Capital funding for financial year 2026-27

Process for distribution of capital funding and invitation to bid

Bids must be submitted by 4 September 2026

Reference OfS 2026.29

Enquiries to capitalgrant@officeforstudents.org.uk

Publication date 16 July 2026

Contents

Summary

1. This document sets out the arrangements for the distribution by the Office for Students (OfS) of capital funding for the financial year (1 April to 31 March) 2026-27.

2. The Department for Education has made up to £88 million available to us for the financial year (FY) 2026-27. The majority of this funding will be allocated through a bidding exercise which will run during the summer of 2026.

3. We are now inviting bids from providers registered in the Approved (fee cap) category. This publication sets out our requirements for submitting a bid and explains how we will make decisions about which projects will receive funding. The deadline for bids is 4 September 2026. Successful bidders will be required to spend all OfS capital funds awarded by the end of this financial year (31 March 2027).

4. There is £76.75 million available through the bidding process. Capital funding will also be distributed through a formula allocation, grants for which will be announced in autumn 2026. Formula-based capital allocations will not be available to providers that are successful through the competitive bidding process. This approach will enable us to use the funding to support the widest range of students and providers.

5. We have maintained the formula funding and Jisc allocations at the same level as in FY 2025-26. This means that there is £7.75 million to be distributed through a formula funding process, and £3.5 million for Jisc to support the network services which it provides. Formula allocations will be announced in autumn 2026 for those providers which do not submit a bid for project funding or which are unsuccessful with their bid. Formula allocations will be based on qualifying student numbers at eligible providers.

6. The government has also advised that there should be up to £248 million capital funding to distribute during the financial year periods 2027-28 to 2029-30, on a multi-year basis. This funding consists of £84 million for FY 2027-28 and £82 million for both FY 2028-29 and FY 2029-30. We intend to provide information on the process to distribute this funding later in 2026.

Action required and timeframe

7. We invite eligible providers that wish to submit a bid for competitive capital funding to download and complete a copy of the bidding template, available alongside this guidance on our website. The completed template should be submitted via the 'Capital funding bids 2026-27' area of the OfS portal,[1] following the guidance in this document and in the bidding template. This area of the portal will be open on 18 August 2026.

8. Further details on how to navigate the portal and upload the bidding template are provided in Annex B. We strongly recommend that you ensure you can access the portal well in advance of the 4 September bid deadline.

[1] Go to Login - Office for Students portal.

9. The timeframe for the bidding process and allocation of funding is set out in Table 1 below.

10. Eligible providers need take no action to receive a formula capital funding allocation. These will be calculated on the basis of qualifying student number data once the bidding for competitive capital funding has concluded later this year.

Table 1: Timeframe for bidding, allocations and delivery

Action	Date
Guidance published and invitation to bid for competitive capital funding	16 July 2026
Portal open for bids	18 August 2026
Deadline for bids	4 September 2026
Assessment process and decision making	September and October 2026
Outcomes confirmed to bidders	By end October 2026
Formula funding allocations agreed	By end October 2026
Funding commences for both formula and projects	November 2026 Funding paid in two instalments in November 2026 and February 2027
OfS publication setting out funded projects and formula funding allocations	December 2026
Formal monitoring points for projects	January 2027 April 2027
All OfS funding must be spent	31 March 2027
Final reporting and monitoring deadline for capital projects and formula funds	20 April 2027

Introduction

Background

11. On 6 July 2026, the Secretary of State for Education confirmed that the OfS will have a total of £88 million of capital funding[2] to distribute during the financial year (FY) 2026-27.[3]

12. The letter asked the OfS to continue to allocate the majority of capital funding through a competitive bidding process, with successful bids supporting the government's objectives and priority sectors for skills and growth. The letter also confirmed our ability to continue to provide a smaller formula-based capital allocation and to continue to provide some capital funding for Jisc.[4]

13. From the total capital funding available, we will allocate:

- £76.75 million through a competitive bidding process
- £7.75 million through formula funding
- £3.5 million to support capital expenditure for Jisc for the services it provides for the sector.

Strategic aims

14. Our aim for capital funding is to improve the learning experience for higher education students at registered providers, by helping raise the quality of learning and teaching facilities to support high quality, skills-based education.

15. We intend to support facilities that align with and deliver:

- The needs of local employers and regional economies, as identified in Local Skills Improvement Plans (LSIPs)
- Skills England's priorities as set out in the government's Industrial Strategy
- Capital expenditure that will demonstrate value for money and support environmental sustainability in reducing energy consumption.

16. We consider that these objectives will also promote choice and opportunities for students across the country, enabling providers to support priority subject areas that require specialist teaching facilities and help to support the government's priorities by meeting the skills needs of both students and employers.

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[2] 'Capital funding' in this context means funding allocated in respect of capital expenditure incurred, or to be incurred, by the provider. Capital expenditure means money used to acquire or maintain fixed assets, such as land, buildings and equipment, which is normally capitalised in the provider's audited annual accounts. It does not include expenditure on rent, or hiring or leasing of equipment and facilities.

[3] The government's letter is available from Guidance from government - Office for Students.

[4] See Jisc. Jisc provides UK universities and colleges with shared digital infrastructure and services such as the Janet network, English regional network upgrades, cybersecurity and learning analytics.

Competitive capital funding

Overview

17. We will distribute up to £76.75 million over FY 2026-27, through a competitive bidding exercise to be run during summer 2026 to support specific projects at eligible providers.

18. Allocating funding through bidding processes provides greater assurance that public monies will be used to support projects that deliver on the strategic priorities of both the OfS and the government. We recognise that there is an administrative burden for providers in preparing bids and for the OfS in assessing them, but that this needs to be balanced with our duties to deliver value for money through the range of projects and providers that receive funding.

19. We have had regard to our general duties in Section 2 of the Higher Education and Research Act 2017 (HERA), in particular the need to promote value for money in the provision of higher education by English higher education providers and to use the OfS's resources in an efficient, effective and economic way.[5]

20. Given the timeframe in which the capital funding must be used, and the amount of grant available to distribute, the competition will seek to fund a diverse set of projects which should be ready to deliver fully for students by the start of academic year 2027-28 at the latest. As this funding is available for one year only, once we have announced the successful bidders we would not expect the scope of the agreed projects to change substantively. However, if there are urgent matters affecting the delivery of funded projects of which we should be made aware, then providers should contact us immediately, so that we can consider our decisions and actions as required.

21. We expect the activities set out in the bids to be delivered in full. If projects do need to change significantly then we will need to consider whether our funding can continue as planned. This is so that we can maximise the benefits for students from the funds available and be fair to all bidders. There may be some providers, for example, that are seeking time critical investment in infrastructure or equipment. If you have a speculative proposal which is likely not to be relevant to or delivered within the parameters set out in this guidance, then we would ask you not to submit a bid on this occasion. Due to government accounting rules, we cannot provide any extensions to the funding beyond March 2027.

[5] See www.legislation.gov.uk/ukpga/2017/29/section/2/enacted.

Eligibility

22. To be eligible to bid, a provider must be registered with the OfS in the Approved (fee cap) category. This reflects the scope of our funding powers under section 39 of the Higher Education and Research Act 2017.

23. As part of our internal due diligence, before we confirm the award of funding we will need to check for example, for assurances of a provider's financial sustainability, management and governance, any known quality issues affecting provision identified in the bid, and relevant regulatory cases, factors or actions using information we hold. These checks will help us to determine whether we can confidently award public money for a project or formula capital funding. These important considerations may also affect our decisions to stop or reclaim funding from providers during this scheme.

24. Each eligible provider may submit only one bid. For this one year scheme, we will not be able to accept multiple bids from a provider, or collaborative bids, or any bids received after the application deadline of 4 September 2026. We will apply a minimum funding threshold and maximum funding cap with the aim of giving us a balanced portfolio of funded projects.

25. Providers are allowed to submit a bid covering multiple strands of work which meets with the criteria (as set out in paragraphs 29-43). Providers should note that where a proposal sets out multiple strands of work, it will be scored as a whole and in its entirety. We will not score individual elements or strands within a bid – all proposals will be scored as one submission. As such, providers should consider carefully whether the inclusion of particular activities or strands within a multi-layered bid will enhance or undermine the overall strength of their proposal.

26. A provider may bid for capital funding to be spent at any time within FY 2026-27. However, all OfS funds must be spent in full by 31 March 2027 and bidders must note our advice in paragraph 27 in relation to any backdated funding.

27. Ideally, providers will use this funding to deliver new projects and activities. However, given the timeframe for this process, providers are permitted to submit a bid for funding for a project that is already underway but not yet complete. We do not envisage providing funding for significant capital works or expenditure that has occurred prior to the submission of the bid. We do recognise though that some necessary preparatory activities may already have taken place and that OfS funding could be needed to contribute towards or pay for the main capital works and investments that will deliver additional benefits for students.

28. We will consider carefully any proposals which seek funding linked to projects and activities we have supported in previous years, and whether there is sufficient additionality and new benefits on offer for us to provide investment this year.

Criteria

29. In order to be in contention for funding, a bid must clearly explain how it meets the criteria and objectives for this scheme.

30. The OfS will assess each bid against the following two criteria:

Criterion 1:

The funding **is for 'relevant expenditure', supporting one or more of the following:**

- The needs of local employers and regional economies, as identified in LSIPs
- Skills England's priorities[6] – these reflect the sectors for growth as identified in the Industrial Strategy[7] and others earmarked as essential to the government's overall strategy (this list reflects the 2026 update[8] – Skills Report and Sectoral Skills Needs Assessments).

These 10 sectors are:

- advanced manufacturing
- clean energy industries
- construction
- creative industries
- defence
- digital and technologies
- financial services
- health and adult social care
- life sciences
- professional and business services.

Criterion 2:

The project and associated risks will be well-managed and the project will provide value for money and support environmental sustainability in reducing energy consumption.

We will seek information on the three elements of criterion 2 in separate sections of the template.

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[6] See Skills England - GOV.UK.

[7] See Invest 2035: the UK's modern industrial strategy - GOV.UK.

[8] See Skills England Annual Skills Report and Sectoral Skills Needs Assessments 2026 - GOV.UK.

Funding thresholds

31. We have set a minimum threshold for funding through the bidding competition of £150,000, to ensure the funding can be widely shared across providers and can support significant capital developments.

32. We are also applying a maximum cap of £2 million for bids. In setting the level of the cap, we have sought to strike an appropriate balance in ensuring that we can support a range of providers and provide significant funding for any larger projects, taking account of the reduced timeframe for this year. Any bids requesting funds outside of the minimum and maximum limits will not be taken forward through the process.

33. In the event that the funds available are oversubscribed by a significant number of high quality bids that we want to support, we may need to reduce the maximum limit and/or choose to offer only part-funding to providers. If this becomes necessary and a provider is unable to progress its project because of reduced funding that is made available, we will withdraw the offer and reallocate the funding to other bidders. We may also withdraw the offer of funding if, in response, the provider proposes to significantly reduce the scope of the project it bid for, such that the reduced scope would not have scored sufficiently highly to be funded in comparison with another highly scoring proposal.

Considerations for submission of a bid

34. It is imperative that bids are accurate and the activities and capital works are viable and can be delivered as set out to us. Bids should demonstrate that:

    - there is a need for the proposal
    - the provider has realistic delivery plans in place, and
    - the provider is ready for the funding sought.

35. Purely aspirational or unrealistic bids (for example, plans relying on future events or circumstances that cannot be predicted with certainty) will likely score less highly through the process. We ask that bidders consider carefully and be realistic about the time needed for internal or external decisions, such as planning permission, and the delays which can sometimes occur.

36. Bids must have a focus on one or more of the priority areas for investment set out in this guidance, but with this in mind we are interested to support:

    - New capital projects which are ready for our investment and will more quickly deliver impacts and benefits for students, as well as provide excellent value for money.
    - Refurbishment of, expansion of or adaptations to existing teaching facilities – to deliver improvements to infrastructure and capital works to sustain current provision and/or deliver growth.
    - Critical investment to support the long-term viability and sustainability of a provider's facilities – essential projects at providers which cannot be resourced by other means.

- Upgrading of or buying new specialist equipment.

37. In our previous bidding competitions for capital funding, we received a number of interesting and innovative projects where the bid did not demonstrate sufficiently how it met the specified criteria and priorities set out in our guidance, or where the risks and mitigations were underdeveloped. Some proposals focused on general ambitions and associated capital requirements for the provider instead of responding to the specific criteria and priorities of the competition.

38. A provider must ensure its bid reflects its own strategic priorities and has the support of its accountable officer and governing body.

Bidding template and assessment

39. Providers wishing to bid must do so by completing the bidding template, in the form of a Microsoft Excel file, available alongside this guidance on the OfS website. The template should be downloaded for completion, then when ready it must be uploaded and submitted to the OfS portal area 'Capital funding bids 2026-27'. Bids should have been read by and approved by the accountable officer. By submitting the bid, the provider is confirming that the bid has been formally agreed and signed off in this way.

40. We have been requesting bids for capital funding since FY 2021-22. In response to feedback from providers and our learning from the previous capital funding and our other competitions, we have made improvements and refinements to how we collect information on risks and risk management, and we have provided more information about our expectations for the benefits and additionality of our investment. We are also requesting examples of the delivery of similar size projects, to help us better understand project management and risk across the bids we will receive. We hope these changes are helpful for bidders and welcome feedback to support continuous improvement.

41. Feedback from our FY 2025-26 capital funding competition indicated that some providers had issues with viewing their narrative responses while using Microsoft Excel, due to limits on the size of cells in the format. We strongly recommend using another programme, such as Microsoft Word, to compile narrative responses before copying the text into the formula bar in Excel. Bidders should be assured that we will be able to extract all responses from the bids and review them in full.

42. The deadline for bids is **4 September 2026.**

43. Bidders must complete all of the tabs outlined in Table 2 below. The table also directs bidders to the relevant paragraphs of the guidance.

Table 2: Bidding template – table of contents

Bidding template tab	Paragraphs
Contact details and overview	
A. Contact details and sign-off	45 to 46
B. Summary	47 to 49

Bidding template tab	Paragraphs
Assessment criterion 1	
1. Relevant expenditure	50 to 60
Assessment criterion 2	
2a. Funding and project plan	61 to 72
2b. Project risks	73 to 75
2c. Value for money	76 to 82
2d. Environmental sustainability	83 to 85

44. The following paragraphs provide further detail about how to complete the sections of the bidding template and the criteria, and explain how the information provided in each tab of the bidding template will be used to inform our assessment of a bid.

Contact details and sign-off (Tab A)

45. Please complete Tab A with the name and UKPRN of the provider and the contact details of the person submitting the bid. This is the person who will receive all correspondence from the OfS including, alongside the accountable officer,[9] the outcome of the bid.

46. Providers should complete Tab A with confirmation that the proposal has the approval of the accountable officer. We do not require an electronic signature to be inserted; however, we expect providers to maintain their own internal controls to ensure that the accountable officer is kept informed of the bid and has agreed to and supports its submission.

Summary (Tab B)

47. Providers are asked to complete a summary of the proposal. This section has a limit of 500 words and should provide:

- A clear summary of the aims and objectives of the bid, with a clear description of the relevant facilities for which the proposal is seeking investment

- A short description of the status of the project currently, the progress that should be achieved by 31 March 2027, and final completion.

48. The summary can also provide context for the quantitative information collected in Tabs 2a and 2b (further guidance for which can be found below). However, there is no specific requirement to do so. Details of the amount of capital funding and items of expenditure are collected in Table 2a(ii) and do not need to be repeated in full here unless it will help our understanding.

49. An extract from the summary may be published in our funding announcement publication, if the bid is successful.

[9] See Regulatory advice 10: Accountable officers. Guidance for providers on the responsibilities of accountable officers - Office for Students.

Criterion 1: Relevant expenditure (Tab 1)

50. To meet this criterion, a bid must demonstrate that capital expenditure will directly support relevant facilities. The facilities must relate to capital assets owned by the eligible provider that submits the bid.

51. Relevant facilities are:

- The purchase of equipment (including IT equipment) used for learning, teaching or assessment. This does not include renting or hiring of equipment.[10]

- The acquisition, replacement or construction of premises or infrastructure (including IT infrastructure) used for learning, teaching or assessment. Acquisition may include the purchase of leaseholds, but this category does not include the making of payments outside of the purchase price, such as for rental or service charges.

- The refurbishment, expansion or adaptation of existing premises or infrastructure (including IT infrastructure) that are to be used for learning, teaching or assessment.

52. Eligible projects are capital expenditure projects that support the capital needs of providers in delivering provision that will address the government's strategies and priority sectors for growth and/or meet the needs of local employers and regional economies (as identified in LSIPs and/or Skills England's priorities as set out in the Industrial Strategy).

53. As part of this capital funding process, we must demonstrate the value of the funding that we are distributing. As such, Questions 1a, 1b and 1c of the bidding template ask providers to supply quantitative information, which we can use as part of our reporting on impact to government. While the information provided in these tables will be used primarily for reporting purposes, and not in our assessment of the bid, providers should make sure that the information provided does not contradict the narrative response provided in Question 1d.

Question 1a

54. Question 1a asks providers to tick the box(es) that apply to their proposal, indicating that the funding will result in either:

- an increase in capacity of existing provision

- an increase in quality of existing provision

- an increase in the range of provision

- another benefit to their provision (bidder to specify). This could include, for example, making time-critical capital investments in relevant areas which have been under-resourced for some time.

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[10] Permissible capital expenditure on software includes the purchase of operating systems and/or substantial applications packages, including where licence, update and maintenance charges are rolled up into the upfront cost and not separately charged over the expected life of the product – that is, where the product has been purchased outright. However, software licences and maintenance expenditure incurred on a periodic basis are not allowable as capital expenditure and should instead be treated as revenue.

Question 1b

55. Question 1b asks providers to list the provision or subject areas the funding requested will benefit, in addition to the mode (including whether the provision will be delivered flexibly and/or as part of a degree apprenticeship) and level of study. This question also asks providers to use the tick boxes to indicate where the skills gap has been identified.

56. Question 1b also asks providers to indicate:

- The current student numbers on the courses which will benefit from the planned investment.
- Where appropriate, the number of additional students per academic year that will be able to be delivered to as a result of any funding. We appreciate that, for a one-year funding scheme, a bid may not be able to definitively outline future student number growth. As such, we request a well-reasoned estimate for the number of additional students that the funding could benefit. Where an estimate appears unusual, a credibility check will be raised in the workbook as a prompt for the bidder to review the figure entered.

Question 1c

57. Question 1c asks providers to indicate which of the priority sectors the project will address.

Question 1d

58. Providers should use the narrative section here to clearly explain how the funding sought will be used to directly support relevant facilities, investments and capital works, and how it meets with one or more of the objectives set out in this document.

59. Bids should demonstrate a clear understanding of any employment needs and skills that their proposal intends to address, citing evidence where applicable. Bids should identify how the capital funding sought will directly support higher education provision that targets those needs and skills to support students and employers. This should include a description of how the specific provision or subject areas that the provider offers, or proposes to offer, will meet these employment and skills needs, which the capital investment will support.

60. Higher-scoring bids will provide details of focused capital investments, with credible information and evidence to support their case. Lower-scoring bids will provide more generic or limited information, with insufficient evidence about how the capital expenditure will meet the aims and objectives of this scheme. Although this criterion does not limit the subject areas in which providers may be looking to bid for funding, we will award higher scores to bids with provision that requires specific facilities and equipment for learning and teaching, particularly where these are clearly relevant to skills needs locally or nationally.

Criterion 2: Value for money, project and risk management, and environmental sustainability

61. We have separated the information required under this criterion into different sections of the template. Proposals should set out clearly how the project will be delivered and managed to provide: value for money; clear impacts and benefits; mitigate risk; and address environmental

sustainability. This criterion is an important factor in relation to our general duties in section 2 of HERA.[11]

62. We will not support any bid that score less than 3 (Satisfactory) for this criterion (see Table 3).

63. This criterion will be assessed using the data collected in Tabs 2a and 2b and the narrative questions in Tabs 2c and 2d of the template – this is to support the responses from bidders and our assessment of the information provided across the topics under this criterion. The responses provided in these tabs should support, and not duplicate or contradict, each other. Further guidance regarding the information requested in these tabs is provided below.

Tab 2a: Funding and project plan

64. Table 2a(i) asks providers to select whether the focus of the proposal is on a new build, refurbishment of existing facilities, the purchase of equipment, or a combination of these three categories.

65. Table 2a(ii) asks providers to give the following information:

Key milestones (Column A)

66. Bids should include details of key milestones for their projects. The following list is not exhaustive but, where relevant, we would expect to see information on the following:

- Any planning permissions – application and approvals
- Purchase orders placed and invoices raised
- Delivery of equipment and materials
- Design stages
- Construction – groundworks, main build, completion
- Installation of equipment
- Completion of project
- Facilities ready for use by students.

67. Information provided in Column A will form the basis of monitoring, for those bids that are successful.

Items of expenditure (Columns B and C)

68. Providers should clearly set out the capital items of expenditure that funding will be spent on, split between those to be purchased with OfS funding and those using other sources of funding, such as from the provider itself or from other external grant funders or other organisations. This should include a cost for the capital items, if necessary at an estimated

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[11] See www.legislation.gov.uk/ukpga/2017/29/section/2/enacted, in particular our duty to have regard to the need to promote value for money in the provision of higher education by English higher education providers.

amount; however, we will expect to be able to clearly understand how our funding is due to be spent so that we can assess the relative value of the proposal and monitor and track expenditure and delivery for the successful bids.

Proposed capital expenditure (Columns D to G)

69. We are looking to understand how the OfS funding sought will contribute to the overall financing of a project, in FY 2026-27. Providers should give details in Column D of the total value of funding requested from the OfS to be used for the project. The amounts entered in this column should clearly relate to the items of expenditure in Column B.

70. While we do not require match funding, Columns E and F ask providers to specify any other sources of finance and investment for the project, with Column F for any funding to be invested by the provider. Column G and Rows 23 and 24 will automatically calculate total funding amounts. If the total cost of the project exceeds the maximum funding available from the OfS, this information will help us to understand how a provider will finance and complete the project. There must be no double-counting of any funding.

71. If the funding requested from the OfS includes any retention payments to contractors, this should be made clear in the row for March 2027 in Table 2a(ii). Providers should set out an estimate of the value of the retention payment and give a date for when this is likely to be paid in full. Successful bidders will be required to provide evidence of the agreement for this payment as part of our monitoring of the project.

72. If any information is required to support the qualitative data provided in Table 2a(ii), this can be provided in the response for Question 2c regarding value for money.

Tab 2b: Risk management

73. Table 2b should outline the risks to the project, how the provider intends to mitigate and manage the risks, what the impact would likely be should the risk materialise, and what the alternative course of action would be should it occur. We have made improvements to the template to support providers in setting out clear information which should allow us to consistently assess risk and risk management across all proposals submitted. Bidders should now select the probability and impact levels in Columns C and D from the drop-down menu, using the descriptors provided below Table 2b.

74. Providers should give details of any important dependencies that may impact the project. For example, if delivery of the project is contingent on planning permission being granted, this should be included, with information on what stage the application is currently at, when a decision is expected, and a contingency plan if planning is delayed or not granted.

75. We also expect this information to set out the management of any disruption to students during term time.

Tabs 2c and 2d: Narrative information

76. Providers should use the narrative response to Question 2c to set out further information and context to support the data provided in Tabs 2a and 2b. We expect bidders to use this section to provide details on the following:

Tab 2c: Delivery, benefits and additionality of the funding

77. To help us better understand project and risk management, we would like examples of how effectively and successfully providers have recently delivered similar types/sizes of projects. This could include other publicly funded projects, similar examples of privately funded projects, or examples of how internal governance mechanisms have worked in practice to deliver similar types of projects and activities.

78. The benefits of our funding should be clearly set out, so we can understand what the intended impacts and outcomes will be for our investment. To aid bidders, we are interested in:

- the benefits for students of the capital investment, to support their teaching and learning and the skills they will acquire to help them achieve graduate level employment

- the proportionately of our funding to the benefits to be delivered – for example, for providers seeking the maximum amount of funding, we would expect to see equally significant but realistic benefits and impacts which we can track through our monitoring process

- any enhancements using OfS funding which bidders intend to make to current capital developments which are already underway and why and how these will add impact and value – and why it is important for the OfS to pay for these now

- the extent to which the focus of the capital expenditure is on enhancing facilities for higher education teaching and learning, as opposed to research or for teaching at further education level

- the role and importance of our capital funding in delivering the project – what would happen for example if the OfS funding was not provided?

79. The response to Question 2c should align with information provided for Criterion 1.

Tab 2c: Project management, governance and oversight

80. This aspect of Criterion 2 relates to us having sufficient confidence that the provider will be able to deliver the project and manage public funding effectively throughout the timeframe for spend. This includes management of all aspects of the project, from planning and procurement to final completion, ensuring that risks are well-managed and that the provider is both ready for the money and able to spend it all in the time available to the end of March 2027.

81. Bids should detail the governance, management and oversight arrangements for the project. Where appropriate (for example, where bids relate to the construction, refurbishment, expansion or adaptation of premises), proposals should explain how the provider will review progress, and how it will identify and address emerging risks which could threaten the success of the project. This could include, for example, a description of how issues such as progress and risk will be reported upwards to project management boards, senior management, and the governing body. Bids should provide information on procurement, tendering and contract administration, such as tendering procedures for higher value items, and information regarding the roles, contributions and oversight of any important external delivery partners, such as construction companies, involved in the capital works.

82. We will also use our internal information to seek assurances over a provider's broader financial sustainability and any specific regulatory cases or actions using information we hold which

could impact our view of management and governance issues and delivery and support our duty to protect public funding.

Tab 2d: Environmental sustainability

83. The government is committed to reducing energy use in new and existing buildings to meet the legislative net zero greenhouse emissions target by 2050. We are therefore seeking assurance that providers have considered practical solutions towards achieving environmental sustainability as part of their bid. We now have a standalone question in which we expect bidders to set out and evidence their approach to environmental sustainability as part of their proposed project. This information will contribute towards the overall score for Criterion 2.

84. Providers should demonstrate that they have explored relevant options as part of their response to Question 2d. For example, where the refurbishment and construction of buildings is concerned, we are interested to understand how the project (and our investment in it) will help reduce energy usage.

85. We are interested to understand how the use of new technologies affecting the pace, place and mode of course delivery may help to reduce energy use (by the provider and students) and how the provider has assessed this. We are not seeking general information about a provider's commitment to and policies for environmental sustainability – the information must be focused on the specific project and the capital works.

Approach to scoring and prioritisation for capital funds distributed through the competition

86. We will score each criterion on a scale of 0 to 6 according to the scale set out in Table 3. The maximum score for this competition is 12.

Table 3: Scoring of criteria for capital bidding competition

Score		Description
6	Excellent	Very clear, well-reasoned and evidenced explanation of how the bid meets the criteria and objectives. No material weaknesses in explanation or the evidence referred to or provided. Bid provides full confidence that funding can be well managed and project completed in time.
5	Very good	Clear, well-reasoned and evidenced explanation of how the bid meets the criteria and objectives. Only minor gaps in explanation or the evidence provided. Full confidence provided that funding can be delivered and project completed in time with only minor risks.
4	Good	Clear explanations and evidence provided for how the bid meets the criteria and objectives, albeit with a lack of rationale in places. Some gaps in evidence referred to or provided, but not material. General confidence in delivery but with less assurances provided to justify a higher score.

Score		Description
3	Satisfactory	Basic explanation and evidence provided for how the bid meets the criteria and objectives. Some gaps in evidence referred to or provided, but not material enough for a lower score. Lower confidence that bid can be delivered.
2	Unsatisfactory	Very basic and limited explanations and evidence provided for how the bid meets the criteria and objectives. Substantial gaps in the evidence referred to or provided. Low confidence that project can be delivered and likely to be higher risks of slippage.
1	Poor	Minimal evidence and explanations to support the bid. Does not meet the criteria or objectives in a clear and reasoned way, with limited detail set out. Little substantive evidence provided to support the bid. Limited confidence that project can be delivered and very likely to be higher risks involved in multiple areas.
0	No score	No explanation of how the bid meets the criteria and objectives, and/or no evidence provided to support significant elements of the bid. Proposal contains substantial and material inconsistencies or significant weaknesses across the content provided. No confidence that project can be delivered.

87. **Irrespective of the score for Criterion 1, we will not support a bid that scores less than 3 under Criterion 2, which covers project management, risk and value for money. Both criteria will be individually scored, and bidders should ensure that the factors included within both criteria are fully addressed in their template.**

88. Each bid will be assessed on its merits and strength against the criteria, but where bids are tied we will aim in our final decisions for a regional distribution of funding across a broad group of providers.

89. Our decisions on which proposals to fund are final and, because of the shorter timeframe for this competition and the need to deliver projects and investments quickly, we will not be able to accept representations against the outcomes. It is important to note that this is a competitive process rather than an allocations system. We will write to all bidders to advise them of their outcomes. For the unsuccessful bidders, our letter will specify against the criteria where the proposal could have provided stronger evidence to support the case for investment.

Formula funding allocations

90. As we did in FY 2025-26, we will distribute £7.75 million in formula capital funding during this financial year. We will again **not** make a formula funding allocation to those providers that are successful in submitting a bid for funding. This approach worked well last year and will enable us to provide access to capital funding to a wide range of eligible providers and their students.

91. This means though that we cannot issue formula capital funding allocations until the competitive bidding process has concluded. As set out in the timeline shown in Table 1, we expect to confirm all capital allocations by November 2026. Providers are reminded that the formula funding can be used to support relevant capital spend made at any point in this financial year (1 April 2026 to 31 March 2027).

92. As in previous years, we expect to retain an overall maximum cap on the total formula funding granted and to maintain a minimum allocation threshold. We expect these thresholds to be approximately £30,000 and £10,000 respectively, as they were for FY 2025-26.

93. We will use qualifying student data to calculate formula funding allocations. Details of the calculation method will be confirmed when allocations are announced, but we expect to use a similar method as previously, by which formula allocations are based on student numbers weighted by price group. (We will take account of subcontractual provision and aim to apply additional weighting for postgraduates, disabled students and some specialist providers.)

Annex A: Information on terms and conditions of funding and monitoring arrangements

1. Capital funding is provided on a financial year basis. Providers must spend our capital grants in full within the relevant funding period for which they are provided (in this case, 1 April 2026 to 31 March 2027). OfS funding must not be used for advance payments to contractors, or other financing arrangements (such as bonds) where payments precede production of goods or delivery of services.

2. Allocations of capital funding are provided to enhance the learning experience of higher education students at providers, by helping raise the quality of their learning and teaching facilities. Providers must use capital grants for this purpose, in particular to directly support relevant facilities in relation to one or more eligible projects. In addition, any capital grants awarded through the bidding competition must be used:

   a. On expenditure items included in Table 2a(ii) of the bidding template for the provider's successful bid. We will expect to understand and to monitor exactly how the funds were spent.

   b. In accordance with our general OfS terms and conditions of funding[12], as announced on an annual basis, along with any other terms and conditions that we may specify when we award the grant or through our monitoring of the projects.

3. Providers must notify the OfS immediately of any changes in circumstances or scope of individual projects. Providers must send details of any proposed changes or expected delays to a project to capitalgrant@officeforstudents.org.uk as soon as possible so that these can be reviewed and assessed by us without delay.

4. OfS funding spent in the financial year ending 31 March 2027 includes contractually committed expenditure that is clearly identified as such within the provider's finance system as at 31 March 2027 – that is, in accounting terms, you would expect to be able to accrue for this expenditure to reflect the point at which the contractual commitment was made and that auditors could confirm this treatment if required.

5. OfS capital funding must be used for projects that focus on higher education teaching, and may be subject to audit. The OfS recognises, however, that it may be neither feasible nor desirable to create ring-fenced boundaries between higher and further education, or teaching and research facilities. For example, equipment purchased using OfS capital funds may be used by both higher and further education students or for both teaching and research purposes.

6. OfS capital grants may be used to contribute towards the costs of a capital project in combination with funding from other sources. However, there must be no double-counting in attributing the capital expenditure.

7. The OfS intends to pay the capital funding in two instalments, in November 2026 and February 2027. As this is a one-year scheme, we do not expect to consider significant changes to

[12] Terms and conditions of funding for 2025-26 - Office for Students – note that we will soon be publishing our terms and conditions of funding for 2026-27 which will replace the current document.

payments once funding commences. We will though consider any changes to profiles alongside our monitoring of the progress of the funded projects. We will not routinely make changes to profiles, so that we can avoid any errors in grant payments and ensure efficient and effective uses of resources at both the OfS and at providers.

8. During and at the end of the funding period, the OfS will request monitoring reports and evidence of expenditure from providers to ensure that we are satisfied that spend is aligned to our terms and conditions of funding, and that the scope and scale of the project is being delivered as intended. For evidence of expenditure, we will request invoices and other relevant evidence to demonstrate the costs incurred during a specific timeframe, usually a three-month period. We will run this process for the projects that we will fund, and aim to sample expenditure for all projects at least once during the funding period. We will reserve the right to request evidence of spend for our formula capital funding, but will not routinely request it unless we want to seek further evidence as part of our monitoring work at the end of the funding period.

9. We will actively monitor spend and progress, particularly to manage the risk of any non-delivery or significant underspends accumulating towards the end of the funding period. In exceptional circumstances, if our monitoring does not give us confidence that a provider will be able to use the funding in the time available, in line with the terms and conditions that apply, we may withdraw the offer of funding in whole or part. Such exceptional circumstances may include significant delays in delivery (for whatever reason) compared to the timetable set out in the provider’s bid (or as may subsequently be agreed by us) or failure of the provider to engage to our satisfaction in reporting and monitoring requirements.

Annex B: Using the OfS portal for capital funding bid submissions 2026-27

Assigning yourself to the capital funding bids 2026-27 area

1. In order to submit a bid, you will need to be a registered user of the OfS portal, and assigned a user role of 'Data collection contributor - Capital Funding'. The capital funding bids 2026-27 collection will be open on the portal on 18 August 2026. You should download the bid template from our website for completion, and when it is ready, upload it by the deadline – **4 September 2026**.

2. If you have not registered on the OfS portal before, you will need to ask the nominated 'Portal Administrator', or one of the 'Delegated – Portal Administrator' users at your provider to create an account for you. You will also need to be assigned a user role of 'Data collection contributor - Capital Funding' by the nominated OfS portal user administrator at your provider. You will though only need to be assigned this role once for access to all existing and future years of capital funding data collections. The user administrator can find guidance on how to add portal users to portal areas on the main portal login page (www.officeforstudents.org.uk/how-to-manage-your-portal-users/). If you are the portal administrator or a 'delegated – portal administrator', you will already have access to the area.

3. You can view the portal administrator and delegated – portal administrators at your provider by logging onto the OfS portal and visiting the portal access help page. The names of the portal administrators and delegated portal administrators at your provider will be listed under the 'Who to contact' section. If you are not registered and do not know who your portal administrator or delegated portal administrators are, please contact us at portal@officeforstudents.org.uk.

Completing your bidding template

4. The bidding template is provided as an Excel workbook on our website. You should not attempt to alter the format of the worksheets by adding or deleting columns or rows, except where this is specified by us in our guidance. Only cells where data is required should be edited. The workbook is protected to ensure that the data submitted is only entered into the relevant cells. The worksheets contain information critical for our accurate loading of the bid and its data after submission. We will not be able to accept any templates that have been significantly altered. If you are unsure, please do contact us for advice and support.

5. We recommend that when you copy and paste data from another source, you ensure that you use the 'Paste values' option. This will not copy the formatting of the data you are pasting and will preserve the formatting in the template.

Uploading your bidding template

6. Once you have completed your bidding template, you will need to submit it to the capital funding bids 2026-27 area of the OfS portal. Please submit the template as follows:

   a. Login to the portal using this link: Login - Office for Students portal.

b. Navigate to the ‘Your data returns’ area (this should be showing in the top right-hand corner of the page).

c. Click through to the ‘Capital funding bids 2026-27’ area.

7. Completed workbooks can be uploaded any number of times until the deadline for submission, at which point we will take the latest uploaded version as the final version for assessment.