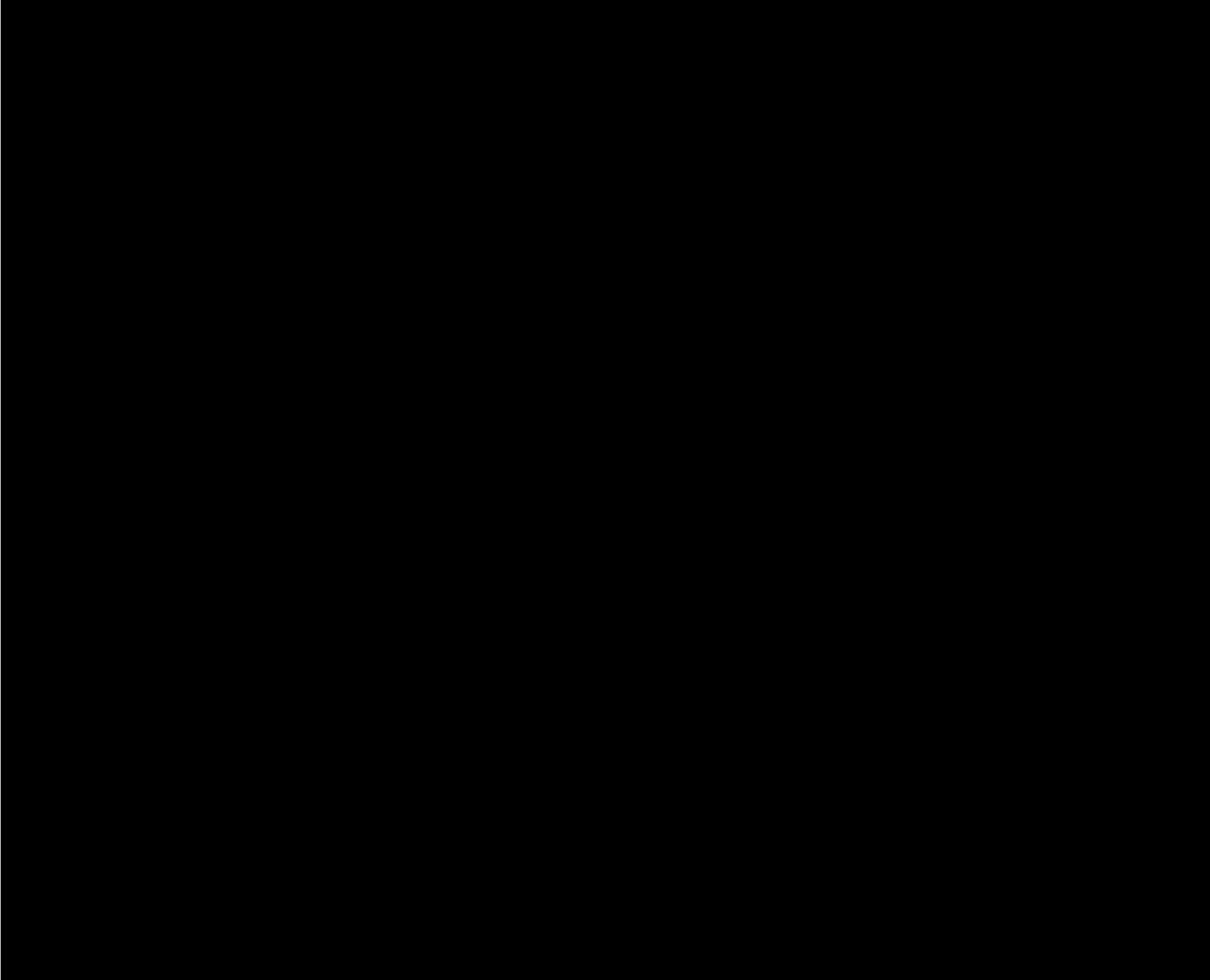
(f) Demonstrate engagement with the local authority(s) in the development of the project - please provide evidence of support for the project i.e. letters of support.

n/a

(g) Set out the key objectives of the project.

[Redacted]

(h) Set out a logic chain for the project



## SECTION 4: OBJECTIVES, OUTPUTS, OUTCOMES AND BENEFITS

### Section 4a: Objectives and Impact

(i) Building on the information provided at Expression of Interest Stage, please set out how the project will benefit learners, employers, the local community and support economic growth? Identify and explain the measurable and non-measurable outputs and outcomes to be delivered and relate this to the information provided in the output and outcomes profile (see below).

The Fashion Retail Academy Building Development 2015 project will benefit:

- Learners: In ensuring that all our learners are equipped with the required level of skills and experience that will enable to secure employment in the retail industry, pursue further education in that trade or set up their own trade.
- Employers: In recruiting experienced and mature candidates for the fashion retail jobs of the future, reducing recruitment costs and increasing staff retention.
- The local community: In ensuring a vibrant, innovative and dynamic learning centre which benefits from the shared skills and support of a complimentary base of specialist practitioners and facilities. A programme of school outreach activities based in the new facilities will encourage more students from across London's communities to share this experience.
- Economic growth: In proving the fashion retail industry with a talent pipeline that will ultimately increase productivity and employment, while helping to support start-up businesses to maturity.

(ii) Explain how the project will contribute to delivering wider place-making and regeneration benefits and how the project is aligned to relevant local plans

One of the key criteria of success of this project is to provide small and large businesses with the opportunity to develop, test and commissioned new approaches to fashion retail with the support and expertise of a wide range of industry specialists, in a fit-for-purpose environment.

(iii) Explain how the project will contribute to delivering environmental benefits including meeting the relevant BREEAM rating and through delivery of any additional environmental measures.

The project has been developed bearing recycling in mind as many of the fittings already on site such as glazing, doors, tables, etc. The project also looked at ensuring a more energy efficient building with some double glazing in some areas of the building that were previously missed but also more efficient lighting.

Flexible fittings enabling a more versatile and dynamic environment which is adaptive to changes in employer demand.

### Section 4b: Measurable Outputs and Outcomes

(i) Please complete the outputs and outcomes profile (template provided) and include any accompanying commentary here. **Please see the guidance note**

The content of this section is redacted with black boxes. There are two main redacted areas: a large one at the top and a smaller one at the bottom.

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(ii) Please explain what provision will be improved, what provision will grow, what provision will be lost (if any) and what new provision will be delivered as a result of this investment?

[Redacted]

[Redacted]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(iii) Please explain the organisation's capacity to deliver the changes to provision referred to at 4b (i) and (ii).

The organisation has budgeted to invest in staff and other resources to support and enable the delivery of the outputs. As described in the 3 Year Business Plan in Appendix 10, these will provide the capacity and the expertise to ensure a successful outcome.

## **SECTION 5 : PROPERTY, ESTATE & EQUIPMENT**

### **Section 5a: Need**

(i) Describe the current condition of the estate

The building was initially fit out a decade ago in 2005. Whilst the estate has been maintained, and the exterior and interior are in good cosmetic condition, the learning environments, IT infrastructure and internal layout are in need of modernisation. The lack of flexibility in converting classrooms from one purpose to another is one of the main obstacles to development.

The need to improve IT resources and infrastructure to embed online learning into our provision is clear and the recommendations of the FELTAG report and the SFA response to it are central to our curriculum plan moving forwards, we cannot meet this ambition without this project.

The Retail Sector has also moved on considerably in the last 10 years and the FRA must now create a learning environment, with the resources, specialist equipment and flexible learning environments to meet the educational and commercial needs of our stakeholders for the next decade.

The diversification of our offer and future income sources, at a time of diminishing funding, is also a clear need and through the innovation of our infrastructure and learning environments we will pioneer alternative methods of delivery.

Digital creative and technical provision is critical to the modern workforce and business needs, the FRA is pioneering new qualifications in this area through employer partnerships and the C&G awarding body, suitable learning environments and equipment are not currently present at the FRA and without these in place we are unable to respond to the demand from employers to fill this critical skills gap.

(ii) Explain how the project supports the College's business plan and estates strategy

[Redacted]

- [Redacted]
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[Redacted]

**Section 5b: Current details of the estate**

(i) Total Gross Internal Area (GIA) of the Estate	4,181 m <sup>2</sup>
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(ii) Nature of tenure	Leasehold
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(iii) Legal Interests – see guidance for full requirements

The Academy's building is a leasehold held for 20 years with Gresse Street Company, a company whose directors are Arcadia and Marks & Spencer.

### **Section 5c: Project Details – Capital Works (to be completed where applying for funding for capital works)**

(i) Provide a description of the planned changes to the estate with details of the capital works and how this relates to changes in GIA.

This capital project will transform or upgrade (to Excellent condition) 87% of the GIA of our current estate (3660m<sup>2</sup>).

Estate innovations to include:

- Creation of 4 new innovation hubs from existing inoperable non-teaching or staff office space
  - An additional 656m<sup>2</sup> (15% of GIA converted to useful, excellent condition delivery space) of classroom and learning space – adding an additional 135 spaces to the existing daily capacity.
    - A business innovation hub will support 30 new business start ups
    - A creative innovation hub will support 248 traineeship and apprenticeship starts
    - A learning resource centre (library) will enhance the learner experience for 3906 learners
    - A retail hub will enhance the learner experience for 3906 learners, provide opportunities to showcase the business start-up work via exhibitions and support new income streams
- Creation of additional flexible learning spaces and resources enhancing the learner experience and the quality of teaching and learning. 100m<sup>2</sup> transformed from good to Excellent condition.

Estate renovations to include:

- Additional office space for new posts created: supporting the creation of 10 new jobs.
- Flexible classroom refit to some current learning areas – upgrading and enhancing the learner experience – total area improved 1130m<sup>2</sup> (27% of GIA transformed from Good to Excellent condition).
- Upgrade to IT infrastructure and equipment
  - Upgrading and enhancing the learner and staff experience – total users with improved experience 3906.
  - Implementation of online learning and FELTAG recommendations – total learners with improved experience and choice 1619.
  - 422m<sup>2</sup> of GIA transformed from Good to Excellent condition (13%).

(ii) Outline the nature of the construction and/or refurbishment works to be undertaken.

The work to be undertaken can be split into four categories:

#### **Redecoration and space development:**

- Common areas
- Teaching rooms

#### **Conversion:**

- Corridor space into offices
- Building additional Visual Merchandising windows
- Convert offices and open rooms into multi-functional learning areas
- Convert open unused space into digital Learning Resource Centre

- Convert some large open space into Innovation Hubs

**Upgrade or purchase:**

- Biometric technology
- Fire alarm system
- Ventilation system
- IT infrastructure and equipment
  - Network servers
  - Cabling and dataports
  - PC and laptop upgrade for those at the end of their useful life (328)
  - Firewalls (1)
  - Mac Server (1)
  - Internet Upgrade
  - Apple Mac computers (46)
  - Smartboards (14)
  - E-readers (20)

This is budgeted to be project managed by Arcadia with the support of all required professionals (architects, quantity surveyor, M&E Consultant, designers). The work is expected to be carried out with the lowest level of disruption and the highest level of efficiency in implementing each phase of the project.

Total area GIA to be improved (number)	3,660m <sup>2</sup>
Total area GIA to be rationalised (number)	None
Total new area GIA to be constructed (number)	None
Net change to total GIA area (number)	None

(iii) Provide details of the project design to RIBA stage 3 (see guidance for full requirements)

See attached

(iv) Provide details of how the design brief and feasibility suits the locality and historical fabric of the area.

The brief was to provide a new and invigorating environment enabling innovation and enterprise in the core of the fashion retail industry.

(v) Explain the project's approach to sustainability and how you plans to achieve BREEAM excellent rating (for new build), very good (for refurbishment)

The project is part of a five year plan to increase the capacity use of the building and enabling a more efficient use of its resources. Included in it is a systematic approach in reviewing and addressing the space available, rationalising a more efficient use of the resource but also ensuring that the consumption of electricity, gas and water is greatly reduced per head of users. Retaining and developing the current environmental and sustainability initiatives has been central to the project's development.

1. Energy efficiency: the current passive infrared sensors installed in corridors and student toilets are maintained. These are set to switch off all lighting to these areas after a 20 minute interval if no presence is detected.
2. A significant proportion of the Fashion Retail Academy is to be refurbished and as part of Arcadia's continuing drive towards reducing their energy footprint, a leading lighting designer, Reggiani, was appointed to design a lighting scheme to significantly reduce the EPC of the Fashion Retail Academy. Reggiani, together with Oxspring Technical Ltd have designed a scheme for the refurbishment of approximately 50% of the building using predominantly LED fittings - replacing the existing lighting with LED fittings will provide a significant improvement in the carbon rating (either its asset rating (EPC) or KgCO<sub>2</sub>/m<sup>2</sup> (Buildings Emission Rating)) and will assist in achieving the required "very good" BREEAM rating.
3. The Academy's curriculum already incorporates many initiatives on how the green agenda is impacting the Retail and Fashion industry (see Appendix 20). Furthermore, continuous messaging is happening on the daily basis to remind students of the impact of pollution, paper waste and the importance of recycling. All documentation required by learners to be submitted is available on Moodle through the intranet, ensuring the lowest use of paper. The new IT infrastructure will enable to secure further electronic exchange and also to reduce the level of printing across the Academy.
4. The current waste disposal and recycling contract entered into by the Academy is under review. All classrooms and offices are currently equipped with recycling bins and all design studios have specific disposal units for textiles.
5. In order to reduce construction waste the tender submitted to contractors clearly identified the need to reuse or recycle as many of the redundant units as possible. For example many of the existing doors and glazed screens, due to be demolished, will be instead reused in new locations and all redundant furniture will be donated to an organisation in Milton Keynes who will resell the items as used furniture. 100% of the existing structural elements of the building are being retained, which is line with the requirements of BREEAM.
6. A new courtyard is being designed as part of the project to enable cleaner air environment for students. This courtyard is located inside the building and will be equipped with vegetation and garden furniture.
7. The Academy is located in central London and does not provide any parking space for its staff or learners. All employees are expected to make their way to the building by public transport or cycling. Westminster Council has installed a row of cycling parking next to Tottenham Court road station and the Academy is in conversation with Camden Council to understanding any potential future expansion of cycling parking in the area. To facilitate the learners' journey, the current project has planned to provide lockers for students. Students are provided with bursaries to support their transport costs and staff are offered interest free loans for annual train and travel cards.
8. Finally the appointed winning contractor is requested to develop a suitable construction waste plan which will take input from the sustainability charter as provided.

(vi) Provide details of any site surveys or investigations planned or undertaken and the programme.

A complete Asbestos survey has been completed on site in anticipation of the work. A roof survey was also done. No further survey was identified as needed.

(vii) Insert details of relevant planning applications, consents and approvals (secured or required). Where secured please provide evidence.

No planning consent is required.

(viii) Provide details of any planned acquisitions and/or disposals required by the project, or required to provide match funding.

none

(ix) Provide details of the ongoing management of capital assets (see guidance notes for requirements).

The Fashion Retail Academy employs its own Facilities Manager and IT Manager. Both of these roles have responsibilities for the and delivery, maintenance and support of the assets while at all times ensuring that operation of the assets is made within clearly set out H&S guidelines.

The Fashion Retail Academy is leasing its building with a lease of 20 years, 10 years within the terms of the tenancy. The lease is contracted with Grasse Street Ltd.

(x) Exit strategy and sustainability

The project will be undertaken as to allow personnel to cease work at almost any point, allowing rooms to be made serviceable. Old equipment will not be disposed of until works are confirmed complete, to prevent unworkable spaces that may impact on teaching and learning. Contingency funding is sufficient to restore rooms to workable order if for any reason works have to cease and restoration to old equipment configurations can be made by in-house technical teams.

### **Section 5d:Project Details - Specialist Equipment (to be completed if you are applying for funding for specialist equipment)**

(i) State the details of the specialist equipment to be purchased, its uses and cost (see guidance for full requirements)

Details and costs associated with this equipment are as follows:

- **Extend and refresh the network infrastructure.** Connectivity is fundamental to the deployment of digital technologies and the Hubs will require some shifts in the core infrastructure. This will include:
  - A refresh of the Academy's non-virtualised servers and firewall to meet requirements, including a dedicated Mac server. **(£54k)**
  - Installation of data ports connected to in-location switch racks for the Innovation Hub and extended open access suites, linked by high-grade optical fibre to the server room to minimise latency. **(£17k)**
- **Desktops.** A number of new high-end Macs and PCs will be required. This will entail a holistic refresh of the Academy's desktops. In total, the following volumes of devices are required:
  - **126** integrated PCs designed for flexible deployment in the IT suites. **(£92k)**
  - **31** laptops for flexible deployment within the FRA **(£26k)**
  - **46** high end Macs, capable of processing the most advanced graphics packages. **(£78k)**
- **Smartboards & peripherals.** To achieve the functional versatility and impact required, each new and refreshed space will have interactive teaching technologies and peripheral equipment such as short-projection Smartboards, flatscreen TVs and E-readers. **(£13k)**

(ii) Describe how the specialist equipment will be utilised to deliver the project objectives.

The refreshed network infrastructure will drive higher performance for all other digital devices, broadening teaching options (eg more streaming content in lessons) and creating conditions necessary for the study of digital skills.

The PCs, Macs and laptops will populate the hubs and extended open access, enabling their functions as outlined to be discharged. In more detail:

- The PCs will provide a generalist access terminal for all software / internet enabled learning and self-study. All students are given easy access to a wide range of digital materials and software, whichever terminal they log onto as part of the wider IT strategy.

- The Macs will be mainly used in design-orientated or other specialist courses where the extended software suite is necessary. However, as exposure and familiarity with the Mac environment operating environment is highly desirable in terms of employability dedicated lessons will be laid-on to ensure the benefits are spread to the whole student population.
- The laptops can be deployed throughout the Academy flexibly, ensuring that access to the hubs is not a barrier to deploying computing based lessons.

Smartboards and interactive LCD screens will be deployed within the hubs as per requirement, adding interactive features to enhance traditional lessons

Other smaller specialist equipment is required to realise the primary functions of the space. For example, E-readers are necessary to gain the benefits from the new Learning Resource Centre.

## **SECTION 6: COSTS, FUNDING & EXPENDITURE PROFILE**

### **Section 6a: Costs**

(i)	£	Comments
Project costs (construction)	1,200,346	Per quantity surveyor includes all furniture/ construction work and improvement with a 3% contingency
Project costs (fees)	196,000	All professional fees (architects, quantity surveyor, M&E, Building control), project management and security guards.
Specialist Equipment costs (total cost)	277,254	All IT equipment and infrastructure
Total project cost	1,673,600	All cost includes VAT as FRA is not VAT registered.

(ii) Please provide a breakdown of build costs in the template provided.

Please include commentary alongside the cost breakdown below including any assumptions and supporting evidence.

See attached Appendix 19

### **Section 6b: Expenditure Profile**

Please provide a forecast expenditure profile (template provided). Please include any commentary alongside the expenditure profile here including any assumptions.

See attached Appendix 7

### **Section 6c: Funding**

(i) Please indicate whether grant or loan funding is sought from the FE Capital Investment Fund. Where loan funding is sought please set out proposed terms. Please explain how state aid has been taken into consideration.

Grant is sought from the FE Capital Investment Fund.

(ii) Please explain what steps have been taken to ensure the project is state aid compliant. Legal advice must be sought by the applicant and a copy of the advice must be provided alongside the application.

This proposal is state aid compliant as the assistance will not distort competition. The main purpose of these developments are for public benefit as defined by the Charity Commission. See attached Appendix 15.

(iii) Please confirm what income generating activities will be supported by the project investment (match or FE Capital grant). Please set out how these elements of the project will be funded by match

and FE Capital grant.
The following income generating activities will benefit from this project: <ul style="list-style-type: none"> <li>• Additional fees generated from more students and higher individual fees supported by the excellent provision offered</li> <li>• Income from renting facilities available at the Retail Hub and the Business Hub for start-up businesses</li> <li>• Income generated from additional government funding as a result of increasing the number of apprenticeship and traineeship</li> <li>• Income generated from room hire of outstanding facilities in Central London.</li> </ul>
(iv) Value of match funding (please see guidance for further requirements).
See Appendix 4
(v) Source(s) of match funding and terms.
Please see attached for proof:  £700,000 in cash and £110,000 in kind from Arcadia £90,000 in cash from other sponsoring retailers (proof on its way)  The academy has not been able to identify any further source of funding.
(vi) Evidence of match funding (attach supporting documents).
See Appendix 4
<b>SECTION 7: VALUE FOR MONEY AND AFFORDABILITY</b>
(a) Please provide a Full Investment Appraisal including Net Present Value (NPV) for the base case and preferred option. Please include any commentary alongside the Appraisal here, including any assumptions.
Please see Appendix 8
(b) Please provide a five year financial plan (see guidance for further requirements).
Please see Appendix 14
(c) Running costs - please detail headline changes to running and maintenance costs arising as a result of the investment
No significant changes were identified
<b>SECTION 8: PROGRAMME PLAN AND RISK MANAGEMENT</b>
(a) Detailed Programme Plan - Please provide a detailed programme plan with this application and include accompanying commentary here (please refer to the guidance note)
See Appendix 5
(b) Detailed Risk Management Register - please provide a detailed risk management register with this application and include accompanying commentary here (please refer to the guidance note)
See Appendix 17
<b>SECTION 9: DELIVERY CAPACITY</b>
(a) Where delivery partners are involved in the project, the role of partner(s) is to be defined detailing



how each partner contributes to the project overall in terms of objectives and funding (as applicable).
Arcadia, as a primary partner involved in the project, will manage of the construction strand. Arcadia has also been involved in coordinating and soliciting the advisers, instructing the work, sourcing the furniture, supporting the tender for the specialist equipment and scoping the construction works.
(b) Please explain why the applicant or the organisation that will deliver provision is the right organisation to deliver the proposed outcomes?
Fashion Retail Academy is the specialist college in London and the UK which has the knowledge, expertise and support from retail employers to deliver the outcomes as described in that application. Over 135 retailers work in partnership with the FRA and the Academy has gained a nationwide reputation for delivering high quality talent. The refurbishment project will build on what has already been achieved to ensure continued excellence in achieving outcomes for learners and employers.
(c) If you are currently delivering an SFA funded CCIF project and/or have in principle or full approval for an FE Capital Round 1 project, please demonstrate your capacity for delivering multiple capital projects at the same time.
n/a
(d) Please state the results of any OFSTED inspections that have taken place in the last 3 years. Please explain what actions against overall recommendations (see guidance notes for further requirements).
n/a
(e) Please provide information about any FE Commissioner or SFA notices.
n/a
(f) Provide details of any Skills Funding Agency (SFA) capital funding received during the last 5 years; state the amount, briefly what the funding was used for and how the projects have progressed. If the project is complete, please detail any lessons learnt.
n/a
<b>SECTION 10: MONITORING, EVALUATION AND EQUALITIES</b>
(a) Please set out your approach to monitoring. Note the requirements set out in the Prospectus.
The project will be closely managed and monitored by the Director of Finance and a dedicated project lead supplied by Arcadia. Weekly meetings are in place, as well as a structured schedule of key decision points which bring together senior representation from the FRA and Arcadia Group to sign off budgets and approve procurement options.
<b>Post completion of the project</b>
The core KPIs will be entirely monitored through existing and established systems. This will primarily flow from the Learner Management System (LMS) used by the Academy but also other decentralised monitoring process.
Data on the volume of students and student attainment (eg No. of Apprenticeship Starts, Improved educational outcomes) is collected routinely. This includes an annual survey of student destinations, undertaken by an external company 6 months after graduation, to ensure rigour.

For planned sessions in the hubs, a register will be created as it is for all classroom activity. This will be marked allowing the assessment of volume of use. For general access spaces activity will be monitored through My PC software – students have to book or log in prior to using the dedicated devices. Options for exploring the use of e-readers in the LRS will be explored, but access to online learning content in aggregated is already available.

The number of open days / retail IAG session will be counted through the booking system; this is a routine activity.

These data sources will be compiled into the reports as required and dedicated support will be provided for the activity.

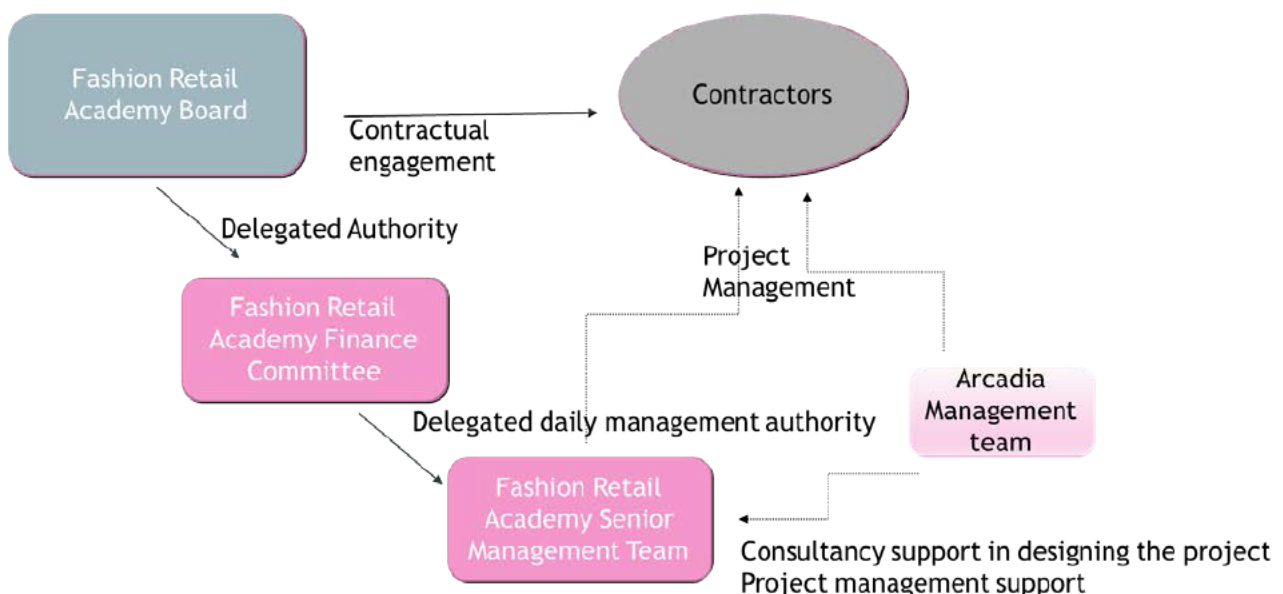
(b) Please explain the delivery structure, responsibilities, governance and controls (see guidance notes for full requirements)

The structure of the delivery is set out as below:

- Project management to be delivered by Arcadia’s team
- Tender prices and approval of tender to be made by FRA Finance Committee (delegated by the main Board) in collaboration with Arcadia’s management team
- Contractual engagement of contractors approved by FRA Finance Committee, contracted by FRA and engaged by Arcadia
- Review of progress and delivery managed by Arcadia and FRA management team

The FRA & Arcadia project team will be meeting weekly from the day the tenders are received (18<sup>th</sup> April) until the project is completed.

The FRA Board has already approved the initial proposal of the project at its Board meeting of 12<sup>th</sup> May 2015 and delegated authority to monitor and further authorise project particulars to the FRA Finance Committee. This committee is due to meet on 10<sup>th</sup> June for final approval before the project launches 22<sup>nd</sup> June.



(c) Please set out your approach to evaluation of delivery and impact. Note the requirements set out in the Prospectus.

The project will be evaluated as per requirements, including the 6 month self-assessment and 3 year longitudinal. The underpinning data will be collected with this in mind, tracking benefits accrued and reporting to the Executive team on a termly basis.

In terms of impact, a robust model will be agreed with the GLA around the time of the 6 month self-assessment for translating outputs into outcomes. This will then underpin any future evaluative work.

(d) Please provide details on the procurement strategy and forms of contract for all parts of the scheme.

The procurement for the work is being carried out through the Arcadia framework. Four contractors have been asked to tender and the standard Arcadia Trade contract is proposed to be used to ensure the delivery of the work.

(e) Please explain how the proposed project meets the Public Sector Equalities Duty, in particular how inclusive design is promoted and considered through the process. How will this be monitored? Please indicate whether the applicant has an equalities policy and attach as an appendix. Please refer to the guidance for further details.

The project has been designed with inclusion as its basis, taking every effort to ensure the benefits are shared with all our learners.

<b>SECTION 11: SUPPORTING DOCUMENTS</b>		
<b>Document</b>	<b>Reference</b> (please insert reference to name of attached file)	<b>Tick to confirm</b>
Contents page of documents attached to this application		<input checked="" type="checkbox"/>
Output and Outcome Profile (template provided)		<input checked="" type="checkbox"/>
Architecture brief, photos, designs, drawings, plans and elevations, relevant urban strategies and master plans		<input checked="" type="checkbox"/>
Site surveys reports		<input checked="" type="checkbox"/>
e-Mandate return or latest assessment condition		<input type="checkbox"/>
Schedule of property and development related surveys, consents, agreements including planning consents, approvals, lease agreements, disposal agreements and other property or transaction requirements. Please include dates by which the appropriate approvals or documents will be in place.		<input type="checkbox"/>
Evidence of consents and approvals		<input type="checkbox"/>
Evidence of all land transactions including disposals or valuations		<input type="checkbox"/>
Evidence of match funding (attach supporting documents if relevant).		<input checked="" type="checkbox"/>
Detailed Programme Plan		<input checked="" type="checkbox"/>
Completed Build Cost Breakdown (template provided)		<input checked="" type="checkbox"/>
Forecast Expenditure Profile (template provided)		<input checked="" type="checkbox"/>
Investment Appraisal (base case and preferred option)		<input checked="" type="checkbox"/>
Detailed Risk Management Plan		<input checked="" type="checkbox"/>
Evidence of approval for this application from the Governing body or equivalent		<input checked="" type="checkbox"/>
College Business Plan		<input checked="" type="checkbox"/>
Sustainability plan, BREEAM assessment		<input type="checkbox"/>
Estates Strategy		<input checked="" type="checkbox"/>
Annual Accounts for previous three years		<input checked="" type="checkbox"/>
High level capital budget vs outturn for previous three years		<input checked="" type="checkbox"/>
5 Year Financial Plan		<input checked="" type="checkbox"/>
Legal Opinion on state aid		<input checked="" type="checkbox"/>
OFSTED reports, Self-assessment reports, Post action plan report summary		<input type="checkbox"/>
Evaluation plan		<input type="checkbox"/>
Equal Opportunities Policy		<input checked="" type="checkbox"/>

**SECTION 12 : DECLARATION**

Declaration	I certify that the information provided in this Detailed Application form and accompanying documentation is complete and correct.
Signature (College Principal)	
Print Name	
Date	

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# FURTHER EDUCATION CAPITAL INVESTMENT FUND

Expression of Interest Form

Round 2- November 2014

## INSTRUCTIONS

### General instructions

- All sections of the form must be completed with the exception of section 5 which differentiates between applications for equipment or technology and capital works.
- If a project is seeking investment only for capital works all sections should be completed except for section 5d. If a project is seeking investment only for equipment or technology all sections except for 5a, 5b and 5c should be completed. If a project is seeking investment in both capital works and equipment or technology the whole of section 5 should be completed.
- If applicants are unable to respond to any sections they should indicate this with N/A if not applicable and an explanation should be provided.
- Applications not in this template will not be considered.
- Where the response provided exceeds the stated word limit information beyond the maximum word count will not be considered.
- If one organisation or provider wishes to make multiple applications, a covering letter should be provided stating the projects in priority order.
- Completed Expression of Interest forms and supporting documentation should be submitted in electronic format (in both word and PDF format) by email to **fecapital@london.gov.uk** by **5pm on 19 January 2015**.
- Feedback will not be provided on draft applications but if you have any queries when completing your form please email your query to **fecapital@london.gov.uk**.

Section	Instructions for completion
1	Applicants should insert relevant contact information in this section. Where there are multiple partners, the lead organisation should be the Applicant (completing the applicant name, address and contact information).
2	<p>This section should set out the project description and details setting out total funding requested, suitability and State aid compliance.</p> <p>Please note that the text provided for the 'Project summary' in this section will be used in papers to the London Enterprise Panel and should be standalone from other sections of the form.</p> <p>State Aid - As part of the appraisal process, GLA will assess projects for compliance to State aid laws. All projects funded by public sources must be State aid compliant which means that public funding does not adversely distort trade between member states of the European Union.</p> <p>It is the responsibility of the lead applicant to ensure the project is State aid compliant. A relevant state aid solution is to be provided by the applicant for consideration by the GLA as part of the detailed application appraisal. It is a requirement of funding for the applicant to seek legal advice, where applicable, for the State aid solution proposed</p> <p>Applicants are advised to refer to the state aid guidance available at <a href="http://www.gov.uk/state-aid">www.gov.uk/state-aid</a> when testing for State aid in the project.</p>

3	<p>Applications should describe in this section how the project relates to FE Capital Priorities and to the LEP's priorities for the FE Capital Programme and the Jobs and Growth Plan. Responses should be limited to 500 words.</p>
4	<p>Applications should outline the outputs, outcomes and benefits to be delivered by the project. Outputs can be inserted as appropriate in section 4b and applicants are not limited to the core outputs included, or additional benefits included in the prospectus. All outputs should be quantified providing an annual total as appropriate or total over the lifetime of the project. Where any assumptions made are not clear please include comments to explain.</p> <p>Applicants should explain how the proposal compliments existing provision in the skills sector(s) relevant to the application and how the proposal links into other related proposals/provision, known to the applicant.</p>
5	<p>Projects applying for funding for capital works should complete sections 5a, 5b and 5c. Where an applicant is seeking funding only for equipment or technology only 5d of the Property, Estate and Equipment section should be completed. If a project is seeking funding for both types of investment all sections should be completed.</p> <p>Include a description of the current condition of the estate and an explanation about how the investment will effect and improve this.</p> <p>State how the project will address any actions or recommendations of any recent Ofsted Report(s).</p>
6	<p>Project costs, funding and expenditure information should be provided. Applicants should provide evidence supporting cost assumptions and to demonstrate the availability of match funding.</p> <p>Complete the table of costs, state whether costs include VAT and confirm whether the organisation is VAT registered or exempt.</p> <p>Costs for a dedicated Project Manager are to be included where the project is of sufficient scale.</p> <p>Provide the grant to match ratio, where the ratio does not meet the 2:1 requirement then please provide an explanation and the reason(s) why this is the case. Please note, a lower match commitment may be considered where the proportion of estate in poor condition (SFA classification of C or D category) is 40% or higher. Applicants will need to demonstrate a strong business case for the enhanced grant commitment.</p> <p>Provide details of any SFA capital funding received during the last 5 years, state the amount and briefly what the funding was used for.</p> <p>The sources of match funding must be specified. Where match funding is not secured provide details for securing match, include timescales. State whether funding from other sources is dependent on spend within specific time periods. Include details of any</p>



	<p>requirements to report any additional deliverables or outputs for match funding.</p> <p>Match funding for the project can be sourced from other public sources. Match funding should support the capital expenditure requirements of the project only. Any revenue requirements resulting from the capital investment are to be treated separately and funded by the applicant. Examples of match sources might include organisation reserves, bank financing, capital proceeds from estate rationalisation, local authority funding or employer sponsorship.</p>
7	<p>At Expression of Interest stage Applicants are not expected to provide a full investment appraisal unless this has already been completed. If an investment appraisal has been undertaken to establish an NPV then this should be included.</p> <p>If an NPV has not been calculated, proposals should include headlines from an initial analysis of the investment proposed. This should provide, at least:</p> <ul style="list-style-type: none"> <li>• An assessment of the overall capital costs (as per section 6)</li> <li>• An assessment of the expected changes in running and maintenance costs (as per section 7) and any other savings (as per section 4)</li> <li>• A statement of the main types of outputs and outcomes, quantified in volume terms (as per section 4) and in terms of duration and persistence/growth/decay. If these have been assessed in monetised terms, the estimated value could be included.</li> </ul>
8	<p>Insert or attach a high-level programme plan setting out key activities, milestones and timescales as well as an explanation of the proposed governance arrangements to oversee delivery.</p>
9	<p>Insert the top 5 risks and mitigation strategies along with an assessment of likelihood and impact with 0 being lowest likelihood and lowest impact and 4 relating to highest risk and likelihood.</p>
10	<p>In this section please insert a reference to the file name of the appropriate document and check the box to confirm that the document has been provided.</p>
11	<p>The declaration must be completed by the College Principal or equivalent. Applications without a completed declaration section will not be considered.</p>

## EXPRESSION OF INTEREST FORM

### SECTION 1: CONTACT INFORMATION

Applicant Name	[Redacted]
Applicant Address	[Redacted]
Project Address (if different from applicant)	[Type here]
Applicant Contact Name and Job Title	[Redacted]
Contact Telephone Number	[Redacted]
Contact Email	[Redacted]
UPIN	[Type here]

**SECTION 2: PROJECT DESCRIPTION & DETAILS**

Project summary (100 words)	[Redacted]
--------------------------------	------------

Total project cost	[Redacted]
Funding requested from FE Capital Programme	[Redacted]

Suitability against eligibility and minimum requirements (250 words)	[Redacted]
--	------------

[Redacted text block]

Please confirm that the proposal is State aid compliant (100 words)

[Redacted text block]

**SECTION 3: STRATEGIC FIT WITH FE CAPITAL, LEP PRIORITIES AND THE LEP JOBS & GROWTH PLAN (maximum 500 words)**

[Redacted text block]

[Redacted text block containing multiple paragraphs of obscured content]

**SECTION 4: OUTPUTS AND OUTCOMES, BENEFITS TO LEARNERS, EMPLOYERS AND ECONOMIC GROWTH**

**Section 4a: Skills employment and economic growth**

Outline how the project addresses local skills needs and challenges  
  
(100 words)

[Redacted text block for the outline of local skills needs and challenges]

	[Redacted]
<p>Explain how the project will benefit local employment and economic growth</p> <p>(100 words)</p>	[Redacted]
<p>Explain how the project will involve/deliver collaboration with businesses and other institutions to maximise jobs growth</p> <p>(100 words)</p>	[Redacted]
<p>Explain how the proposal compliments existing provision in the skills sector(s) relevant to the application and how the proposal links into other related proposals or provision, known to the applicant.</p> <p>(100 words)</p>	[Redacted]

**Section 4b: Outputs**

Output	Annual total – number (as relevant)	Total - number (as relevant)	Comments
Number of existing learners supported (each year)	[Redacted]	[Redacted]	[Redacted]
Number of new learners supported (each year)	[Redacted]	[Redacted]	[Redacted]
Jobs created as a result of the investment	[Redacted]	[Redacted]	[Redacted]
Increase in the number of apprenticeship starts (each year)	[Redacted]	[Redacted]	[Redacted]
Reduction in NEETs (each year)	[Redacted]	[Redacted]	[Redacted]
Number of LLDD supported (each year)	[Redacted]	[Redacted]	[Redacted]
Number of business supported \	[Redacted]	[Redacted]	[Redacted]



these in place we are unable to respond to the demand from employers to fill this critical skills gap.

Explain how the project supports the College's business plan and estates strategy (250 words)

The capital investment project is central to the FRA Strategic Plan and Estates Strategy 2015 – 2018.

To be an 'Outstanding' Learning Provider in every way

- Provide an excellent, safe and inclusive learning experience and conditions to succeed through the regeneration of FRA estate; to include cap ex redevelopment of space and facilities and latest tech offerings.
- Proactively respond to changes in skills needs within the industry to future proof our students careers.
- Increase the number of students that progress to employment, employment with training or higher study.
- Embed new forms of innovative blended learning techniques and technology into existing portfolio with a view of 10% of delivery being online by 16/17.
- Prepare students for success in the global and digital economy.

To diversify and grow the FRA provision

- Development of wider portfolio of qualification provision (including digital creative).
- Innovation of Traineeship and Apprenticeships.
- Reinstate and expand the Higher Education offer to include Access to HE, FDA, BA Honours Degree and a Postgraduate Certificate.
- Diversify the FRA offer, engage new audiences, diversify income and underpin innovations in curriculum via the creation of Hubs
  - Innovation Hub
  - Creative Hub
  - Business Hub
  - Retail Hub
- Continue to develop the FRA estate to increase capacity and improve the learning experience.

Financial Diversification and Stability

- Diversify our income streams and secure additional income to develop our future business base.
- Strengthen financial health of the FRA to support economic development and prosperity.

- Increase efficiency and utilisation through innovations to the delivery model and estate.

**Section 5b: Current details of the estate**

Nature of tenure (leasehold, freehold)

[REDACTED]

Total Gross Internal Area (GIA) of the Estate

[REDACTED]

**Section 5c Project Details – Capital Works**

**(to be completed if you are applying for funding for capital works)**

Describe the planned changes to the estate including a description of the final output to be delivered, and how this relates to changes in GIA. (250 words)

[REDACTED]

[REDACTED]

- [REDACTED]
  - [REDACTED]
  - [REDACTED]
  - [REDACTED]
  - [REDACTED]
  - [REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]
  - [REDACTED]
  - [REDACTED]

[REDACTED]

Outline the nature of the works to be undertaken as part of the project. (250 words)

[REDACTED]

[REDACTED]

- [REDACTED]
  - [REDACTED]



[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
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[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]

Total area GIA to be improved (number)	[Redacted]
Total area GIA to be rationalised (number)	[Redacted]
Total new area GIA to be constructed (number)	[Redacted]
Net change to total GIA area (number)	[Redacted]
Details of any planned acquisitions and, or disposals	[Redacted]
Insert details of relevant planning applications and approvals (secured or required)	[Redacted]

Explain the project's approach to sustainability and plans to achieve BREEAM excellent rating (for new build), very good (for refurbishment)

Briefly state how the project will address any actions or recommendations of any recent Ofsted Report(s).

[Redacted content]

**Section 5d: Project Details - Equipment**  
**(to be completed if you are applying for funding for equipment)**

Describe the purpose of the planned investment and output to be achieved (250 words)

[Redacted content]

Insert details of the specialist equipment that you intend to purchase including cost (250 words)

- [Redacted content]
- [Redacted content]
- [Redacted content]

<b>SECTION 6: COSTS, FUNDING &amp; EXPENDITURE PROFILE</b>				
<b>Section 6a: Costs</b>				
		£	Comments	
Project costs (construction)		[REDACTED]	[REDACTED]	
Project costs (fees)		[REDACTED]	[REDACTED]	
Equipment costs (total cost)		[REDACTED]	[REDACTED]	
Total project cost		[REDACTED]	[REDACTED]	
Evidence supporting cost estimate		[REDACTED]		
<b>Section 6b: Funding</b>				
Total match funding secured.		[REDACTED]		
Source(s) of match funding.		[REDACTED]		
Evidence of match funding (attach supporting documents if relevant).		[REDACTED]		
<b>Section 6c : Expenditure profiles</b>				
	2015/16	2016/17	Future	Total
FE Capital Programme (requested)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Match funding secured	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>SECTION 7: VALUE FOR MONEY AND AFFORDABILITY</b>				
Outline investment appraisal (NPV if calculated)	[REDACTED]			
<i>Insert file name if attached.</i>	[REDACTED]			
Capital costs	[REDACTED]			
Running costs (please outline headline changes to running and maintenance costs arising as a result of the investment)	[REDACTED]			
Quantified outputs, outcomes and savings (values of these, if estimated)	[REDACTED]			

	[REDACTED]			
Provide a summary of the applicant's recent financial performance, including auditors' opinion on current and prospective financial stability.	[REDACTED]			
<b>SECTION 8: PROGRAMME</b>				
Outline programme plan (please insert or attach specifying relevant file name here).	See attached			
Please summarise your planned or existing governance arrangements to oversee delivery of the project.  (150 words)	<p>The FRA benefits from a well established Facilities team who will oversee the project with direct oversight from the Principal.</p> <p>Aside from this operational level of governance procurement will select a range of contractors to undertake specific elements of the capital plan. By the nature of the work involved the overall project will be overseen on a day to day basis by the manager or director in the area for which the work falls:</p> <ul style="list-style-type: none"> <li>• The Head of Estates – estates improvement</li> <li>• The Finance Director – overall project management</li> <li>• The Director of IT and Funding – IT infrastructure</li> <li>• The Principal – overall governance</li> <li>• Key retail sponsors including Arcadia – additional external governance</li> </ul>			
<b>SECTION 9: RISKS &amp; MITIGATION</b>				
	Risk description	Mitigation	Likelihood 0-4	Impact 0-4
1	The FE capital bid will not be successful in securing the funds needed to match the employer match secured.	-	2	4
2	Delay in delivering some of the conversions	Change to the timetables and accommodation in other classrooms with new equipment for teaching to remain being taught (over week-ends if required)	2	2
3	The project fails to deliver the outcomes proposed	The project team and wider executive team are well aware of the plan. The proposed project is fundamentally aligned to the new strategic plan and staffing capacity and capabilities have been mapped in each department. This will ensure that the space is utilised for the	2	2

		purpose intended and the FRA team maximise opportunities to deliver the intended impact.		
4	IT development not on track	Development to take place on a mirror basis and switch only when all equipment and set up are tested	2	1
5	Project will overspend	Detailed costings and quotations have taken place and the project team, as described above will monitor the plan bi-weekly to ensure adherence to the quotations.	1	2

#### SECTION 10 : SUPPORTING DOCUMENTS

Document	Reference <i>(please insert reference to name of attached file)</i>	Tick to confirm
College Business Plan	[REDACTED]	<input type="checkbox"/>
Estates Strategy	[REDACTED]	<input type="checkbox"/>
Annual accounts for the previous three years	[REDACTED]	<input type="checkbox"/>
High level capital budget v outturn for previous three years	[REDACTED]	<input type="checkbox"/>
Evidence of approval for this application from the Governing body or equivalent	[REDACTED]	<input type="checkbox"/>

#### SECTION 11 : DECLARATION

Declaration	[REDACTED]
Signature (College Principal)	[REDACTED]
Print Name	[REDACTED]
Date	[REDACTED]

# FRA Refurbishment Project - Donation in Kind

Name	Job Title	No of Days	No of Hours	Hourly Rate £	Total Cost £k
[REDACTED]	Senior Project Manager	5	35	100	4
[REDACTED]	Project Manager	70	490	75	37
[REDACTED]	Designer	45	315	30	9
[REDACTED]	Designer	45	315	30	9
[REDACTED]	Group Chief Executive	5	35	700	25
[REDACTED]	Property Director	5	35	500	18
[REDACTED]	Head of Design	5	35	150	5
[REDACTED]	Finance Controller	5	35	100	4
<b>TOTAL</b>		<b>185</b>	<b>1,295</b>	<b>85</b>	<b>110</b>

## FE Capital Investment Fund Round 2 Fast track – Further Clarifications

Applicant Name: Fashion Retail Academy

Please see the below clarifications. These clarifications are from our external advisers in costs and building surveying and from the evaluators. Please note that the expected percentages for preliminaries, risk and inflation are based on bench marking against current schemes.

GLA Ref.		Clarification question	Response
C	1	Has the contract for main works now been awarded? If yes please update the cost plan template, the programme and the monthly expenditure profile and update whether the costs are forecast or final cost as appropriate?	The contracts for main works have been awarded. Attached are Appendices 7, 8 & 19 revised to reflect the actual costs.
C	2	The Initial Order of Cost Estimate does not reflect the level of design information available; Stage 3 architectural drawings have been included, but the cost estimate has very little pricing detail. Costs have been applied on a general £/ft <sup>2</sup> basis using gross internal floor area and no specific measurements have been undertaken, e.g. new partitions and doors have been priced on the overall GIFA rather than being measure and quantified. This approach is more common with feasibility estimates and is not deemed appropriate for this stage of a project. Can you review and provide justification or inform us of any changes?	Attached as Appendix 23 is the FRA Tender Report with a clear breakdown of the costs per floor as received from the main contractors (building, mechanical and electrical). Since then some negotiations have taken place in reducing even further some of these costs as illustrated in the new revised Update cost Plan.
C	3	The ground floor works, as detailed in the supporting cost estimate, states "No Works to ExWc's G24/24A" (assumed to mean "existing WCs"). However, the Architect's Room Schedule Brief states "New WC's, cubicles and basins, new finishes to floors and walls" to G24 and similar finishes to G24A. This implies that the estimated costs do not fully reflect the works. Please can you review and provide justification or inform us of any changes?	There were some alterations to some of the plans that took place further down the lines. Attached in Appendix 24 are the plans as issued by the Architects in the tender submissions.
C	4	We would expect Preliminaries to be between 8-10% not 3%. Please provide justification or review allowances with the contractor input and inform us of any changes?	The preliminaries represent 6% of the total building work as submitted by the main contractor. These are definitive numbers. The contractor is a preferred supplier of Arcadia and does not see

			any changes to its preliminaries amount.
C	5	We would expect Risk allowances to be nearer 8-10% rather than 4%. Please provide justification or review allowances with the contractor input and inform us of any changes?	The risk allowance is reflecting the fact that the project has been very tightly managed by the Arcadia Project manager and that all details have been reviewed and anticipated. Contractors have allowed for some provisional sums.
C	6	There are no inflation allowances we would expect 1.3%. Please provide justification or review allowances with the contractor input and inform us of any changes??	There is no inflation as the contract work is based on 10 weeks schedule to be delivered by 31 August on a fixed agreed price and reflected in the contract.
C	7	Overheads and profits are not included please justify or review allowances with the contractor input and inform us of any changes?	All contractors following their submission were asked to remove any profit in that work and to provide at a cost basis. This is reflected in the revised numbers as shown in the Updated cost Plan.
C	8	Please confirm the programme completion date as the programme shows 31st August, the FE Capital cost breakdown states 30th September 2015 and the monthly expenditure profile Dec 2015. Please revise the programme/ monthly expenditure profile as necessary (this should now be fixed following tender/contract award).	Completion is expected on 1 <sup>st</sup> September with formal and final handover of the whole building on 6 <sup>th</sup> September. Revised programme as attached.
C	9	Can you explain why there are large sums in the monthly expenditure profile in Oct-Dec 2015 despite project completion in 30th August/ September 2015?	Payments for contractors are 30 days from invoice end of month. The main contractors schedule of payments are: <ul style="list-style-type: none"> <li>- 25% after 4 weeks, provided that the Trade Contractor has complied with the Contract Programme (invoice on 22<sup>nd</sup> July, payment 31<sup>st</sup> August)</li> <li>- 25% after 8 weeks, provided that the Trade Contractor has complied with the Contract Programme (invoice 22<sup>nd</sup> August, payment 30<sup>th</sup> September)</li> <li>- 25% on practical completion of the Trade Contract Works (invoice 1<sup>st</sup> September, payment 30<sup>th</sup> September)</li> <li>- 20% on completion of snagging (invoice 8<sup>th</sup> September, payment 30<sup>th</sup> October)</li> <li>- 2.5% on delivery of health and safety file (invoice 8<sup>th</sup> September, payment 30<sup>th</sup> October)</li> <li>- 2.5% on agreement of final account and satisfactory rectification of defects identified in the Rectification Period.</li> </ul>



C	10	Is the project intended to be subject to a formal BREEAM Assessment, the application is unclear whether BREEAM (very good) will be achieved and where the costs for this process have been covered?	There is no intention to carry out a formal BREEAM assessment as the cost would be prohibitive.
C	11	Can you confirm that the agreed contract sum includes for all necessary works? E.g. costs of BREEAM (Very good)?	yes
C	12	The risk register doesn't include detailed construction risks. Please undertake a full risk assessment with the appointed main contractor to define potential project impacts.	Appendix 29 is the CPHSP from main contractor.
C	13	Please review VAT allowance or explain the application of 18.44%	See new Appendix 19
B	14	Can you provide a description of the intended mechanical, electrical and voice/data works, what are they and how are they allowed for in the cost plan?	Mechanical work – mainly dealing with air circulation in some rooms. Appendix 31 drawings Electrical work – rewiring new lighting system, hard wiring the whole fire alarm system. Appendix 31 drawings Data/ voice works – installing new data cabling for all new IT equipment. Appendix 31 drawings
B	15	Please provide a copy of Marwick Architects drawing 1506/100 to allow proposed internal finishes to be reviewed against suitability and budget cost.	Appendix 25
B	16	Please provide written confirmation obtained from the Landlord that formal approval to the alterations is not required, or that a formal application for consent is lodged with the Landlord.	Appendix 26 is a signed Licence for Alteration as agreed with the landlord. I have requested a scanned copy from our solicitor which should be on its way.
B	17	Please provide information on the procurement routes used already and going forward, as well as the form of contract to be used, defects liability periods and retentions?	Appendix 27 is a copy of the contract used for appointing the main contractors.  Procurement for the main building, M&E work was made through Arcadia & FRA preferred supplier list. Furniture and lightings are being procured through the services of an independent furniture dealer Showcase and approved Arcadia suppliers.
B	18	The application form makes reference to the installation of double glazing – is this included in the cost plan, and if so where?	Additional double glazing will be installed in 3 rooms of the building. All of them have been priced by the main contractor and included in the Appendix 23 summary of tenders in lines Part 6 Fixtures / fittings, Part 7 Fixtures / fittings and Part 8 Fixtures/ fittings.

B	19	How do the various parts of the procurement and installation process fit together, i.e. construction, IT infrastructure and equipment, furniture, lift, etc.	The main Programme plan Appendix 28 has already scheduled most of the work. The IT infrastructure and equipment will be worked on parallel from 1 July 2015 and installation will take place in server rooms week starting 03 <sup>rd</sup> August. IT equipment will be installed in classrooms and hubs in the week starting 1 <sup>st</sup> September.
B	20	From the application form it is not clear how the specialist equipment will be procured/ purchased. Will this be procured directly through FRA or the contractor? If the specialist equipment is procured/purchased by FRA please ensure that the specialist equipment as identified in the application form are included in the appropriate line of the cost plan – i.e. under 11.9 not 4.0	All specialist equipment has been tendered through 3 suppliers and the tender has been supported by Arcadia buying department. This equipment will be purchased by FRA so that FRA can benefit from the support and the warranty on this.
B	21	When does the Academy reopen for teaching, how is the fitting out programmed to meet this start date?	The formal start of teaching is on 7 <sup>th</sup> September 2015. The whole work will be completed and handed over for snagging on 1 <sup>st</sup> September. Some handover of some floors or areas with completed snagging may take place earlier during the month of August.
B	22	What considerations have been given to the operation of the Academy in the event that all works are not completed by the advised date?	If some work are not completed in time, the potential delay will be flagged out at earlier as possible and completion will be given to teaching delivery areas. The whole building will not be fully timetabled until February 2016.
O	23	Can you clarify why you have assessed the benefits for only 5 years? We normally expect benefits to be assessed over a longer period and in your case the remainder of your lease which is 10 years.	10 years calculation has now been made on the assumption that further significant capital investment will take place within that period. This remains questionable as in the world of retail fashion and digital things are changing very rapidly and the current investment may have to be consolidated with some further investments in future years in order to sustain the level of outputs and outcomes in years 6 to 10.
O	24	The programme is very high level and no details of construction in the programme. Please include a construction programme.	Appendix 28 is the project programme in details as approved by CDM.
0	25	Please keep us updated on the 90k of match funding.	Currently the picture is : £68,000 from FRA surplus 2014/15 £22,000 from Oracle & Experian in kind (confirmation letter available next Tuesday)

0	26	Please include a timetable for when proposed environmental measures will be introduced and how their impact will be monitored and reported	See appendix 30
0	27	Have you explored the provision of cycle parking bays on site?	Yes and have contacted both councils to discuss possibility to have additional cycling bays made available. Westminster Council has indicated that some bays had been installed at the corner of Tottenham Court road. FRA external space is very limited and no sufficient space for such provision is possible. The Rathbone Place redevelopment has cycling parking included in its plan.
0	28	Please develop your answer to 4.a (ii) and explain how your project explains or capitalises on wider regeneration /change in the West End e.g. Rathbone Place redevelopment, Crossrail	One of the key criteria of success of this project is to provide small and large businesses with the opportunity to develop, test and commissioned new approaches to fashion retail with the support and expertise of a wide range of industry specialists, in a fit-for-purpose environment. The Fashion Retail Academy building is a stone throw from the Rathbone Place redevelopment and some of the new public routes being created will be having sight to the new Retail Hub with its window display onto Rathbone Place. This development is the largest development in Fitzrovia in recent years with 33,000 sq metres of office floorspace, 5,700 sq metres of restaurant and shops. Simultaneously Tottenham Court station and its surrounding is being redeveloped as part of the Urban Realm of Crossrail. Fashion Retail Academy new refurbishment will benefit from these programmes and with a busy and organised environment the academy will be able to offer start-up businesses and some large businesses with the ideal location to present, pilot and display new initiatives.
0	29	In the prospectus it states that "applicants should demonstrate an ability to provide 2:1 match funding (meaning that for every £1 invested from the FE Capital Fund, there should be an additional £2 invested from other sources). The LEP acknowledges that it has a responsibility to learners as a funder of further education capital investment in London and to support skills providers in their duty to ensure that learning environments are safe and fit for purpose in meeting the needs of businesses and learners alike. Therefore a lower match commitment may also be considered where the	Business attached as sent on 19.06.15

		<p>proportion of estate in poor condition (SFA classification of C or D category) is 40% or higher. Applicants will need to demonstrate a strong business case for the enhanced grant commitment.”</p> <p>We were expecting to see in your application a case for not meeting the prospectus requirements therefore please present a strong business case for requesting a higher proportion of match.</p>	
E	30	<p>Please provide further information on inclusive design or access. For example how you will ensure accessibility for disabled students?</p>	<p>The current facility already includes:  A wheelchair lift access at the reception and another to access the redeveloped Digital Hub on the ground floor. We have three lifts on site. The two main public lifts are part of the refurbishment programme and will be equipped with card reader restriction access which will enable a limited access to the lifts for visitors, staff and disabled or temporarily incapacitated students. The front reception desk will be provided with a lower recess area for enabling ease of access for disabled chair users.</p>

# **INITIAL ORDER of COST ESTIMATE**

for the proposed

## **FIT OUT WORKS**

at

## **FASHION RETAIL ACADEMY**

for the

## **ARCADIA GROUP LTD**

**6th May 2015**

**GB | Fitzsimon LLP**  
**Construction Cost Consultants**  
**74-76 St. John Street**  
**London**  
**EC1M 4DZ**

## **Fashion Retail Academy**

### **Initial Order of Cost Estimate For Proposed Fit Out Works**

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#### **General**

The following report outlines the initial order of cost estimate for the proposed fit out works at the Fashion Retail Academy, 15 Gresse Street London. Costs are for budgetary purposes at this stage pending design information but nevertheless give a fair indication of the likely outturn cost based on the level and detail of information provided to date

#### **Basis**

Costings are based on initial General Arrangement drawings and outline sketch proposals prepared by Markwick Architects issued 19/3/15

#### **Internal Floor Area of Affected Work Area**

3,660 m<sup>2</sup> or 39,500 ft<sup>2</sup>

#### **Out-Turn Cost**

Projected out-turn cost is budgetted at **£1,303,000** (ex VAT); **£1,563,600** (inc VAT)

#### **Specific Exclusions**

Removal of deleterious material (e.g. asbestos)

Works have been calculated as one continuous project. Costs will have to be re-calculated if works are broken down into various 'mini' projects

Assumes competitive procurement route

Legal Fees and Charges

BREEAM

Assumes on site June 2015

## Fashion Retail Academy

### Schedule of Areas

<b>Areas Affected By The Works</b>	<b>m2</b>	<b>ft2 (Rounded)</b>
<b>Basement Floor</b>	565	6,000
<b>Ground Floor</b>	430	4,700
<b>First Floor</b>	445	4,800
<b>Second Floor</b>	750	8,000
<b>Third Floor</b>	550	6,000
<b>Fourth Floor</b>	600	6,500
<b>Fifth Floor</b>	320	3,500
<b>Total</b>	<b>3,660</b>	<b>39,500</b>

**Fashion Retail Academy****06/05/2015****Budget Cost Summary****Sqft****39,500****Item Description****£****£/ft2****1.00 Main Contract Works**

1.01	Basement Floor	£145,000	£3.67
1.02	Ground Floor	£122,000	£3.09
1.03	First Floor	£39,000	£0.99
1.04	Second Floor	£154,000	£3.90
1.05	Third Floor	£57,000	£1.44
1.06	Fourth Floor	£61,000	£1.54
1.07	Fifth Floor	£30,000	£0.76
1.08	<b>Signage / Graphics</b>		
	Signage; Allowance for new internal signage	£10,000	£0.25
	Graphics; Allowance for new internal graphics / vinyls	£5,000	£0.13
1.10	<b>Security</b>		
	Tagging; relocate existing system at library	£1,000	£0.03
	Alarms; alter existing system	£2,500	£0.06
	CCTV; alter existing system	£3,000	£0.08
	Door Entry System	£5,000	£0.13
1.12	<b>Fire Alarm Replacement</b>	£25,000	£0.63
1.13	<b>Preliminaries; Site Set Up; Site management etc</b>	£40,000	£1.01

**2.00 Direct Orders**

2.01	<b>Furniture</b> , Budget Pending Design	£200,000	£5.06
2.02	<b>IT / DATA / Telecom</b> ; Budget Pending Full Brief	£225,917	£5.72
2.03	<b>Lift Repairs</b> ; Budget Pending Tender	£70,000	£1.77
2.04	<b>Security Guards</b>	£8,000	£0.20

**3.00 Professional Fees**

£58,500 £1.48

**4.00 Contingency (3%) For any elements of Unforeseen Work**

£40,783 £1.03

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**£1,302,700 £32.98**

SAY

**Total Budget Cost (Excl VAT)****£1,303,000****Total Budget Cost (Incl VAT)****£1,563,600 £39.58**



## Fashion Retail Academy

Basement Floor Works		Sqft	6,000
Item	Description	£	£/ft2
<b>1.00</b>	<b>Canteen Seating Area (B19)</b>		
1.01	Strip Out / Demolitions	4,850	0.81
1.02	Make good wall finishes / dry lining	1,800	0.30
1.03	New vinyl tile flooring	11,250	1.88
1.04	Decorations	6,350	1.06
1.05	Install new furniture	1,900	0.32
<b>2.00</b>	<b>Library (B04+B06)</b>		
2.01	Strip Out / Demolitions inc ceiling	2,100	0.35
2.02	New partitions & glass doors	9,300	1.55
2.04	New sound absorbing flooring (Carpet Tile)	9,450	1.58
2.05	Decorations	7,600	1.27
2.06	Install new furniture	2,100	0.35
2.09	Built-In Seating	2,000	0.33
2.10	Built-In Library Perimeter Shelving	7,000	1.17
2.11	Staircase, retain risers & nosings; new vinyl to treads	1,000	0.17
<b>3.00</b>	<b>Mac Room &amp; PC Room (BXX / B02)</b>		
3.01	Strip Out / Demolitions	2,975	0.50
3.02	New partitions / Doors	2,550	0.43
3.03	New sound absorbing flooring (Carpet Tile)	4,275	0.71
3.04	Decorations	4,350	0.73
3.05	Install new furniture	950	0.16
<b>4.00</b>	<b>Atrium</b>		
4.01	High level decorations to atrium including access <i>Note; no works to tiled areas</i>	9,250	1.54
<b>5.00</b>	<b>Courtyard</b>		
5.01	Retain floor allow to jetwash	250	0.04
5.02	Decorations (up to 3mH)	1,575	0.26
<b>6.00</b>	<b>M&amp;E</b>		
6.01	Mechanical; alter system to suit new layout	11,000	1.83
6.02	Electrical	24,000	4.00
6.03	BWIC Services (5% services total)	1,750	0.29
6.04	Lighting Supply	15,000	2.50
		<b>144,625</b>	<b>24.10</b>
		SAY	
	<b>Total Carried To Summary</b>	<b>145,000</b>	

## Fashion Retail Academy

Ground Floor Works		Sqft	4,700
Item	Description	£	£/ft2
<b>1.00</b>	<b>New Retail Hub (G01/02/03/33)</b>		
1.01	Strip Out / Demolitions	5,000	1.06
1.02	New partitions	4,950	1.05
1.03	Glass Sliding door	3,000	0.64
1.04	New vinyl tile flooring	5,000	1.06
1.05	Decorations	3,375	0.72
1.06	Install new furniture	1,500	0.32
1.07	Film to glazing	1,500	0.32
1.08	Retail Fit Out - Fixtures / Cash Desk / Joinerywork	15,000	3.19
<b>2.00</b>	<b>Technical Innovation Hub (G31/04/05/06)</b>		
2.01	Strip Out / Demolitions	6,050	1.29
2.02	New partitions & Doors	2,800	0.60
2.03	New vinyl tile flooring	5,500	1.17
2.04	Decorations	5,250	1.12
2.05	Install new furniture	1,100	0.23
2.06	Works to existing balustrading	3,000	0.64
<b>3.00</b>	<b>Entrance Area / Corridors (GXX / G20)</b>		
3.01	Strip Out / Demolitions	1,375	0.29
3.02	Prepare walls / dry lining	2,800	0.60
3.03	Retain flooring, make good	750	0.16
3.04	Decorations	5,475	1.16
3.06	Allowance for storage area	2,000	0.43
	<i>Note: No Works to ex WC's G24 / G24A</i>		
<b>4.00</b>	<b>Display Windows (G11 - G18)</b>		
4.01	Strip Out / Demolitions	200	0.04
4.02	Decorations	2,550	0.54
4.03	Install new furniture	200	0.04
<b>5.00</b>	<b>Works to Façade</b>		
5.01	Paint to rendered part of elevation	3,500	0.74
5.02	Respray re-paint FRA sign	1,500	0.32
<b>6.00</b>	<b>M&amp;E</b>		
6.01	Mechanical; alter system to suit new layout	10,000	2.13
6.02	Electrical	17,000	3.62
6.03	BWIC Services (5% services total)	1,350	0.29
6.04	Lighting Supply	10,000	2.13
		<b>121,725</b>	<b>25.90</b>
		SAY	
	<b>Total Carried To Summary</b>	<b>122,000</b>	

## Fashion Retail Academy

1st Floor Works		Sqft	4,800
Item	Description	£	£/ft2
<b>1.00</b>	<b>Technicians Store (104)</b>		
1.01	Strip Out / Demolitions	200	0.04
1.02	Retain ex partition / Door	0	0.00
1.03	Retain Floor Make good	200	0.04
1.04	Decorations	638	0.13
1.05	New Shelving	350	0.07
<b>2.00</b>	<b>Extended Design Studio (1XX)</b>		
2.01	Strip Out / Demolitions	1,200	0.25
2.02	New partitions / Door	2,250	0.47
2.03	New vinyl tile flooring	1,500	0.31
2.04	Decorations	950	0.20
2.05	Install new furniture	300	0.06
	<i>Note: No works to existing design Studio</i>		
<b>3.00</b>	<b>Admin Office (117)</b>		
3.01	Strip Out / Demolitions	500	0.10
3.02	Allowance for partition alterations	500	0.10
3.03	New vinyl tile flooring	2,500	0.52
3.04	Decorations	2,000	0.42
3.05	Install new furniture	800	0.17
<b>4.00</b>	<b>Classroom (102 / 101)</b>		
4.01	Strip Out / Demolitions	715	0.15
4.02	New vinyl tile flooring	7,150	1.49
4.03	Decorations	4,168	0.87
4.04	Install new furniture	1,430	0.30
<b>5.00</b>	<b>Mezzanine Floor Lecture Theatre (107)</b>		
5.01	Remove existing seating	400	0.08
<b>6.00</b>	<b>Corridors (108 / 109)</b>		
6.01	Decorations	4,238	0.88
6.02	Cladding to columns to remain - no works	0	0.00
6.03	New Black-Out Blinds to corridor windows (106)	1,050	0.22
	<i>No Allowance for decorations to corridor 106</i>		
<b>7.00</b>	<b>M&amp;E</b>		
7.01	Mechanical; alter system to suit new layout	1,500	0.31
7.02	Electrical	2,500	0.52
7.03	BWIC Services (5% services total)	200	0.04
7.04	Lighting Supply	2,000	0.42
		<b>39,238</b>	<b>8.17</b>
		SAY	
	<b>Total Carried To Summary</b>	<b>39,000</b>	

**Fashion Retail Academy**

**Second Floor Works**

		<b>Sqft</b>	<b>8,000</b>
<b>Item</b>	<b>Description</b>	<b>£</b>	<b>£/ft2</b>
<b>1.00 IT Store &amp; Classroom (203 / 204)</b>			
1.01	Strip Out / Demolitions	515	0.06
1.02	New sound absorbing flooring (Carpet Tile)	3,825	0.48
1.03	Decorations	3,300	0.41
1.04	Install new furniture	1,030	0.13
	<i>Note: No flooring required to room 204</i>		
<b>2.00 Office (220 / 219 / 213C / 213D)</b>			
2.01	New sound absorbing flooring (Carpet Tile)	2,160	0.27
2.02	Decorations	3,190	0.40
	<i>Note: No flooring required to room 220</i>		
<b>3.00 Classroom (202 / 201)</b>			
3.01	Strip Out / Demolitions	705	0.09
3.02	New sound absorbing flooring (Carpet Tile)	6,345	0.79
3.03	Decorations	4,310	0.54
3.04	Install new furniture	1,410	0.18
<b>4.00 New Office in Open Corridor (213 A+B)</b>			
4.01	New partitions / Door	1,900	0.24
4.02	Retain ex ceiling	0	0.00
4.03	New sounds absorbing flooring (Carpet Tile)	900	0.11
4.04	Decorations	1,050	0.13
4.05	Install new furniture	200	0.03
<b>5.00 Offices (210 + 211)</b>			
5.01	New partitions & door	1,950	0.24
5.02	New glazed screen	2,500	0.31
5.03	Make good ceiling	500	0.06
5.04	New sounds absorbing flooring (Carpet Tile)	1,575	0.20
5.05	Decorations	1,780	0.22
5.06	Install new furniture	350	0.04
<b>6.00 Business Hub / Boardroom (209 / 208 / 207 / 206)</b>			
6.01	Strip Out / Demolitions	8,250	1.03
6.02	New Partitions / Doors	9,750	1.22
6.03	Glazed entrance screen / door	2,500	0.31
6.04	Infill central ceiling feature to Business Hub	3,250	0.41
6.04	New Ceiling to boardroom	2,500	0.31
6.05	New sound absorbing flooring (Carpet Tile)	12,375	1.55
6.06	Decorations	8,200	1.03
6.07	Install new furniture	2,750	0.34
6.08	New Business Pods (5No)	20,000	2.50
6.09	Storage unit	5,000	0.63
<b>7.00 Corridor (213)</b>			
7.01	Decorations	4,088	0.51
7.02	Cladding to columns	750	0.09
7.03	Glazed VM display	3,000	0.38
<b>8.00 M&amp;E</b>			
8.01	Mechanical; alter system to suit new layout	13,000	1.63
8.02	Electrical	12,000	1.50
8.03	BWIC Services (5% services total)	1,250	0.16
8.04	Lighting Supply	6,000	0.75
		<b>154,158</b>	<b>19.27</b>
		SAY	
<b>Total Carried To Summary</b>		<b>154,000</b>	

## Fashion Retail Academy

Third Floor Works		Sqft	6,000
Item	Description	£	£/ft2
<b>1.00</b>	<b>Classroom / Teaching Space (307)</b>		
1.01	Strip Out / Demolitions	900	0.15
1.02	Decorations	2,663	0.44
1.03	Retain existing flooring	0	0.00
1.04	Install new furniture	900	0.15
<b>2.00</b>	<b>New Creative Hub (306)</b>		
2.01	Strip Out / Demolitions	600	0.10
2.02	Paint Storage Cupboard	1,000	0.17
2.03	New Sink	750	0.13
2.04	Decorations	1,763	0.29
2.05	New vinyl tile flooring	3,000	0.50
2.06	Install new furniture	600	0.10
<b>3.00</b>	<b>Office (305 / 304 / 303)</b>		
3.01	Strip Out / Demolitions	960	0.16
3.02	Decorations	2,730	0.46
3.03	New sound absorbing flooring (Carpet tile)	4,320	0.72
3.04	Install new furniture	960	0.16
	<i>Note; no decorations to room 304</i>		
<b>4.00</b>	<b>Flexible Learning Space (312)</b>		
4.01	Strip Out / Demolitions	1,150	0.19
4.02	Make good ceiling	750	0.13
4.03	New plasterboard partition / door	1,800	0.30
4.04	Decorations	1,375	0.23
4.05	New sound absorbing flooring (Carpet tile)	1,800	0.30
4.06	Install new furniture	400	0.07
<b>5.00</b>	<b>Seminar Room (302 / 301)</b>		
5.01	Strip Out / Demolitions	1,350	0.23
5.02	Decorations	4,050	0.68
5.03	New sound absorbing flooring (Carpet tile)	6,075	1.01
5.04	Install new furniture	1,350	0.23
<b>6.00</b>	<b>Corridors (313 / 3XX / 311 / 310)</b>		
6.01	Decorations	6,000	1.00
6.02	Cladding to columns	750	0.13
6.03	Retain ex VM display	0	0.00
<b>7.00</b>	<b>M&amp;E</b>		
7.01	Mechanical; alter system to suit new layout	1,500	0.25
7.02	Electrical	4,500	0.75
7.03	BWIC Services (5% services total)	300	0.05
7.04	Lighting Supply	3,000	0.50
		<b>57,295</b>	<b>9.55</b>
		SAY	
	<b>Total Carried To Summary</b>	<b>57,000</b>	

## Fashion Retail Academy

### Fourth Floor Works

Sqft **6,500**

Item	Description	£	£/ft2
<b>1.00</b>	<b>Classroom (406)</b>		
1.01	Strip Out / Demolitions	750	0.12
1.02	Decorations	2,250	0.35
1.03	Retain flooring	0	0.00
1.04	Install new furniture	750	0.12
1.05	New secondary glazing to ex window	1,500	0.23
<b>2.00</b>	<b>New Office ex Stock (4XX)</b>		
2.01	Strip Out / Demolitions	130	0.02
2.02	Decorations	853	0.13
2.03	New sound absorbing flooring (Carpet tile)	585	0.09
2.04	Install new furniture	130	0.02
<b>3.00</b>	<b>Seminar Rooms (405 / 404 / 403 / 402 / 401)</b>		
3.01	Strip Out / Demolitions	2,950	0.45
3.02	Decorations	9,138	1.41
3.03	New sound absorbing flooring (Carpet tile)	13,275	2.04
3.04	Install new furniture	2,950	0.45
<b>4.00</b>	<b>New Classroom (4XX)</b>		
4.01	Strip Out / Demolitions	400	0.06
4.02	Decorations	1,375	0.21
4.03	New sound absorbing flooring (Carpet tile)	1,800	0.28
4.04	Install new furniture	400	0.06
<b>5.00</b>	<b>Corridors (417 / 4XX / 410 / 409)</b>		
5.01	Decorations	6,450	0.99
5.02	Cladding to columns	750	0.12
5.03	Glazed VM display	3,000	0.46
	<i>Note; No works to corridor 420</i>		
<b>6.00</b>	<b>M&amp;E</b>		
6.01	Mechanical; alter system to suit new layout	1,000	0.15
6.02	Electrical	6,500	1.00
6.03	BWIC Services (5% services total)	375	0.06
6.04	Lighting Supply	4,000	0.62
		<b>61,310</b>	<b>9.43</b>
		SAY	
	<b>Total Carried To Summary</b>	<b>61,000</b>	

**Fashion Retail Academy****Fifth Floor Works****Sqft****3,500****Item Description****£****£/ft2****1.00 Open Plan Office 1 (507)**

1.01	Decorations	3,338	0.95
1.02	New sound absorbing flooring (Carpet tile)	5,400	1.54

**2.00 Extended Kitchen (505)**

2.01	Strip Out / Demolitions	250	0.07
2.02	New partitions / Doors	1,350	0.39
2.03	Make good ceiling	500	0.14
2.04	Decorations	1,088	0.31
2.05	New vinyl tile flooring	1,500	0.43
2.06	Retain kitchen cupboards. Allow to extend worktop	750	0.21

**3.00 Office (504 / 5XX / 502 / 501)**

3.01	Decorations (No decorations required to Rooms 501 & 502)	1,960	0.56
3.02	New sound absorbing flooring (Carpet tile)	3,600	1.03
3.03	<i>Note: No Works to Office 503</i>		

**4.00 Corridors (5XX / 511)**

4.01	Decorations	2,488	0.71
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**5.00 M&E**

5.01	Mechanical; alter system to suit new layout	2,000	0.57
5.02	Electrical	3,500	1.00
5.03	BWIC Services (5% services total)	275	0.08
5.04	Lighting Supply	2,500	0.71

**30,498****8.71**

SAY

**Total Carried To Summary****30,000**

# FRA

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Fashion Retail Academy  
15 Gresse Street  
London W1T 1QL

Tel: 0300 247 4000  
+44 20 7307 2345  
Fax: 020 7307 2346

Dear Sir/Madam

This letter is to confirm that at its meeting of 12<sup>th</sup> May 2015, the Board of Directors of the Fashion Retail Academy approved the detailed application for a Further Education Capital Fund grant that was submitted on the 15<sup>th</sup> May 2015.



Graham Cooper  
Company Secretary



**HIGH LEVEL CAPITAL BUDGET VS OUTTTURN FOR 2011/12, 2012/13 & 2013/14**

FASHION RETAIL ACADEMY

BUDGET		
2011/12	2012/13	2013/14

1 FACILITIES

Improvements	11,200	8,800	25,000
Upgrades	7,000	28,700	42,380
New	38,700	12,450	14,000
	<b>56,900</b>	<b>49,950</b>	<b>81,380</b>

2 IT

Improvements	17,000	17,000	26,800
Upgrades	73,000	2,700	89,121
New	40,800	10,760	250,000
	<b>130,800</b>	<b>30,460</b>	<b>365,921</b>

GRAND TOTAL	<b>187,700</b>	<b>80,410</b>	<b>447,301</b>
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ACTUALS		
2011/12	2012/13	2013/14

14,323	8,750	34,634
7,000	7,000	3,946
34,586	52,284	70,018
<b>55,909</b>	<b>68,034</b>	<b>108,598</b>
16,200	-	28,794
143,080	83,664	8,036
18,780	5,000	175,525
<b>178,060</b>	<b>88,664</b>	<b>212,355</b>
<b>233,969</b>	<b>156,698</b>	<b>320,953</b>

14<sup>th</sup> May 2015

██████████  
Director of Finance and Resources  
Fashion Retail Academy  
15 Gresse Street  
London  
W1T 1QL

**By email:** ██████████@fra.ac.uk

Dear ██████████,

**State Aid advice in relation to an application to the FE Capital Investment Fund (“the Fund”)**

This letter is provided, as requested, to meet the requirement, under the Fund’s application procedure, for the Fashion Retail Academy (“the Charity”) to obtain and provide to the Fund specialist legal advice on the application of the European State Aid rules to the prospective grant.

We are specialist advisers on the particular application of the State Aid rules to charities and social enterprises, including educational institutions, in receipt of public sector funding. This specialisation is distinct from (albeit naturally related to) broader commercial Competition Law advice on State Aid, because for public benefit organisations the principal subject is always, by definition, public benefit activity, rather than private sector commercial activity.

**1. Legal considerations**

- 1.1 As a matter of European Union competition law protecting the functioning of the internal EU market, it is prohibited for member state authorities to: - *provide preferential advantage/subsidy; from state resources; to an “economic” (i.e. a commercial) undertaking; in relation to a competitive market; in a manner which will or may distort competition and will or may affect trade between member states.*
- 1.2 The European Commission has powers to investigate subsidies paid in contravention of this prohibition and to order member state governments to recover prohibited subsidies.
- 1.3 This is, in theory, a very significant risk to recipients, particularly in relation to capital funding and is a good reason why funders, such as the Fund, are concerned to ensure that recipients are properly advised on State Aid. The practical risk is extremely low and of course eliminated by funding provided properly within the State Aid rules.
- 1.4 State Aid rules do not apply technically in any different way to charities, such as the Charity. However, it is true that significant interpretation issues more often arise: firstly because public benefit activity is often not “economic” and “commercially competitive” in its nature and funding support for such activity is not State Aid; and secondly, because where public benefit activity is economic in a commercially competitive market, exemptions from the prohibition of subsidy from state funds, in the general public interest, are more likely to have application.
- 1.5 As I said in our telephone conversation, the application of the State Aid rules to publicly funded educational activity is clear. Such education is generally considered to be public and non-economic. Accordingly funding from state resources to undertakings delivering such educational activity and being funded to do so is not State Aid and not subject to any prohibition or restriction under the State Aid rules.



1.6 The State Aid rules however make a distinction between the non-economic public education functions of an educational institution and other activities, most obviously commercialised operation utilising the same base resources, which may be economic and subject to the State Aid rules. It is also true that some public service markets, including educational markets, are commercialised.

## 2. **Analysis in this case**

2.1 The Charity is an undertaking forming part of the public education sector. It is a registered charity and therefore by definition a public benefit and not a commercial organisation. It provides specialist further and related education with a focus on a particular retail skills sector. It is a registered and regulated recipient of mainstream public sector income funding for the education of the 16-19 years cohort through the Education Funding Agency and for further education through the Skills Funding Agency. On this basis, the Charity is not an economic undertaking for the purposes of the State Aid rules.

2.2 This position is reflected in the State Aid Guidance published by the Department for Business Innovation and Skills which says that: "*if a service is monopolised by a state body or charity and run on a non-commercial basis as a function of the state it is unlikely to be economic*". Although the Further Education sector is made up of public and private institutions, it is an integral part of the public sector managed education system in the UK and the Charity has its niche position within that public sector managed education system, relating to the particular retail sector it serves. It should be noted also that what might be described as "competition" for students within the public sector managed education system is not the same thing as commercial competition between commercial businesses.

2.3 It is also clear that, where vocational education involves engagement with businesses through the arrangement of work placements, training and apprenticeships, this, in mainstream education, this should be properly regarded as the provision of services by the employer to the educational institution, or the student, rather than subsidy of the employer by the educational institution.

2.4 The application for funding in this case is clearly for capital funding directly relating to the core public educational functions of the Charity. The application refers generally to the funds being required to upgrade infrastructure and physical resources, including through increasing classroom capacity; upgrading classroom facilities; developing online resources; and collaborating with other mainstream educational institutions. There is specific reference to the application of the capital funding being directed towards: qualifications; training and apprenticeship; an integrated higher education offer; and engagement with the employment sector for which the students are being educated. There is no indication of the proposed application of the funding being towards any activities which might need to be analysed by reference to whether they are economic activities for the purposes of the State Aid rules.

2.5 The activities to which this funding will be directed may be described, in State Aid terms, as "Services of General Interest" ("SGI"), which are not subject to the State Aid rules. This is clearly indicated by the public policy nature of and intention behind the Fund and the criteria which will apply to the selection of grant recipients.

2.6 It is our opinion that this is the proper analysis in this case. However, if that is not considered satisfactory, further considerations become relevant.

2.7 If it were to be suggested that the Charity is an economic undertaking, the next questions would be whether the prospective funding subsidy would or may distort competition, or will or may affect trade between member states. Strictly these are two further questions, although if there is an economic undertaking, both the further conditions are generally deemed to be present.

2.8 This would lead to a further set of questions about whether the funding subsidy would be categorised as in respect of Services of General Economic Interest ("SGEI"), rather than



SGI. It is for public authorities reasonably to determine what services are SGEI and a single economic undertaking may receive subsidy of up to €15 million in respect of such services. This is on the basis that although the undertaking is within a commercially competitive market, the public subsidy of the publicly beneficial activities is in the greater public interest and should not be constrained by the competition law principles. The creation of the Fund by the Government and its operation by the Local Enterprise Partnership would suggest that if categorisation as support for SGI is not considered to be applicable, categorisation as support for SGEI would be. Although, having said that, there is strong emphasis at the European Commission for SGEI to be specifically crafted as such rather than to be analysed as such it retrospectively.

- 2.9 The concept of SGEI for these purposes is not defined in the relevant legislation, though the European Commission has declared, in its Quality Framework, the following definition of an SGEI: “*SGEIs are economic activities which deliver outcomes in the overall public good that would not be supplied (or would be supplied under different conditions in terms of objective quality, safety, affordability, equal treatment or universal access) by the market without public intervention.*”
- 2.10 To apply this definition, the market is not providing capital funding for the enhancement of infrastructure and resources supporting the core educational activity of a public benefit further education institution in the form, or at the level, that is in the public interest. This justifies the public intervention.
- 2.11 At the next stage of analysis, if the funding were not considered to be in respect of SGI or SGEI, there is a more specific exemption regime under a General Block Exemption Regulation, with various categories of support, including in relation to training, employment and small business operation, to which aid may be given for certain costs in certain proportions. There is no need to go further into this exemption regime in this case.
- 2.12 At the next stage of analysis, de minimis provisions might be applicable. This allows for funding at the level of €500,000 for SGEIs and €200,000 otherwise to be given to any economic undertaking over a three-year period, on the basis that the funding levels are too low to have any effect on trade between member states and do not therefore need to be regulated for European competition law purposes.

### 3. **Conclusion**

- 3.1 Our advice, in this case, is straightforwardly, that the capital funding being applied for by the Charity would be in respect of the core educational activities of a non-economic public benefit educational institution, operating within the mainstream public benefit further education sector, which is sustained by state income funding.
- 3.2 On this basis it is not State Aid, but SGI funding, as the definition of State Aid requires the recipient of the funding to be an economic undertaking operating in a commercial competitive market.
- 3.3 If any further consideration is required in relation to this matter the issues relating to SGEI would become relevant.

Please let me know if you would like any further advice.

With best wishes,

Yours sincerely,

**Bates Wells Braithwaite**



# FURTHER EDUCATION CAPITAL INVESTMENT FUND

## CAPITAL COST BREAKDOWN

**Applicant name:** Lee Lucas

**Project name:** Fashion Retail Academy Building Development 2015

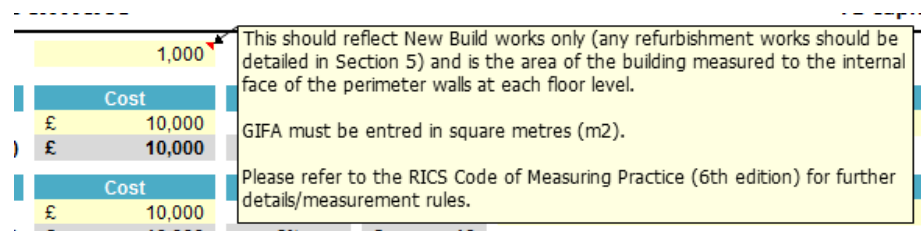
# 1. Guidance notes

## 1.1 General guidance

- 1 This section provides guidance as to how to complete this document. If further assistance is required, Applicants should email queries to the following address: [fecapital@london.gov.uk](mailto:fecapital@london.gov.uk)
- 2 This document must be completed by Applicants as part of their submission. The costs detailed within this document should reflect the full cost of undertaking the Capital Works as described by the Applicant in Section 5c of their Detailed Application Form (Project Details - Capital Works).
- 3 Applicants must also submit a cost estimate/cost plan in addition to completing this document to provide a full cost build-up, to include specific details of pricing assumptions, clarifications and exclusions.
- 4 Many of the cells within this document are auto-populated and Applicants are only required to populate cells shaded yellow. Applicants should, however, satisfy themselves that costs are correctly transferred throughout the document.

- 5 Some of the cells that require completion have guidance comments that appear when the cursor is moved over the cell (as per the example to the right).

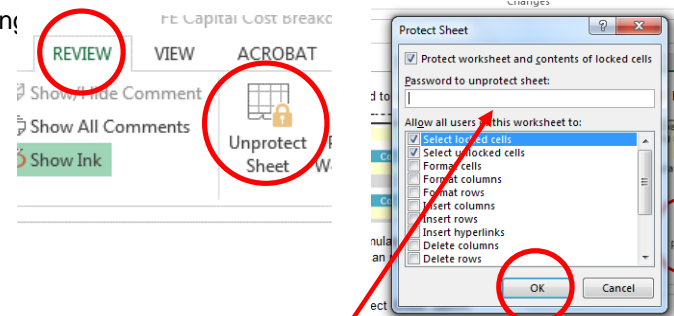
Such cells are identifiable by a small red triangle in the top-right corner.



- 6 Further to the above, cells that do not require completion have been protected to avoid formulas etc. being overwritten. However, this document is not password protected, and as such, Applicants can unprotect worksheets if required.

This can be done by selecting the "Review" section on the Excel toolbar, then the "Unprotect Sheet" button, as highlighted in picture to the right (older versions of Excel may appear different).

Similarly, protection can be reapplied using the "Protect Sheet" button under the same "Review" section. Users will be prompted to enter a password to re-protect the sheet but they should leave the password field blank and select the "OK" button (see further right).



Leave blank when protecting a sheet

It is strongly recommended that Applicants do not unprotect tabs unless absolutely necessary.

- 7 The structure of this document is generally in accordance with the RICS' New Rules of Measurement (NRM) 1 (Order of cost estimating and cost planning for capital building works).



# 1. Guidance notes

Accordingly, a number of NRM definitions have been used throughout, most of which are industry standard. For the avoidance of doubt, Applicants should specifically note the following:

GIFA (Gross Internal Floor Area) (or gross internal area (GIA))	The area of a building measured to the internal face of the perimeter walls at each floor level. Refer to the RICS Code of Measuring Practice (6th edition) for further details/measurement rules. To be denoted in square metres (m <sup>2</sup> ).
Base Date	The date on which rates and prices used to price the works are taken as a basis for calculations, e.g. if benchmark cost data from January 2015 is used as a basis to calculate the Capital Works' cost, the Base Date will be 1Q2015 (where 1Q = Jan-Mar, 2Q = Apr-Jun, 3Q = Jul-Sep, 4Q = Oct-Dec).
Tender Inflation	An allowance for fluctuations in the basic prices of labour, plant and equipment, and materials during the period from the estimate Base Date to the date of tender return.
Construction inflation	An allowance for fluctuations in the basic prices of labour, plant and equipment, and materials during the period from the date of tender return to the mid-point of the construction period.
Design development risk	An allowance (if deemed appropriate) for use during the design process to provide for the risks associated with design development, changes in estimating data, third party risks (e.g. planning requirements, legal agreements, covenants, environmental issues and pressure groups), statutory requirements, procurement methodology and delays in tendering.
Construction risk	An allowance (if deemed appropriate) for use during the construction process to provide for the risks associated with site conditions (e.g. access restrictions/limitations, existing buildings, boundaries, and existing occupants and users), ground conditions, existing services and delays by statutory undertakers.
Employer change risks	An allowance (if deemed appropriate) for use during both the design process and the construction process to provide for the risks of employer driven changes (e.g. changes in scope of works or brief, changes in quality and changes in time).
Employer other risks	An allowance (if deemed appropriate) for other employer risks (e.g. early handover, postponement, acceleration, availability of funds, liquidated damages for premiums on other contracts due to late provision of accommodation, unconventional tender action and special contract arrangements).

8 Applicants should seek specialist advice on VAT rates to ensure they are correctly applied to their forecast costs. General VAT guidance can be found here:

<https://www.gov.uk/business-tax/va> .

9 Applicants should seek guidance from an appropriately qualified construction professional when calculating inflationary allowances to include within their forecast costs, and inflation forecasts should be based on recognised, published industry data, e.g. BCIS Tender Price Indices or construction consultants' published data.

# 1. Guidance notes

## FE Capital Cost Breakdown

The below provides a brief example of how inflation can be calculated based on a Cost limit (excluding inflation) of £1,000,000 (i.e. the total forecast project cost excluding inflation and VAT):

<u>Description</u>	<u>Date</u>	<u>BCIS TPI*</u>
Base date	06-May-15 (2Q2015)	262
Estimated tender return date	20-Dec-15 (4Q2015)	267
Estimated start date	05-Jan-16 (1Q2016)	269
Estimated completion date	30-Oct-16 (4Q2016)	280
Estimated mid-point of construction	02-Jun-16 (2Q2016)	273

\*data taken from the BCIS on 5th May 2015

### Tender inflation

Cost limit (excluding inflation)	£	1,000,000	Total forecast project cost excluding inflation and VAT
Forecast inflation (%)		1.91%	Increase between Base date TPI (262) and tender return date TPI (267)
Tender inflation (£)	£	19,084	1.91% of the Cost limit (excluding inflation)

### Construction inflation

Cost limit (excluding inflation)	£	1,000,000	Total forecast project cost excluding inflation and VAT
Inflation change (%)		2.25%	Increase between tender return date TPI (267) and mid-point of construction TPI (273).
Construction inflation (£)	£	22,472	2.25% of the Cost limit (excluding inflation)

10 The page view can be changed to remove the page number watermarks throughout the document. This document has been set to "Page Break Preview" as the default; this can be changed under the "View" section on the Excel toolbar

## 1.2 Cover sheet

1 No action is required on the "Cover sheet" tab - the Applicant and Project names will be auto-populated from elsewhere.

## 1.3 Application details

1 Applicants should complete the cells shaded yellow as follows:

Applicant name	This should reflect the Applicant's name as detailed in Section 1 of the Applicant's Detailed Application Form.
Project name	This should reflect the project name as detailed in Section 2b of the Applicant's Detailed Application Form.

# 1. Guidance notes

Project description	This should be a brief description of the Capital Works only (generally reflecting Section 5c (ii) of the Applicant's Detailed Application Form).
Base Date:	Base Date of the cost estimate (refer to 1.1.7 above for definition).
Estimated tender return date:	Estimated/indicative date for the Capital Works tender return (this should align with the Applicant's programme submission).
Estimated start date:	Estimated/indicative date for commencement of the Capital Works (this should align with the Applicant's programme submission).
Estimated completion date:	Estimated/indicative date of completion of the Capital Works (this should align with the Applicant's programme submission).

2 The remaining data is auto-populated from elsewhere in the document and is for ease of reference.

## 1.4 Cost summary

1 This section is auto-populated from Sections 4 and 5 (New Build Works estimate and Refurbishment Works estimate respectively). Accordingly, the Applicant does not need to input any data on this sheet, but should satisfy themselves that the sums etc. have been transferred correctly.

## 1.5 New Build Works estimate

- 1 This section is to provide an elemental cost summary of New Build works associated with the Applicant's Capital Works. Please note, any refurbishment works should be captured within Section 5 (Refurbishment Works estimate).
- 2 If the Applicant's project does not include any New Build works, this section should be left blank.
- 3 The Applicant must complete the Gross Internal Floor Area (cell F6) for the New Build works element (refer to 1.1.7 for GIFA requirements).
- 4 Elemental cost totals should be entered in the yellow shaded cells within the "Cost" column (column F, from row 9). These totals should reflect the costs detailed in any supporting cost estimate/cost plan as provided by the Applicant in accordance with 1.1.3 above.
- 5 The "Comments" column (column L) should be used to provide narrative/commentary where appropriate.

This should include details of any deviations from costs detailed in supporting cost estimates/cost plans, e.g. if the Main Contractor's Overheads and Profits (OH&P) are included within the elemental costs, this should be stated in the "Comments" column, noting the OH&P percentage applied throughout.

# 1. Guidance notes

This column can also be used to provide any key assumptions/clarifications/exclusions if not detailed elsewhere within the Applicant's overall submission, e.g. the basis of inflation calculation.

## 1.6 Refurbishment Works estimate

- 1 This section is to provide an elemental cost summary of Refurbishment works associated with the Applicant's Capital Works. Please note, any New Build works should be captured within Section 4 (New Build Works estimate).
- 2 If the Applicant's project does not include any Refurbishment works, this section should be left blank.
- 3 The Applicant must complete the Gross Internal Floor Area (cell F6) for the Refurbishment works element (refer to 1.1.7 for GIFA requirements).
- 4 Elemental cost totals should be entered in the yellow shaded cells within the "Cost" column (column F, from row 9). These totals should reflect the costs detailed in any supporting cost estimate/cost plan as provided by the Applicant in accordance with 1.1.3 above.
- 5 The "Comments" column (column L) should be used to provide narrative/commentary where appropriate.

This should include details of any deviations from costs detailed in supporting cost estimates/cost plans, e.g. if the Main Contractor's Overheads and Profits (OH&P) are included within the elemental costs, this should be stated in the "Comments" column, noting the OH&P percentage applied throughout.

This column can also be used to provide any key assumptions/clarifications/exclusions if not detailed elsewhere within the Applicant's overall submission, e.g. the basis of inflation calculation.

## 1.7 Terms of reference

- 1 This section is for Applicants to provide further details of specific assumptions, exclusions and clarifications associated with their estimated costs.
- 2 As a minimum, Applicants must include details of:
  - exclusions (with narrative detailing why such items have not been priced or are not required); and
  - the key assumptions on which the costs are based.

## 2. Application Details

Applicant name:	Lee Lucas
Project name:	Fashion Retail Academy Building Development 2015
Project description:	The project is to modernise and create new classroom spaces. It is also to improve the IT infrastructure.

Base date:	2Q2015	GIFA (m2) - New build	-
Estimated tender return date:	18 May 2015	GIFA (m2) - Refurbishment	3,660
Estimated start date:	19 June 2015	GIFA (m2) - Total	3,660
Estimated completion date:	30 September 2015	Cost limit (total project cost excl. VAT)	£ 1,413,000
Estimated mid-point of construction:	09 August 2015	Total Project Cost (incl. VAT)	£ 1,673,600

### 3. Cost summary

#### FE Capital Cost Breakdown

Works cost		New Build	Refurbishment	Total	Comments
0.0	Facilitating Works	£ -	£ 45,150	£ 45,150	
1.0	Substructure	£ -	£ -	£ -	
2.0	Superstructure	£ -	£ 88,312	£ 88,312	
3.0	Internal finishes	£ -	£ 256,613	£ 256,613	
4.0	Fittings, furnishings & equipment	£ -	£ 543,562	£ 543,562	
5.0	Services	£ -	£ 222,000	£ 222,000	
6.0	Prefab'd buildings & building units	£ -	£ -	£ -	
7.0	Work to existing buildings	£ -	£ -	£ -	
8.0	External works	£ -	£ -	£ -	
9.1	Main contractor's prelims estimate	4% £ -	£ 48,000	£ 48,000	
9.2	Main contractor's OH&P estimate	0% £ -	£ -	£ -	
<b>sub-total (A)</b>		<b>£ -</b>	<b>£ 1,203,637</b>	<b>£ 1,203,637</b>	
<b>Works cost estimate (B)</b>		<b>£ -</b>	<b>£ 1,203,637</b>	<b>£ 1,203,637</b>	
Other costs					Comments
10.0	Project/design team fees	14% £ -	£ 168,580	£ 168,580	
11.0	Other development/project costs	0% £ -	£ -	£ -	
12.0	Risk allowances	3% £ -	£ 40,783	£ 40,783	
13.0	Inflation allowances	0% £ -	£ -	£ -	
<b>sub-total (C)</b>		<b>£ -</b>	<b>£ 209,363</b>	<b>£ 209,363</b>	
<b>Cost limit (including inflation) (D)</b>		<b>£ -</b>	<b>£ 1,413,000</b>	<b>£ 1,413,000</b>	
VAT					Comments
14.0	VAT	20% £ -	£ 260,600	£ 260,600	
<b>sub-total (E)</b>		<b>£ -</b>	<b>£ 260,600</b>	<b>£ 260,600</b>	
<b>Total Forecast Project Cost (F)</b>		<b>£ -</b>	<b>£ 1,673,600</b>	<b>£ 1,673,600</b>	

#### Calculation Guide

Works cost estimate

(B) = (A)

Cost limit (including inflation)

(D) = (B)+(C)

Total Forecast Project Cost

(F) = (D)+(E)

## 4. New Build Works estimate

Gross Internal Floor Area (m2)

	Cost	% of cost	Cost per m2	Comments
<b>0.0 Facilitating Works</b>				
0.1 Facilitating/enabling works		#DIV/0!	#DIV/0!	
<b>sub-total (A)</b>	£ -	#DIV/0!	#DIV/0!	
<b>1.0 Substructure</b>				
1.1 Substructure		#DIV/0!	#DIV/0!	
<b>sub-total (B)</b>	£ -	#DIV/0!	#DIV/0!	
<b>2.0 Superstructure</b>				
2.1 Frame		#DIV/0!	#DIV/0!	
2.2 Upper floors		#DIV/0!	#DIV/0!	
2.3 Roof		#DIV/0!	#DIV/0!	
2.4 Stairs and ramps		#DIV/0!	#DIV/0!	
2.5 External walls		#DIV/0!	#DIV/0!	
2.6 Windows and external doors		#DIV/0!	#DIV/0!	
2.7 Internal walls and partitions		#DIV/0!	#DIV/0!	
2.8 Internal doors		#DIV/0!	#DIV/0!	
<b>sub-total (C)</b>	£ -	#DIV/0!	#DIV/0!	
<b>3.0 Internal finishes</b>				
3.1 Wall finishes		#DIV/0!	#DIV/0!	
3.2 Floor finishes		#DIV/0!	#DIV/0!	
3.3 Ceiling finishes		#DIV/0!	#DIV/0!	
<b>sub-total (D)</b>	£ -	#DIV/0!	#DIV/0!	
<b>4.0 Fittings, furnishings &amp; equipment</b>				
4.1 Fittings, furnishings & equipment		#DIV/0!	#DIV/0!	
<b>sub-total (E)</b>	£ -	#DIV/0!	#DIV/0!	

## 4. New Build Works estimate

### FE Capital Cost Breakdown

5.0 Services	Cost	% of cost	Cost per m2	Comments
5.1 Sanitary applications		#DIV/0!	#DIV/0!	
5.2 Services equipment		#DIV/0!	#DIV/0!	
5.3 Disposal installations		#DIV/0!	#DIV/0!	
5.4 Water installations		#DIV/0!	#DIV/0!	
5.5 Heat source		#DIV/0!	#DIV/0!	
5.6 Space heating and air conditioning		#DIV/0!	#DIV/0!	
5.7 Ventilation		#DIV/0!	#DIV/0!	
5.8 Electrical installation		#DIV/0!	#DIV/0!	
5.9 Fuel installation		#DIV/0!	#DIV/0!	
5.10 Lift and conveyor installation		#DIV/0!	#DIV/0!	
5.11 Fire and lightning protection		#DIV/0!	#DIV/0!	
5.12 Comms., security & control systems		#DIV/0!	#DIV/0!	
5.13 Specialist installations		#DIV/0!	#DIV/0!	
5.14 BWIC with services		#DIV/0!	#DIV/0!	
<b>sub-total (F)</b>	£ -	#DIV/0!	#DIV/0!	
6.0 Prefab'd buildings & building units	Cost	% of cost	Cost per m2	Comments
6.1 Prefab'd buildings & building units		#DIV/0!	#DIV/0!	
<b>sub-total (G)</b>	£ -	#DIV/0!	#DIV/0!	
7.0 Work to existing buildings	Cost	% of cost	Cost per m2	Comments
7.1 Work to existing buildings	£ -	#DIV/0!	£ -	As per Section 5 (if applicable).
<b>sub-total (H)</b>	£ -	#DIV/0!	£ -	
8.0 External works	Cost	% of cost	Cost per m2	Comments
8.1 Site works		#DIV/0!	#DIV/0!	
8.2 Drainage		#DIV/0!	#DIV/0!	
8.3 External services		#DIV/0!	#DIV/0!	
8.4 Other		#DIV/0!	#DIV/0!	
<b>sub-total (I)</b>	£ -	#DIV/0!	#DIV/0!	
<b>Main contractor's works (J)</b>	£ -	#DIV/0!	#DIV/0!	



## 4. New Build Works estimate

9.0 Main contractor's prelims & OH&P	Cost	% of cost	Cost per m2	Comments
9.1 Main contractor's preliminaries ####		#DIV/0!	#DIV/0!	
9.2 Main contractor's OH&P ####		#DIV/0!	#DIV/0!	
<b>sub-total (K)</b>	£ -	#DIV/0!	#DIV/0!	
<b>Works cost estimate (L)</b>	£ -	#DIV/0!	#DIV/0!	
10.0 Project/design team fees	Cost	% of cost	Cost per m2	Comments
10.1 Project Manager		#DIV/0!	#DIV/0!	
10.2 Contract administrator/Employer's agent		#DIV/0!	#DIV/0!	
10.3 Architect/designers		#DIV/0!	#DIV/0!	
10.4 Quantity surveyor/cost manager		#DIV/0!	#DIV/0!	
10.5 Building services engineer (s)		#DIV/0!	#DIV/0!	
10.6 Structural engineer		#DIV/0!	#DIV/0!	
10.7 Principal Designer (CDM Coordinator)		#DIV/0!	#DIV/0!	
10.8 Sequencing/programme advisor		#DIV/0!	#DIV/0!	
10.9 Environmental consultant		#DIV/0!	#DIV/0!	
10.10 Asbestos consultant		#DIV/0!	#DIV/0!	
10.11 Building Control consultant		#DIV/0!	#DIV/0!	
10.12 Other (applicant to provide details)		#DIV/0!	#DIV/0!	
<b>sub-total (M)</b>	£ -	#DIV/0!	#DIV/0!	
11.0 Other development/project costs	Cost	% of cost	Cost per m2	Comments
11.1 Other development/project costs		#DIV/0!	#DIV/0!	
11.2 Land acquisition		#DIV/0!	#DIV/0!	
11.3 Employer finance costs		#DIV/0!	#DIV/0!	
11.4 Fees		#DIV/0!	#DIV/0!	
11.5 Charges		#DIV/0!	#DIV/0!	
11.6 Planning contributions		#DIV/0!	#DIV/0!	
11.7 insurances		#DIV/0!	#DIV/0!	
11.8 Decanting and relocation costs		#DIV/0!	#DIV/0!	
11.9 Fittings, furnishings and equipment (direct)		#DIV/0!	#DIV/0!	
11.10 Site investigations/surveys		#DIV/0!	#DIV/0!	
11.11 Other (applicant to provide details)		#DIV/0!	#DIV/0!	
<b>sub-total (N)</b>	£ -	#DIV/0!	#DIV/0!	
<b>Base cost estimate (O)</b>	£ -	#DIV/0!	#DIV/0!	

## 4. New Build Works estimate

12.0 Risk allowances		Cost	% of cost	Cost per m2	Comments
12.1 Design development	####		#DIV/0!	#DIV/0!	
12.2 Construction risk	####		#DIV/0!	#DIV/0!	
12.3 Employer change	####		#DIV/0!	#DIV/0!	
12.4 Employer other	####		#DIV/0!	#DIV/0!	
<b>sub-total (P)</b>		£ -	#DIV/0!	#DIV/0!	
<b>Cost limit (excluding inflation) (Q)</b>		£ -	#DIV/0!	#DIV/0!	
13.0 Inflation allowances		Cost	% of cost	Cost per m2	Comments
13.1 Tender inflation	####		#DIV/0!	#DIV/0!	
13.2 Construction inflation	####		#DIV/0!	#DIV/0!	
<b>sub-total (R)</b>		£ -	#DIV/0!	#DIV/0!	
<b>Cost limit (including inflation) (S)</b>		£ -	#DIV/0!	#DIV/0!	
14.0 VAT		Cost	% of cost	Cost per m2	Comments
14.1 VAT	####		#DIV/0!	#DIV/0!	
<b>sub-total (T)</b>		£ -	#DIV/0!	#DIV/0!	
<b>Total Forecast Project Cost (U)</b>		£ -	#DIV/0!	#DIV/0!	

### Calculation Guide

Main contractor's works	(J) = (A)+(B)+(C)+(D)+(E)+(F)+(G)+(H)+(I)
Works cost estimate	(L) = (J)+(K)
Base cost estimate	(O) = (L)+(M)+(N)
Cost limit (excluding inflation)	(Q) = (O)+(P)
Cost limit (including inflation)	(S) = (Q) + (R)
Total Forecast Project Cost	(U) = (S)+(T)

## 5. Refurbishment Works estimate

### FE Capital Cost Breakdown

Gross Internal Floor Area (m2)		3,660			
<b>0.0 Facilitating Works</b>	<b>Cost</b>	<b>% of cost</b>	<b>Cost per m2</b>	<b>Comments</b>	
0.1 Facilitating/enabling works	£ 45,150	3%	£ 12	Strip out & demolition	
<b>sub-total (A)</b>	<b>£ 45,150</b>	<b>3%</b>	<b>£ 12</b>		
<b>1.0 Substructure</b>	<b>Cost</b>	<b>% of cost</b>	<b>Cost per m2</b>	<b>Comments</b>	
1.1 Substructure	£ -	0%	£ -		
<b>sub-total (B)</b>	<b>£ -</b>	<b>0%</b>	<b>£ -</b>		
<b>2.0 Superstructure</b>	<b>Cost</b>	<b>% of cost</b>	<b>Cost per m2</b>	<b>Comments</b>	
2.1 Frame	£ -	0%	£ -		
2.2 Upper floors	£ -	0%	£ -		
2.3 Roof	£ -	0%	£ -		
2.4 Stairs and ramps	£ 4,000	0%	£ 1	Include signage work	
2.5 External walls	£ 5,000	0%	£ 1	Front of the building small revamp	
2.6 Windows and external doors	£ -	0%	£ -		
2.7 Internal walls and partitions	£ 67,012	4%	£ 18	New walls & partitions built	
2.8 Internal doors	£ 12,300	1%	£ 3	New doors	
<b>sub-total (C)</b>	<b>£ 88,312</b>	<b>5%</b>	<b>£ 24</b>		
<b>3.0 Internal finishes</b>	<b>Cost</b>	<b>% of cost</b>	<b>Cost per m2</b>	<b>Comments</b>	
3.1 Wall finishes	£ 123,753	7%	£ 34		
3.2 Floor finishes	£ 116,110	7%	£ 32		
3.3 Ceiling finishes	£ 16,750	1%	£ 5		
<b>sub-total (D)</b>	<b>£ 256,613</b>	<b>15%</b>	<b>£ 70</b>		
<b>4.0 Fittings, furnishings &amp; equipment</b>	<b>Cost</b>	<b>% of cost</b>	<b>Cost per m2</b>	<b>Comments</b>	
4.1 Fittings, furnishings & equipment	£ 543,562	32%	£ 149	Includes IT, Furniture, Installation of new furniture	
<b>sub-total (E)</b>	<b>£ 543,562</b>	<b>32%</b>	<b>£ 149</b>		

## 5. Refurbishment Works estimate

### FE Capital Cost Breakdown

5.0 Services	Cost	% of cost	Cost per m2	Comments
5.1 Sanitary applications	£ -	0%	£ -	
5.2 Services equipment	£ -	0%	£ -	
5.3 Disposal installations	£ -	0%	£ -	
5.4 Water installations	£ -	0%	£ -	
5.5 Heat source	£ -	0%	£ -	
5.6 Space heating and air conditioning	£ 40,000	2%	£ 11	
5.7 Ventilation	£ -	0%	£ -	
5.8 Electrical installation	£ 70,000	4%	£ 19	Data and electrical wiring
5.9 Fuel installation	£ -	0%	£ -	
5.10 Lift and conveyor installation	£ 70,000	4%	£ 19	Refurbishment of lift
5.11 Fire and lightning protection	£ 25,000	1%	£ 7	
5.12 Comms., security & control systems	£ 11,500	1%	£ 3	
5.13 Specialist installations	£ -	0%	£ -	
5.14 BWIC with services	£ 5,500	0%	£ 2	
<b>sub-total (F)</b>	<b>£ 222,000</b>	<b>13%</b>	<b>£ 61</b>	
6.0 Prefab'd buildings & building units	Cost	% of cost	Cost per m2	Comments
6.1 Prefab'd buildings & building units	£ -	0%	£ -	
<b>sub-total (G)</b>	<b>£ -</b>	<b>0%</b>	<b>£ -</b>	
7.0 Work to existing buildings	Cost	% of cost	Cost per m2	Comments
7.1 Work to existing buildings	£ -	0%	£ -	Included above/below.
<b>sub-total (H)</b>	<b>£ -</b>	<b>0%</b>	<b>£ -</b>	
8.0 External works	Cost	% of cost	Cost per m2	Comments
8.1 Site works	£ -	0%	£ -	
8.2 Drainage	£ -	0%	£ -	
8.3 External services	£ -	0%	£ -	
8.4 Other	£ -	0%	£ -	
<b>sub-total (I)</b>	<b>£ -</b>	<b>0%</b>	<b>£ -</b>	
<b>Main contractor's works (J)</b>	<b>£ 1,155,637</b>	<b>69%</b>	<b>£ 316</b>	

## 5. Refurbishment Works estimate

9.0 Main contractor's prelims & OH&P		Cost	% of cost	Cost per m2	Comments
9.1 Main contractor's preliminaries	4%	£ 48,000	3%	£ 13	
9.2 Main contractor's OH&P	0%		0%	£ -	
<b>sub-total (K)</b>		<b>£ 48,000</b>	<b>3%</b>	<b>£ 13</b>	
<b>Works cost estimate (L)</b>		<b>£ 1,203,637</b>	<b>72%</b>	<b>£ 329</b>	
10.0 Project/design team fees		Cost	% of cost	Cost per m2	Comments
10.1 Project Manager		£ 110,000	7%	£ 30	
10.2 Contract administrator/Employer's agent		£ -	0%	£ -	
10.3 Architect/designers		£ 20,400	1%	£ 6	
10.4 Quantity surveyor/cost manager		£ 15,600	1%	£ 4	
10.5 Building services engineer (s)		£ 17,400	1%	£ 5	M&E consultant
10.6 Structural engineer			0%	£ -	
10.7 Principal Designer (CDM Coordinator)		£ 650	0%	£ 0	
10.8 Sequencing/programme advisor			0%	£ -	
10.9 Environmental consultant			0%	£ -	
10.10 Asbestos consultant		£ 4,530	0%	£ 1	
10.11 Building Control consultant			0%	£ -	
10.12 Other (applicant to provide details)			0%	£ -	
<b>sub-total (M)</b>		<b>£ 168,580</b>	<b>10%</b>	<b>£ 46</b>	
11.0 Other development/project costs		Cost	% of cost	Cost per m2	Comments
11.1 Other development/project costs		£ -	0%	£ -	
11.2 Land acquisition		£ -	0%	£ -	
11.3 Employer finance costs		£ -	0%	£ -	
11.4 Fees		£ -	0%	£ -	
11.5 Charges		£ -	0%	£ -	
11.6 Planning contributions		£ -	0%	£ -	
11.7 insurances		£ -	0%	£ -	
11.8 Decanting and relocation costs		£ -	0%	£ -	
11.9 Fittings, furnishings and equipment (direct)			0%	£ -	
11.10 Site investigations/surveys			0%	£ -	
11.11 Other (applicant to provide details)			0%	£ -	
<b>sub-total (N)</b>		<b>£ -</b>	<b>0%</b>	<b>£ -</b>	
<b>Base cost estimate (O)</b>		<b>£ 1,372,217</b>	<b>82%</b>	<b>£ 375</b>	

## 5. Refurbishment Works estimate

12.0 Risk allowances		Cost	% of cost	Cost per m2	Comments
12.1 Design development	0%		0%	£ -	
12.2 Construction risk	3%	£ 40,783	2%	£ 11	
12.3 Employer change	0%		0%	£ -	
12.4 Employer other	0%		0%	£ -	
<b>sub-total (P)</b>		<b>£ 40,783</b>	<b>2%</b>	<b>£ 11</b>	
<b>Cost limit (excluding inflation) (Q)</b>		<b>£ 1,413,000</b>	<b>84%</b>	<b>£ 386</b>	
13.0 Inflation allowances		Cost	% of cost	Cost per m2	Comments
13.1 Tender inflation	0%		0%	£ -	
13.2 Construction inflation	0%		0%	£ -	
<b>sub-total (R)</b>		<b>£ -</b>	<b>0%</b>	<b>£ -</b>	
<b>Cost limit (including inflation) (S)</b>		<b>£ 1,413,000</b>	<b>84%</b>	<b>£ 386</b>	
14.0 VAT		Cost	% of cost	Cost per m2	Comments
14.1 VAT	18%	£ 260,600	16%	£ 71	
<b>sub-total (T)</b>		<b>£ 260,600</b>	<b>16%</b>	<b>£ 71</b>	
<b>Total Forecast Project Cost (U)</b>		<b>£ 1,673,600</b>	<b>100%</b>	<b>£ 457</b>	

### Calculation Guide

Main contractor's works

$$(J) = (A)+(B)+(C)+(D)+(E)+(F)+(G)+(H)+(I)$$

Works cost estimate

$$(L) = (J)+(K)$$

Base cost estimate

$$(O) = (L)+(M)+(N)$$

Cost limit (excluding inflation)

$$(Q) = (O)+(P)$$

Cost limit (including inflation)

$$(S) = (Q) + (R)$$

Total Forecast Project Cost

$$(U) = (S)+(T)$$

## 6. Terms of reference

### Assumptions / Exclusions / Clarifications

- |   |               |   |
|---|---------------|---|
| 1 | Cost estimate | The costs were estimated based on the square meters being affected. Each location was attributed a £/m2 for demolition, wall decoration, carpet, M&E alteration, electrical installation and BWIC services  |
| 2 | Exclusions    | The project management is not included as Arcadia is providing this free as a main sponsor of the Academy. Arcadia is also providing free support in sourcing and tendering the furniture and IT equipment. |

**FASHION RETAIL ACADEMY  
MODERNISATION WORKS 2015**

**FINANCIAL STATEMENT**

<b>COST SUMMARY:</b>	£	Sqft	£/sqft
Ex Vat	£1,322,253	39,500	£33.47
Inc Vat	£1,586,704	39,500	£40.17



Fashion Retail Academy  
Proposed Modernisation Works 2015  
Tender Cost Summary - 20/5/15

Area: 39,500 ft2

	Budget Cost Issued 6/5/15		Forecast Costs			
	(£)	(£)	(£)	(£)	£/ft2	%
<b>1.00 Main Contract Works</b>						
1.01 Basement to 5th Floor Works	£513,500		£424,529			
1.02 Maintenance Works Investigate water ingress, allowance for roof repair	£12,500		£12,995			
1.03 Preliminaries; Site Set Up; Site management etc.	£40,000	<b>£566,000</b>	£28,663	q <b>£466,187</b>	£11.80	35.26%
<b>2.00 Services Alterations</b>						
2.01 Mechanical	£40,000	<b>£40,000</b>	£36,656	q <b>£36,656</b>	£0.93	2.77%
2.02 Electrical Installation	£70,000		£86,851			
Fire Alarm Replacement	£40,000		£42,770			
Alarms; alter existing system	£2,500		£3,750			
CCTV; alter existing system	£3,000		inc			
Door Entry System	£5,000	<b>£120,500</b>	£2,800	q <b>£136,171</b>	£3.45	10.30%
<b>3.00 Direct Orders</b>						
3.01 Lighting Supply	£42,500		£40,000	q		
3.02 Tagging; New system at library (inc people counter)	£1,000		£11,000	b		
3.03 Signage / Graphics						
Signage; Allowance for new internal signage	£10,000		£5,970	q		
Graphics; Allowance for new internal graphics / vinyl	£5,000		£0			
3.04 Furniture; Budget Pending Design	£200,000		£220,000	b		
3.05 IT / DATA / Telecom; Budget Pending Full Brief	£225,917		£225,917	b		
3.06 Lift Repairs; Budget Pending Tender	£70,000		£70,000	b		
3.07 Security Guards	£20,000	<b>£574,417</b>	£10,000	b <b>£582,887</b>	£14.76	44.08%
<b>4.00 Professional Fees</b>						
4.01 Architect (Markwick)	£20,000		£17,000	q		
4.02 Services Engineer (Oxspring)	£15,000		£14,500	q		
4.03 Quantity Surveyor (GBF)	£10,000		£15,000	q		
4.04 CDM Co-Ordinator (GBF)	£3,000		£3,000	q		
4.05 Asbestos Survey (Tetra)	£5,000		£3,790	q		
4.06 Maintenance survey (Inviso)	£2,500		£650	q		
4.07 Approvals	£3,000		£1,000	b		
4.08 Lift Engineer (J Bashford)	excl	<b>£58,500</b>	£6,900	q <b>£61,840</b>	£1.57	4.68%
<b>5.00 Contingency (3%)</b> For any elements of Unforeseen Work	£40,783	<b>£40,783</b>	£38,512	<b>£38,512</b>	£0.97	2.91%
	<b>£1,400,200</b>	<b>£1,400,200</b>		<b>£1,322,253</b>	<b>£33.47</b>	<b>100%</b>
SAY Total Budget Cost (Excl VAT)	<b>£1,400,000</b>					
Total Budget Cost (Incl VAT)	<b>£1,680,000</b>			<b>£1,586,704</b>	<b>£40.17</b>	

Notes:-

- i) Costs exclude Removal of deleterious material (e.g. asbestos)
- ii) Works have been calculated as one continuous project. Costs will have to be re-calculated if works are broken down into various 'mini' projects
- iii) Costs exclude Legal Fees and Charges
- iv) Assumes on site June 2015
- v) q = quote
- vi) b = budget cost

# GREATER LONDON AUTHORITY

**Date:** 21 July 2015

██████████  
Fashion Retail Academy

By Email: ██████████@fra.ac.uk

Dear ██████████

**Re: The Fashion Retail Academy (FRA) FE Capital Investment Fund via the LEP supported by the Major of London**

Thank you for your application for funding to the FE Capital Investment Fund. I am writing to inform you of the status of the application and the next steps available to the College.

The application was received on the 15 May 2015, and subsequently updated and resubmitted on 3 June 2015, following considerable dialogue between my officers and the FRA. The resubmitted application was then evaluated by the FE Capital Working Group (comprising of LEP Delivery Team as well as colleagues from Economic and Business Policy Unit, Environment, GLA Economics, Finance and Housing and Land) as well as external consultants, whom gave independent advice on risks, programme plans, costs and deliverability. The evaluated application was then put to the FE Capital Steering Group and GLA Investment and Performance Board, whom consider whether an application should proceed.

The FE Capital Steering Group and Investment and Performance Board decided that the application should be approved to proceed on a 2:1 match to grant ratio due to the following factors;

- The project can be scaled back to 2:1 match to grant ratio funding and will still produce tangible outputs and outcomes;
- The uplift in costs from the Expression of Interest is not adequately justified, for example the estate is noted in 'good condition' within the application and there is adequate funding shown in the college reserves to allocate to the project; and
- The minimum requirement for uplift in funding has not been met. As set out within the prospectus, this requires 40% or more of the estate to be in poor (C or D) condition to secure an alternative funding ratio rather than 2:1 match to grant funding.

On the basis of this recommendation, the proposed grant funding allocation for the project is £450,000. We understand that this would allow the FRA to deliver a scaled back project, which is not the preferred outcome of the FRA. However, the recommendation was approved at IPB that should extra match be provided by FRA, the grant funding allocation from the GLA may rise in line with the 2:1 match to grant ratio. As such, if the FRA is able to provide match funding of £1,115,773, the FE Capital Grant may rise to £557,867, subject to the project continuing to meet the requirements, as set out in the prospectus. Please consider which funding scenario would best suit the project and ensure that the Board of Governors are in agreement with the decision, once available.

Please be aware that a Director's Decision is still required before the project can be formalised by a Grant Funding Agreement and funding can be drawn down. This may take up to 10 days to achieve, as such it is vital to discuss your options with your Project Lead, [REDACTED], who can be contacted on [REDACTED] or [REDACTED]@london.gov.uk to ensure that the project does not suffer delays.

Yours sincerely



[REDACTED]  
Assistant Director – Regeneration

cc. [REDACTED]



**Schedule 7 Section B**

**Cover Sheet**

<i>For borough use</i>	College: _____
	Project name: _____
	Project Manager: _____
	Start Date: _____
	Completion: _____

<i>For internal use</i>	GLA Lead: _____
	Date submitted to GLA: _____
	Programme Manager: _____

Contents	Guidance
<a href="#">Section I</a>	<p>Please submit an electronic copy of this claim form signed by your Finance Officer or Director, and follow up with an hard copy</p> <p>Electronic copies should be returned to: your project manager and programme manager. Hard copies should be returned to: your project manager, Greater London Authority, City Hall, The Queen's Walk, London, SE1 2AA</p> <p>Please attach evidence of expenditure (see section II for guidance on acceptable evidence)</p>
<a href="#">Section II</a>	<p>Set out the details of your use of GLA funding on the project objectives to date (with evidence of expenditure, e.g. third party invoices, purchase orders and/or contract documents and transactions listings from your finance management system and certified as true and accurate records of such expenditure and or committed expenditure by your financial officer).</p>
<a href="#">Section III</a>	<p>A declaration that you have read, understood and complied with all the conditions of the grant set out in the Funding Agreement to which the particular claim refers. Please note, although we will not be asking delivery partners to evidence their match funding expenditure, a signed quarterly claim from your financial officer will act as a declaration that monies have been spent as agreed in the Funding Agreement. Should there be any slippage, an explanation would need to be provided. This declaration must be signed by both the project manager and the financial officer.</p>
<a href="#">Section IV</a>	<p>A reminder of the deadlines for quarterly claim submissions and monthly monitoring forms. Please note, should you miss these claim deadlines, you will be required to wait until the following quarter to submit your claim.</p>

## Section I: Quarterly Claim Form

[Guidance](#)

College	Fashion Retail Academy
Project Name	Fashion retail Academy Summer Refurbishment 2015
Quarter	Q2
Name(s) of officer applying for grant	[REDACTED]
Position in college	Director of Finance & Resources
Email address	[REDACTED]@fra.ac.uk
Correspondence address	Fashion Retail Academy 15 Gresse Street London
Postcode	W1T 1QT
Telephone Number	0207 307 2341
Mobile Number	

Section II: Milestones and Grant Claim

Guidance

Guidance on completing table:

- A. Each Claim should have a unique ID. It should be in the order it is listed in on the claim form. Mark the claim form with the unique ID given below.
- B. Projects should match with the projects set out in Schedule 4 of the funding agreement.
- C. Workstream should match the projects set out in schedule 4 of the funding agreement.
- D. Milestones should match with the milestones set out in Schedule 2 of the funding agreement.
- E. Only submit evidence relevant to this particular claim. Please indicate the nature of the evidence provided to support this expense management system showing actual expenditure.
- F. Self-explanatory
- G. Budget should match the budget set out in Schedule 4 of the funding agreement.
- H. Cumulative spend to date on this project against this milestone (ie to include all previous claims against this milestone if relevant)
- I. Total amount claiming for this item in this claim

A: Unique ID	B: Project	C: Workstream	D: Milestone	E: Evidence	F: Supplier name and invoice number	G: Budget (£)		H: Cumulative spend to date (£)		I: Claim from the GLA (£)	
						Capital	Revenue	Capital	Revenue	Capital	Revenue
016	FRA Summer Refurbishment 2015	na	Implementation	Invoice	Stoneforce	530,909.00	0.00	252,189.00	0.00	273,983.00	0.00
017	FRA Summer Refurbishment 2015	na	Implementation	Invoice	Tetra Consulting	6,210.00	0.00	780.00	0.00	5,430.00	0.00
018	FRA Summer Refurbishment 2015	na	Implementation	Invoice	BT Business	260,354.00	0.00	215,960.00	0.00	44,394.00	0.00
019	FRA Summer Refurbishment 2015	na	Implementation	Invoice	LeKSI	4,667.00	0.00	0.00	0.00	4,667.00	0.00
020	FRA Summer Refurbishment 2015	na	Implementation	Invoice	NIS	5,657.00	0.00	5,657.00	0.00	5,657.00	0.00
021	FRA Summer Refurbishment 2015	na	Implementation	Invoice	Ambien Air	43,997.00	0.00	32,991.00	0.00	10,997.00	0.00
022	FRA Summer Refurbishment 2015	na	Implementation	Invoice	Blishop Electrical	151,405.00	0.00	113,553.00	0.00	37,852.00	0.00
023	FRA Summer Refurbishment 2015	na	Implementation	Invoice	Invest-Surveying	780.00	0.00	0.00	0.00	780.00	0.00
024	FRA Summer Refurbishment 2015	na	Implementation	Invoice	J Blackford Architects	8,280.00	0.00	5,505.00	0.00	445.50	0.00
025	FRA Summer Refurbishment 2015	na	Implementation	Invoice	PEC	11,780.00	0.00	11,780.00	0.00	11,780.00	0.00
026	FRA Summer Refurbishment 2015	na	Implementation	Invoice	Kingdom Security	14,565.00	0.00	14,540.00	0.00	5,993.00	0.00
027	FRA Summer Refurbishment 2015	na	Implementation	Invoice	Merwick Architects	20,400.00	0.00	15,600.00	0.00	4,800.00	0.00
028	FRA Summer Refurbishment 2015	na	Implementation	Invoice	Chillingworth	17,400.00	0.00	13,050.00	0.00	4,350.00	0.00
029	FRA Summer Refurbishment 2015	na	Implementation	Invoice	ProCom	244,826.00	0.00	242,766.00	0.00	34,052.00	0.00
<b>TOTAL</b>						<b>1,321,221.00</b>	<b>0.00</b>	<b>924,391.00</b>	<b>0.00</b>	<b>445,180.50</b>	<b>0.00</b>

**Section III: Declaration and undertaking**

[Guidance](#)

We declare that:

- We have read, understood and complied with all the conditions of the grant set out in the Funding Agreement to which this claim refer
- The information on this form is correct to the best of our knowledge and belief and I/we accept full responsibility for it;  
We undertake that we will keep accounts, invoices and receipts for 5 years after the last date grant is paid in connection with this grant and make them available for inspection on request by GLA officers;
- We have taken delivery of and/or incurred expenditure on the project objectives for which we are claiming grant and our claim covers only the amounts spent on the items described in this form. Our claim is for the net costs of the items, excluding recoverable VAT.
- We undertake that we will notify the GLA immediately in writing or by email of any changes to the details provided in this form.
- We confirm that this claim is for the following amount and relates to the following quarter:

Capital	445,180.50	Q2
Revenue	0.00	Q2

- We confirm that the following **match funding** has been spent on the project this quarter as set out in the schedule 4 of the funding agreement:

Delivery Partner	Forecast (£)	Actual (£)	Variance	Comments
Fashion Retail Academy	78,736.00	59,198.00	-19,538.00	Delays in receiving some of the invoices.
Arcadia	1,010,000.00	1,010,000.00	0.00	

- We confirm that the following is an accurate reflection of the **GLA** funding drawdown to date:

GLA Funds	Project Lifetime Budget	15/16 Budget	FY 15/16 YTD	15/16 Remaining Budget	Future Years Budget*
Capital	544,000.00	544,000.00	445,180.50	98,819.50	
Revenue	0.00	0.00	0.00	0.00	

- We confirm that the following is an accurate reflection of the **match funding** accounts:

Match Funds	Project Lifetime Budget	15/16 Budget	FY 15/16 YTD	15/16 Remaining Budget	Future Years Budget*
Capital	1,088,736.00	1,088,736.00	1,069,198.00	19,538.00	
Revenue	0.00	0.00	0.00	0.00	

- We confirm that the following is an accurate reflection of the overall project accounts, including both **match and GLA funds**:

Total Project Budget (inc GLA and Match funds)	Project Lifetime Budget	15/16 Budget	FY 15/16 YTD	15/16 Remaining Budget	Future Years Budget*
Capital	1,632,736.00	1,632,736.00	1,514,378.50	118,357.50	0.00
Revenue	0.00	0.00	0.00	0.00	0.00

This declaration must be signed by the project manager and the Section 151 Officer.

Signature	Name in BLOCK letters	Position	Date
		(Project Manager)	
		(Finance Director/Officer)	30.09.15

\*Only complete if there is approval for budget beyond 15/16.



**Performance Reporting Schedule 2015/16**

Financial period	Deadline for quarter (n) submissions by delivery partners
Quarter 1	16-Oct-15
Quarter 2	16-Oct-15
Quarter 3	15-Jan-16
Quarter 4	TBC