

# **Project Development Fund Application Guidance**

December 2012

Of interest to further education colleges

## **1.0 Introduction**

1.1 The Autumn Statement 2012 confirms that £270 million of additional capital funding has been made available for FE college capital in 2013-14. This will supplement the existing £280 million in 2014-15. The [FE College Capital Investment Strategy](#) (CIS)(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). The Agency will continue to work with the Department to secure additional capital funding in the next Spending Review period.

1.2 Colleges play a vital role in the delivery of the skills needed to support economic growth and personal wellbeing. Government wants to help the FE college sector achieve the position where all colleges operate with estate which is in at least 'Good' condition, which is fit for purpose, and is versatile enough to efficiently accommodate changes in curriculum, social and economic needs and/ or educational delivery.

## **2.0 Project Development Fund**

2.1 A key component of the CIS is the creation of a Project Development Fund (PDF) for allocation between the end of December 2012 and March 2013. In particular, funding is available to assist colleges with the implementation of their property strategies and in developing capital projects that can benefit from the CCIF. This fund will:

- make some funding available to colleges identified as in the greatest need, through a simple formula allocation
- provide colleges with sufficient capital resources to obtain professional help to develop strategic capital projects

- create a 'pipeline' of potential projects, some of which are capable of benefiting from Agency capital grant. CCIF funding will be available on a competitive basis for projects that can be implemented and operational by September 2015. However, PDF funding may be used for developing projects capable of implementation through self-financing opportunities or any further capital grants announced by the Government.

2.2 To maximise the benefit of public funds, colleges will be required to demonstrate that they have a robust and deliverable property strategy which is driven by the strategic requirements of the institution and Government policy. Strategies should be capable of being implemented in phases to minimise exposure to risk and take account of self-funding opportunities and availability of capital grant.

2.3 This fund aims to encourage colleges that might otherwise be reluctant to develop robust capital projects and applications by offering limited grant funding at an early stage in the capital process, thereby reducing the financial burden on colleges wishing to prepare strong capital proposals.

2.4 The Project Development Fund will be available to cover colleges' external professional costs incurred in developing capital strategies, projects and/or applications for funding support. Examples of eligible spend include:

- preparation of capital strategies which are under-pinned and driven by the strategic requirements of the college, including robust option appraisals with realistic delivery/implementation plans
- undertaking specialist surveys (for example asbestos, services, building condition and structural surveys) required to develop a capital project

- professional fees for preparing a feasibility study to assess options identified in the property strategy
- professional fees for developing a capital project – design team, cost consultants, town planning and procurement
- any external costs of developing a capital application for submission to the Agency for grant support, including updating of ERG3 applications and/or preparing Expressions of Interest
- improving the value for money of the bid.

### **3.0 Eligibility**

3.1 All colleges with 20 per cent or over of their estate in poor and/or inoperable building condition will be eligible for support through the Project Development Fund. As per the Renewal Grant approach, the latest eMandate returns, based on 2010/11 data, will be used as a base line; colleges that have not submitted an eMandate return can make a case to the Agency for inclusion. Annex A lists the colleges that have estates that fall into this category, based on their 2010/11 eMandate returns.

3.2 Colleges with less than 20 per cent of their estate in poor and/or inoperable building condition will have the opportunity to apply to the Project Development Fund if they have an individual campus with in excess of 20 per cent of the accommodation in poor/inoperable condition (this could be particularly beneficial to merged colleges where one site or campus is in need of urgent attention).

### **4.0 Project Development Fund Allocation Arrangements**

4.1 Eligible colleges will receive an allocation of £110,000 (or less if requested).

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). Colleges will be able to submit a financial case to the Agency to justify a higher proportion of funding which will be considered on its merits<sup>1</sup>.

4.3 Colleges will need to complete an [Acknowledgement Form](#) (similar to that of the Renewal Grant acknowledgement form). On the form the college will need to state:

- the amount of Project Development funding requested
- a description of the work to be undertaken
- confirmation that costs will be incurred in sufficient time for funding in 2012-13
- that the target date for operational completion of any subsequent development that is to be part of an Expression of Interest or detailed application to CCIF is expected to be September 2015
- that, as at 1 August 2012, the college's estate condition remained in the eligible category - colleges will be required to confirm that at least 20 per cent of their estate remained in condition category C and/or D for the start of the 2012/13 academic year.

4.4 As part of this confirmation, colleges must provide an expenditure plan setting out how they intend to apply the stage 1 funds in the period to the end of March 2013.

4.5 Colleges requesting the funding on the basis of having an unimproved site acquired through merger (since April 2001) which has more than 20 per

---

<sup>1</sup> In such circumstances the maximum available is £220,000.

cent of its estate in poor condition will need to complete the acknowledgement form, also confirming the basis of the request for funding.

4.6 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 utilised by colleges wanting to apply for capital grant support.

4.7 The [Acknowledgement Form](#) is included at Annex 2 and is available on the Agency's website. The form needs to be returned to the Agency by 31 January 2013. Instructions for submission are included on the form itself.

4.8 Colleges will be required to submit, to the Agency, a use of funds statement by 31 August 2013 to confirm the amount of Project Development Fund spent and the outputs achieved.

4.9 The Agency may make a second tranche of Project Development Funding available to those colleges that submit successful Expressions of to CCIF. Further information will be provided on this early in 2013.

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 PDF funds have been used for the intended purposes.

4.11 Colleges receiving a PDF allocation must have complied with all reporting requirements for previous Skills Funding 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 outstanding.

4.12 Project Development Support Grant is only available for eligible costs incurred after 6 December 2012.

4.13 Colleges will have to confirm that the funding will be used in accordance with the above conditions and that funding from the Agency can be spent by 31 July 2013. The Agency will reserve the right to claw-back any funds that have not been used in accordance with these criteria.

## **Annex 1**

### **Project Development Fund**

**Colleges that have provided 2010/11 eMandate data indicating that they have estates with at least 20 per cent in eMandate condition categories C and D.**

**Note: Eligible colleges will need to confirm that at least 20 per cent of their estate remained in Emandate condition category C and/or D for the start of the 2012/13 academic year.**

Abingdon and Witney College  
Accrington and Rossendale College  
Amersham and Wycombe College  
Askham Bryan College  
Barking and Dagenham College  
Barnet College and Southgate College  
Barnfield College  
Barnsley College  
Basingstoke College of Technology  
Bedford College  
Bexley College  
Bicton College  
Bishop Auckland College  
Blackburn College  
Blackpool and The Fylde College  
Bolton Community College  
Boston College  
Bournemouth & Poole College  
Bournville College of Further Education  
Bradford College  
Brooksby Melton College  
Burnley College  
Burton College



Calderdale College  
Canterbury College  
Carlisle College  
Carshalton College  
Central Bedfordshire College  
Central Sussex College  
Chelmsford College  
Chesterfield College  
Chichester College  
City College Brighton and Hove  
City College, Plymouth  
City of Bath College  
City of Bristol College  
City of Sunderland College  
City of Wolverhampton College  
Colchester Institute  
College of North West London  
College of West Anglia  
Cornwall College  
Craven College  
Croydon College  
Derby College  
Doncaster College  
East Berkshire College  
East Durham College  
East Riding College  
Eastleigh College  
Exeter College  
Fareham College  
Furness College  
Grantham College  
Great Yarmouth College  
Greenwich Community College  
Grimsby Institute of Further & Higher Education

Hadlow College  
Halesowen College  
Harrow College  
Hartlepool College of Further Education  
Hartpury College  
Havering College of Further and Higher Education  
Henley College Coventry  
Herefordshire College of Technology  
Hereward College of Further Education  
Hertford Regional College  
Hopwood Hall College  
Hugh Baird College  
Hull College  
Huntingdonshire Regional College  
Isle of Wight College  
K College  
Kidderminster College  
Kingston College  
Kingston Maurward College  
Kirklees College  
Knowsley Community College  
Lakes College, West Cumbria  
Lambeth College  
Lancaster and Morecambe College  
Leeds City College  
Leeds College of Building  
Lewisham College  
Loughborough College  
Lowestoft College  
Mid-Cheshire College of Further Education  
Mid-Kent College of Higher and Further Education  
Morley College  
Myerscough College  
New College Stamford

New College, Nottingham  
Newcastle College  
North East Surrey College of Technology (NESCOT)  
North Hertfordshire College  
North Lindsey College  
North Nottinghamshire College  
Northampton College  
Northbrook College, Sussex  
Northern College for Residential Adult Education  
Northumberland College  
Norton Radstock College  
Norwich City College of Further and Higher Education  
Oxford and Cherwell Valley College  
PETROC  
Plumpton College  
Preston College  
Riverside College Halton  
Rotherham College of Arts and Technology  
Runshaw College  
Salford City College  
Sandwell College  
Seevic College  
Shipley College  
Shrewsbury College of Arts and Technology  
Somerset College of Arts and Technology  
South and City College Birmingham  
South Devon College  
South Essex College of Further and Higher Education  
South Nottingham College  
South Staffordshire College  
South Tyneside College  
South Worcestershire College  
Sparsholt College, Hampshire  
St Helens College

Stafford College  
Stanmore College  
Stockport College of Further and Higher Education  
Stourbridge College  
Stratford upon Avon College  
Sussex Downs College  
Swindon College  
Tameside College  
The Oldham College  
The Sheffield College  
Tower Hamlets College  
Trafford College  
Tresham Institute Of Further And Higher Education  
Tyne Metropolitan College  
Uxbridge College  
Wakefield College  
Walford and North Shropshire College  
Warwickshire College, Royal Leamington Spa, Rugby and Moreton Morrell  
West Herts College  
West Nottinghamshire College  
West Suffolk College  
West Thames College  
Westminster Kingsway College  
Weston College  
Wigan and Leigh College  
Wiltshire College  
Worcester College of Technology  
Working Men's College Corporation  
Worthing College  
Yeovil College

**Annex 2**

**Project Development Fund: Acknowledgement Form**

Please complete this form and return it in electronic format to:  
[propertyservices@skillsfundingagency.bis.gov.uk](mailto:propertyservices@skillsfundingagency.bis.gov.uk) by **31 January 2013**

A hard copy of this form should also be sent to the Capital Team at:

Capital Team  
Skills Funding Agency  
Cheylesmore House  
Quinton Road  
Coventry  
CV1 2WT

<b>College Name</b>	
<b>College Address</b>	
<b>College Contact Name and Job Title</b>	
<b>Contact Telephone</b>	
<b>Contact Email</b>	
<b>UPIN</b>	
<b>PDF Capital Grant Allocation sought:</b>	
<b>1. Use of Capital Grant Allocation Details</b>	
<b>Summary of project development fees/costs proposed and estimate of costs:</b>	

<b>Total fees cost:</b>	£
<b>Agency grant : % of total project development costs:</b>	£ %
<b>College contribution:  % of total project development costs:</b>	£  %
<b>If not listed in Annex 1 of the Guidance, applying on the basis of an eligible merged campus with at least 20% of estate in Condition category C/D</b>	Y/N
<b>3. Declaration and Signature</b>	
<b>Declaration:</b>	<b>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. I confirm that, as at the start of the 2012/13 academic year, more than 20 per cent of the college estate was in condition category C and/or D<sup>2</sup> and/or more than 20% of one campus/site was in condition category C and/or D.</b>
<b>Signature (College Principal)</b>	
<b>Print Name</b>	
<b>Date</b>	

<sup>2</sup> Based on Emandate Condition Categories

Skills Funding Agency  
Cheylesmore House  
Quinton Road  
Coventry CV1 2WT  
T 0845 377 5000  
F 024 7682 3675  
[www.bis.gov.uk/skillsfundingagency](http://www.bis.gov.uk/skillsfundingagency)

**BIS** | Department for Business  
Innovation & Skills

© Skills Funding Agency

Published by the Skills Funding Agency

Extracts from this publication may be reproduced for non-commercial, educational or training purposes on condition that the source is acknowledged and the findings are not misrepresented.

This publication is available in electronic form on the Skills Funding Agency website: [www.bis.gov.uk/skillsfundingagency](http://www.bis.gov.uk/skillsfundingagency)

If you require this publication in an alternative format please contact the Skills Funding Agency  
Help Desk: 0845 377 5000

Skills Funding Agency-P-120337