



Skills Funding
Agency

Project Development Fund Phase 2 Application Guidance

Guidance

May 2013

Of interest to further education colleges

1.0 Introduction

1.1 The Autumn Statement 2012 confirmed that £270 million of additional capital funding is available for FE college capital investment in 2013-14. This will supplement the existing £280 million in 2014-15. The [FE College Capital Investment Strategy](#) (CCIF December 2012) outlines the Government's capital investment plans for the remainder of this Parliament, sets out key priorities, an outline delivery plan and announces the creation of the College Capital Investment Fund (CCIF).

1.2 On 26 April 2013 the Skills Funding Agency (the Agency) confirmed the outcome of the first round of CCIF. Out of a total of 183 Expressions of Interest (Eols) submitted 53 have been agreed and it is anticipated that these projects will be further developed to a detailed application stage over the next few months.

2.0 Project Development Fund Phase 2

2.1 Following the initial Project Development Fund Phase 1 (PDF1) allocations, it is recognised that colleges that have successful Eols may now incur significantly higher expenditure than has been supported to date in developing their capital proposals to the detailed application stage. A second round of PDF funding has therefore been made available to those colleges that have an agreed Round 1 Eol.

2.2 The Project Development Fund Phase 2 (PDF2) will be available to cover eligible colleges' external professional costs incurred in development of detailed CCIF capital project applications to RIBA stage C or equivalent in order that they can be considered for funding support. PDF2 is for fee support and associated surveys only. It is not available for any building works associated with a CCIF application, for example service diversions, temporary accommodation or refurbishment works attributable to a CCIF application. It is also not available for any internal staff costs. Examples of eligible spend include:

- external professional fees for developing the capital project – design team, cost consultants, town planning and procurement

- undertaking specialist surveys (for example asbestos, services, building condition and structural surveys) required to develop the capital project
- any external costs of developing the capital application for submission to the Agency for grant support
- improving the value for money of the bid
- VAT should be included within eligible spend where colleges are unable to recover this separately.

3.0 Eligibility

3.1 All colleges with an approved EoI (round 1) for CCIF support are eligible for support through the PDF2. Annex 1 lists the colleges that are eligible.

4.0 Project Development Fund Phase 2 Allocation Arrangements

4.1 Eligible colleges can receive an allocation of up to £200,000.

4.2 Colleges will normally be expected to make a 50 per cent contribution towards the professional project development fees (that is 50 per cent Agency funding and 50 per cent college funding).

4.3 It should be noted that PDF will be netted off the agreed grant support on approved CCIF projects. Colleges should ensure that all detailed CCIF bids include the expenditure that has been supported by PDF1 and 2 as part of the overall project costs to be approved within the application.

4.4 The table below sets out PDF 1 and 2 support that has been made available by the Agency to eligible colleges and the normal eligible match fund required:

Fee support stage	Maximum percentage fee support available for eligible colleges	Normal maximum fee support	Normal minimum eligible total fee expenditure to obtain maximum grant
PDF1	50%	110k	220k

PDF2	50%	200k	400k
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In cases where a college has identified more than £220,000 of eligible fee expenditure within a PDF1 application, it will normally be possible to include the unmatched balance (that is the amount of PDF1 spend above £220,000) as match funding for PDF2 support¹. However, in circumstances where a college has received more than the normal maximum £110,000 PDF1 allocation, it will need to make a case on affordability grounds for any PDF1 eligible spend over the normal £220,000 to be included within its PDF2 application where the overall combined grant for PDF1 and PDF2 exceeds 50 per cent. Colleges wishing to utilise the balance of surplus unmatched PDF1 grant match expenditure should clearly identify this sum within the relevant section of the PDF2 application form.

4.5 Colleges will need to complete a [PDF2 acknowledgement form](#) available on the Agency's website and attached at Annex 2. On the form the college will need to state:

- the amount of PDF2 being requested
- a description of the fee work to be undertaken and an outline description of the CCIF project
- confirmation that costs will be incurred up to the point of submission of the detailed CCIF application, which will be no later than 20 December 2013
- that the costs to be incurred have not been included in an approved application for phase 1 PDF support, other than those costs that are eligible as outlined in Para 4.4 above

¹ For example if a college has obtained a £110,000 PDF1 allocation based on a planned total fee spend of £500,000 then the college can use the £280,000 surplus matched spend (ie £500,000 - £220,000) as eligible for PDF2 support which at 50% support will be PDF2 support of £140,000.

- that the target date for operational completion the project that is to be included in the detailed application to CCIF is expected to be September 2015
- that the project to be submitted for detailed approval will be the same project as for which the EoI approval has been granted and in accordance with the requirements of the CCIF Detailed Application Guidance.

4.6 Colleges which have more than one agreed EoI should submit a separate PDF2 application form for each project which separately identifies the fee costs for each project and states which CCIF project it relates to. Note the maximum PDF2 grant normally available will remain at £200,000 for both projects combined.

4.7 As part of this confirmation, colleges must provide an expenditure plan setting out how they intend to apply the PDF2 funds in the period to the 20 December 2013 or up to the submission of the detailed CCIF application – whichever is the earlier. The form for this is available on the Agency's [website](#).

4.8 The [PDF2 acknowledgement form](#) is included at Annex 2 and is available on the Agency's website . The form needs to be submitted to the Agency by **12.00 noon on 24 May 2013**. The Agency only requires an electronic application and the form together with supporting information, including spend profile, should be e-mailed to the Property Services inbox. The Agency will not accept applications beyond this point.

4.9 Colleges will be required to submit a use of funds statement by 31 March 2014 to the Agency to confirm the amount of PDF2 spent up to 20 December 2013 and the outputs achieved. The Interim Chief Executive of Skills Funding will reserve the right to recover funds by claw-back from college revenue allocations in the event that project costs (including VAT savings) are less than originally approved, or have not been used for the agreed purposes.

4.10 The Agency will require that colleges' financial statements provided by their auditors, as part of the normal regularity audit opinion, contain

confirmation that the PDF2 funds have been used for the intended purposes.

4.11 Colleges receiving a PDF2 allocation must have complied with all reporting requirements for previous Agency and/or Learning and Skills Council capital grant support (including post project reviews, use of funds statements/final cost reconciliations etc). PDF allocations will not be released to colleges where such information is outstanding².

4.12 The Agency has a policy of prioritising its capital investment in those colleges which have appropriate estate management systems in place to help facilitate the effective running of the estate; the Agency would normally expect an appropriate estate management benchmarking system such as eMandate to be used by colleges intending to apply for capital grant support. Colleges receiving PDF2 allocation will be required to have made an eMandate return for 2011/12 (due 31 March 2013) or demonstrate compliance with a similar benchmarking system.

4.13 PDF2 grant support is only available for eligible costs incurred after 6 December 2012 and up to submission of the detailed application.

4.14 Colleges in receipt of PDF2 grant support will be required to submit a detailed application for CCIF grant support in accordance with the agreed EoI and The [Further Education College Capital Investment Fund \(CCIF\) Detailed Application Guidance](#) which lists three dates for the submission of CCIF detailed applications: 24 May 2013, 18 September 2013 and 20 December 2013. Colleges which fail to submit a detailed application in accordance with an agreed Expression of Interest by 20 December 2013 will not be eligible for CCIF grant support and in such circumstances the Interim Chief Executive of Skills Funding reserves the right to claw back any PDF2 grant allocated.

² Colleges in receipt of any Renewal/Enhanced Renewal Grants and Capital Works Grant funds are required to complete and submit the requisite Use of Funds Statements confirming that the grant has been spent in accordance with the approvals. These forms are available on the [Agency's website](#).

4.15 Colleges should note that eligibility to apply for PDF2 does not guarantee that a detailed CCIF application will be successful: In order to be successful at the detailed application stage, colleges must meet the requirements set out in the [CCIF Detailed Application Guidance](#) and meet the CCIF investment criteria.

4.16 Colleges must confirm that the funding will be used in accordance with the above conditions and that funding from the Agency can be spent by 20 December 2013. The Interim Chief Executive of Skills Funding will reserve the right to claw-back any funds that have not been used in accordance with these criteria.

Annex 1

Project Development Fund Phase 2 Eligible Colleges

Accrington and Rossendale College
Barking and Dagenham College
Barnet and Southgate College
Barnsley College
Bedford College
Birmingham Metropolitan College
Blackpool and the Fylde College
Brooksby Melton College
Bury College
Canterbury College
Chelmsford College
City College Plymouth
Cornwall College
Derby College
East Berkshire College
East Durham College
Exeter College
Gateshead College
Grimsby Institute of Further and Higher Education
Guildford College of Further and Higher Education
Hertford Regional College
Hopwood Hall
Hull College
Knowsley Community College
Middlesbrough College
Myerscough College
Nelson and Colne College
New College Stamford
Newcastle College

Newcastle under Lyme College
Norwich City College of Further and Higher Education
Oaklands College
Oxford and Cherwell Valley College
Plumpton College
Preston College
Redbridge College
Richmond Adult Community College
Rotherham College of Arts and Technology
Salford City College
South Devon College
South Thames College
South Tyneside College
Stockport College
Sunderland College
The College of Haringey, Enfield and North East London
Trafford College
Tresham College of Further & Higher Education
Uxbridge College
Walsall College
West Suffolk College
Westminster Kingsway

Annex 2

Project Development Fund Phase 2: Acknowledgement Form

Please complete this form in conjunction with the Property Development Fund Phase 2 Application Guidance and return it in electronic format together with the spend profile form and any supporting information to:

propertyservices@skillsfundingagency.bis.gov.uk by 12.00 noon 24 May 2013

NB PDF2 grant support is only available to those colleges that have a successful Round 1 CCIF

College Name	
College Address	
College Contact Name and Job Title	
Contact Telephone	
Contact Email	
UPIN	
PDF2 Capital Grant Allocation sought:	
1. Use of Capital Grant Allocation Details	
Summary of CCIF project for which PDF2 grant is requested	
Summary of PDF2 project development works/services to be undertaken including an estimate of fees/costs: (note this section should include a brief description of each	

element of the PDF2 works/services to be undertaken)	
2. Identification of Project Costs	
Estimate of total CCIF project costs:	£
Total PDF2 fees cost inc. unrecoverable VAT:	£
Unrecoverable VAT to be used as match fund	£
PDF2 grant requested:	£
% of total PDF2 project development costs:	%
PDF2 College contribution:	£
% of total PDF2 project development costs:	%
Does this application include elements of PDF1 expenditure that have previously been supported at less than 50% grant. If so state the eligible PDF1 match spend included within this application (this will normally be the total PDF1 spend - £220,000).	Y/N
3. Declaration and Signature	
Declaration:	I certify that the information provided in this form is complete and correct to the best of my knowledge. I accept the criteria and conditions for the use of the Agency's capital grant.
Signature (College Principal)	
Print Name	

Date	



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Publication number – P – 130121