

# **Development Support Fund Application Guidance**

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## 1.0 Introduction

### 1.1 Fund context

The Mayor of London and the London Economic Action Partnership (LEAP) – of which the Mayor is chair - are committed to supporting the delivery of skills which enable Londoners to progress in learning and access the job opportunities available in the capital. That means supporting the delivery of high quality skills that employers say they need, in buildings that are inspiring and fit-for-purpose and reflect the facilities, collaborative spaces and new ways of working seen in the workplace.

LEAP will work with the Mayor's Skills for Londoners Taskforce to develop a city-wide strategic approach to skills, ensuring all Londoners and London's businesses can access the skills they need to succeed. The new taskforce will provide strategic oversight for the development of a new post-16 skills and adult education strategy for London over the course of the next year. The Mayor and LEAP are clear that investment in London's skills estate must continue and have therefore launched the £114m Skills for Londoners Capital Fund to invite eligible skills providers to make strong, evidence-based proposals for investment.

The funding programme recognises that in early stages of projects, delivery partners often face a range of barriers in getting a project concept off the ground. It is also recognised that early stage project development can be the most capital – starved and time –consuming segment of infrastructure projects development process. As a result, some project proposals are not able to be fully explored to their fullest potential and fall away before the feasibility of the project can be fully tested. For this reason, £1.5m is being ring fenced for investment in the development costs of projects. This fund is called the Development Support Fund (DSF) and applicants can request from £10,000 up to £100,000 (per project).

Please refer to Section 2 of the Skills for Londoners Capital Fund Prospectus available [here](#) for further information on the strategic context of the wider Skills for Londoners Capital fund.

Applicants should note that the DSF is targeting applicants who are planning on applying to round 2 (Spring/Summer 2018) of the wider Skills for Londoners Capital Fund. Please see the Skills for Londoners Capital Fund prospectus for more information on this fund, and note that it is intended that a refreshed version of this prospectus will be launched ahead of the next funding round in Spring/Summer 2018 to reflect the latest LEAP priorities.

## 2.0 What the funding is for

The DSF fund will support some of the up-front costs associated with developing and bringing a project to a point of investment readiness. This will include, but is not limited to, costs associated with concept design, costings and technical design, and costs associated with soft market testing to demonstrate market demand and development costs of curriculum planning.

Please refer to Appendix 1 which contains a non-exhaustive list of what can be funded by the DSF.

All funding will be drawn down in arrears against achievement of milestones and evidence of cost incurred of certified expenditure.

The goal of this fund is not to fund construction costs. If the project is well-developed, then, at investment readiness stage, financing for construction may come from the wider Skills for Londoners Capital Fund (R2 launching in Spring 2018) and other sources of match funding. Similarly, other than in exceptional circumstances, it is not the intention of this fund to fund costs that an applicant can pay for from an alternative source. This is to ensure that the DSF is allocated to projects which are most in need of support in aiding them along the journey to formulating an investment ready proposal in line with the intended vision for the Skills for Londoners Fund. To that end applicants will be required to clearly demonstrate their need for the DSF and the evaluation panel will take this into consideration as one of the central elements of the evaluation criteria.

### 3.0 Fund priorities

Applicants applying to the Development Support Fund must be intending to apply to a future round of the Skills for Londoners Capital Fund and thus project proposals are required to align to the Skills for Londoners Capital Fund priorities as set out below.

Please also refer to the [Skills for Londoners Capital Fund prospectus](#) (Section 3) which explains in detail the fund's priorities as well as the wider benefits that the fund aims to achieve. As noted above, the prospectus for Round 2 of the fund will be refreshed in the Spring/Summer 2018.

For best practice case studies of projects that the Skills for Londoners Capital Fund will look to support, please click [here](#).

Fund priorities – projects should:

- respond and adapt to both current and future requirements of employers and learners through development, modernisation and rationalisation of facilities;
- improve quality of provision and learner satisfaction, progression and success rates, including for example those learners previously or at risk of becoming NEET (not in education, employment or training), learners with special educational needs and disabilities (SEND) and offender learners;
- support increased levels of apprenticeship delivery and/or progression to the highest levels of vocational and technical study, for example through higher level apprenticeships or projects able to demonstrate strong progression links with higher education;
- demonstrate strong and innovative collaboration and partnership with employers and local stakeholders, in particular through bringing businesses directly into the institution to influence the design and development of provision and supporting the creation of jobs (see section 3.2.3), as well as working closely with schools, other education providers and local authorities;
- where appropriate, support the implementation of recommendations of the central Government-led Area Review of the FE sector; and

- projects should align with the development of the London Skills Strategy as it is developed

When demonstrating how projects align to the fund priorities above, applicants to the DSF must ensure that their proposals include information which clearly addresses the following four areas:

Skills:

Include where possible specific skills that learners will gain and qualify in as a direct result of the project. Please refer to specific qualifications, skills and pathways into employability. demonstrate an understanding of employers' demand for such qualifications and skills and how learners, as a result of your project, will fulfil the needs of employers.

Employability:

How the project will ensure that learners become employable and able to transition into relevant employment opportunities. Projects should ensure all learners reach their full potential.

Innovation / trailblazing:

Describe what is different or unique about your project. For instance, what are the innovative elements? And can you demonstrate that this project is different from 'business as usual'?

GLA planning policy:

Projects should have an understanding of their local authorities' strategic plans. These plans may take the form of spatial plans, such as Opportunity Area Planning Frameworks, Area Action Plans, master plans, public realm and urban design strategies supporting local neighbourhoods to accommodate good growth.

We wish to see applications which are highly aspirational and offer creative solutions to sustainability interventions. Projects should align with delivering the Mayor's environmental priorities by making full use of the Sustainability Charter (which can be downloaded from [www.london.gov.uk/skillsfund](http://www.london.gov.uk/skillsfund)). Where relevant, projects should link to the curriculum supporting the development of green skills and involve student participation where appropriate.

All projects, regardless of size, must align with London Plan requirements including affordable housing, high levels of design and environmental performance.

## 4.0 Eligibility

### 4.1 Eligible applicants

Applicants are invited to submit requests for funding up to £100,000 (per project). Projects can be small, medium and large scale. Applications in excess of £100,000 may be considered in exceptional circumstances.

Eligible applicants must be:

An FE college or approved training organisation that is on the Register of Approved Training Providers and / or Register of Apprenticeship Training Providers

**AND**

In receipt of funding from the Education and Skills Funding Agency (ESFA) to deliver education and training in 2017/18 and/or expects to hold a contract in future years.

Eligible bodies and institutions might include (list not exhaustive):

- private providers and third sector providers of further education
- local authorities
- General Further Education colleges
- Institutes for Adult Learning
- National Skills Academies (NSAs)
- Group Training Associations (GTAs)
- Sixth Form Colleges
- Offender learning and skills providers
- Higher Education Institutions developing IoTs in partnerships with other eligible institutions and / or bidding for a project relating to a specific partnership project with an FE college

Ineligible institutions include:

- Schools
- Academies
- Maintained school sixth forms
- UTCs
- Providers that are privately funded or not in direct receipt of ESFA

These ineligible organisations, however, are encouraged to support applications by forming partnerships with eligible institutions.

Joint and collaborative applications are welcomed; however, where there is more than one organisation involved, a 'lead partner' should be identified to enter into the funding agreement. The lead partner will act as an accountable body for the project and must hold a funding contract with the ESFA.

## **4.2 Match funding**

Applicants applying for DSF funding are not be required to offer up match funding directly against the package of work they are seeking DSF investment for. Instead,

the fund acknowledges that the applicants are financing the development works of the wider project itself alongside the LEAP.

Applicants must be able to demonstrate/evidence that the following applies:

- Spend has already taken place elsewhere on the project during the development phase which is equal to or more than the amount of funding they are seeking through the Development Support Fund; or
- Pro bono support has already been provided to the project development lifecycle which is equal to or more than the amount of funding they are seeking through the Development Support Fund; or
- Forecast spend to get the project to a stage of investment readiness includes relevant elements of match funding going into other works that need to be commissioned going forward.
- Applicants are required to provide a snapshot spend to date and/or what the project costs are to get them to a stage of investment readiness and where the secured funding to deliver against these works is coming from.

## 5.0 Application evaluation

Applications will be scored by GLA LEAP Officers and specialist comments may be provided by the GLA's Skills Team.

All proposals will first undergo a validation process to establish that the project needs the development funding and is not able to raise the funding from elsewhere. Projects which pass this initial validation stage will then progress to the evaluation stage.

Applicants must clearly show that development support funding will facilitate their ability to put in a bid to the wider Skills for Londoners Capital Fund. Applicants should show this through one or more of the following:

- demonstrate that DSF investment will help the project to meet its needs/create the best outcomes
- demonstrate a timing issue for accessing funding, which means that the project has a funding gap which needs to be filled in order to complete relevant works to bring the project to Skills for Londoners investment ready stage (e.g. RIBA Stage 1 for Expression of Interest stage and Stage 2 for detailed application)
- demonstrate that development support funding would provide added value to their application (e.g. it will enable the project to extend the scope of the proposal / explore a better set of outputs/additionality etc)

Please note in exceptional circumstance the LEAP reserve the right to make a call on bids which do not comply to the above.

Please note that, if successful, projects will be required to spend all of the allocated funding by 30 April 2018 (ahead of round 2 of the Skills for Londoners Capital fund opening).

## 6.0 Assessment criteria

Criteria	Description	Score	Weighting
Project aims and description	Clearly defined project aims and objectives. Strategic alignment demonstrated (in line with the priorities set out in section 3 of the <a href="#">Skills for Londoners Fund prospectus</a> ). Clearly defined outputs and outcomes. An assessment will be made of the project's potential to support the delivery of high-quality provision/activity and outcomes.	0-5	40%
Deliverability	Your project should have a clear plan, be clearly costed and underpinned by capacity and skills in the team to deliver on time and budget. We will look for evidence of the ability to implement, manage, monitor and deliver the project.	0-5	30%
Value for money	Does your project make optimal use of resources to achieve a high-quality project? What challenges will DSF help to overcome? What additional value will DSF funding add to the project? Applicants will need to demonstrate a clear need for funding, that costs are reasonable and that the values of benefits outweigh the costs.	0-5	30%

### 6.1 Fund timescales

Milestone	Key dates
Application guidance goes live	25 <sup>th</sup> September 2017
Online application goes live	25 <sup>th</sup> September 2017
Application process closes	2pm 30 <sup>th</sup> October 2017
Evaluation panel review	November 2017
Applicants notified of outcome	December 2017
Applicants and GLA sign grant agreement	December 2017

## 7.0 How to apply

This document is intended to be an overview of the DSF. The application is live on the GLA website ([here](#)). The deadline for the application is 2pm Monday 30<sup>th</sup> October 2017. Applications received after this deadline will not be assessed.

**You are advised to read the specific sections of the [Skills for Londoners Capital Fund Prospectus](#), highlighted throughout this application guidance, carefully before applying.**

**Please note however that this specific fund is a one stage application process. There is no Expression of Interest (Eoi) stage.**

**Questions should be directed to [skillscapital@london.gov.uk](mailto:skillscapital@london.gov.uk) and answers will be published on the fund website. Please note, questions must be submitted in writing only, and that no questions can be submitted after 4 working days ahead of the application deadline.**

Before submitting your application, providers should develop proposals up to a stage where costs can be identified properly and programme plans provided with certainty. As a minimum, the following should be in place:

- proposals should set out a clear delivery timetable demonstrating relative certainty
- rationale and the case for investment

### 7.1 Outputs and benefits

A strong emphasis is placed on assessing and measuring the impact and benefits generated by investment, when evaluating the proposals. Applicants must therefore identify a set of specific outputs, which they are confident that their project will deliver upon completion. Applicants must also provide an evidence-based picture which clearly demonstrates how the proposal is **innovative** and offers the optimal outcomes and outputs.

The following list demonstrates the core outputs that the Skills for Londoners Capital Fund seeks to achieve:

- number of learners supported as a result of the project; this must include specific information on the types of skills and qualifications that the learners will achieve
- cost savings (in terms of maintenance and running costs);
- jobs created within the organisation as a result of the investment;
- number of apprenticeship starts; including specific information on what jobs/further study/training will be available for learners on completion of their apprenticeships
- number of SEND (Special Education Needs and Disabilities) learners supported; this must include information on learner journeys and where some learners are unable to progress into paid employment, what options will be available for continuing progression and reach maximum potential

- reduction in the number of people who are NEET (Not in Education, Employment or Training);
- support to learners at risk of becoming NEET.
- improvement in teaching and learning;
- improved educational outcomes;
- number of students progressing to employment. This must include information on the specific jobs that learners will progress into and how the demand for specific skills in the employment industry is being fulfilled
- total space to be improved or created

## 7.2 Key requirements of application

The applicant will be required to address the following in their application:

- the vision, aims and objectives, including quality objectives and project outcomes
- concept designs if known
- outline specifications and preliminary cost information if known
- analysis of planning issues if known
- project Risk Assessment
- procurement strategy if known
- project Programme
- value for Money

## 7.3 EU State aid

Please refer to section 5.3.7 in the [Skills for Londoners Capital Fund Prospectus](#) for information and guidance on EU State Aid.

## 8.0 Governance

All funding decisions will be subject to LEAP endorsement. LEAP is the local enterprise partnership for London. Chaired by the Mayor, LEAP is the body through which he works with London's boroughs, businesses and TfL to take a strategic view of the regeneration, employment and skills agendas for London. While LEAP makes recommendations to the Mayor with regard to funding and policy decisions, it does not directly deliver services. For more information on LEAP, visit [www.lep.london](http://www.lep.london).

The Greater London Authority (GLA) will be the accountable body for the disbursement and management of funding awarded, and therefore all recommendations from LEAP will be subject to formal approval from the GLA's Corporate Investment Board (CIB) and the Mayor or relevant director (as applicable). The CIB meets on a weekly basis to discuss a range of matters in relation to investment, financial and output driven performance against year-end expectations,

GLA Group budget priorities, budget strategies and outcomes. For information on the Board's membership and terms of reference please refer to <https://www.london.gov.uk/about-us/governance-and-spending/good-governance/decision-making>

The provision of the GLA funding amounts to a conditional gift and is therefore not subject to VAT. If, at any time, it [the recipient] is [required] by the UK government to be subject to VAT, then the Recipient agrees and acknowledges that the GLA Funding shall have included any and all applicable VAT.

## **9.0 Design Dialogue**

Successful applicants will be required to meet with the Mayor's Design Advocates (see more information [here](#)) who will carry out an independent design review and scrutinise the proposal during its development phase.

The LEAP and GLA Officers will also request discussions regarding the projects application to future rounds of the Skills for Londoners Capital Fund and/or design dialogue discussions to ensure that the project is being developed in line with LEAP priorities.

## **10. Support**

Please refer to section 6 in the Skills for Londoners Capital Fund prospectus to find out how the GLA can support projects.

If you have any questions regarding the funding or application process, please email them to [skillscapital@london.gov.uk](mailto:skillscapital@london.gov.uk). An officer will respond and your question will be added to a questions and responses document published on the GLA webpage and updated weekly.

## Appendix 1: DSF can support:

(A non-exhaustive list):

- Architectural proposals to support developing a project proposal to at least RIBA Stage 1 (Preparation and Brief) or RIBA Stage 2 (Concept Design) which are required for the SfL EoI and Detailed Application stages respectively.
- Valuation – preferably provided by an independent in accordance with the RICS's Red Book Guidance
- Value for Money assessments (including GVA Impact Assessments)
- Site surveys reports
- Consultancy support in preparing planning applications
- Property and development related surveys
- Investment Appraisal (base case and preferred option)
- Sustainability plan, BREEAM assessment
- Legal Opinion on state aid (can we provide this one?)
- Completed Build Cost Breakdown (Financial advice to help in establishing a sustainable project business model (costs and expenditure)
- Options analysis/appraisal that demonstrates the rationale for selection of the preferred option
- Soft market testing to demonstrate market demand
- Development Appraisal
- Development costs of curriculum planning

## Appendix 2: DSF Terms and Conditions of GLA grant agreement

Successful applicants will be required to enter in to a grant agreement with the GLA. Please note the following terms and conditions:

- the funding awarded will be strictly ringfenced for a specific element/phase of the project development
- the GLA at its discretion may influence the development of the project through informing the design dialogue of the project. It is anticipated that the GLA Areas Team will be given the opportunity where relevant to feed into the design meetings for projects
- any unspent funding will be returned to the DSF pot
- where costs have been overestimated, the funding will only cover the actual cost
- should the project go on to be successfully funded through the Skills for Londoners Capital Fund, the DSF funding received will be shown in the first quarterly claim. This will enable the GLA to do an internal swap on their accounts from revenue to capital for that respective sum
- if commitments to the development stages of a project are abandoned, the undisbursed DSF funding will be returned to the GLA and recycled back into the pot.
- the delivery partner must have a suitable break clause in their contract with the commissioned consultant who is delivering the works to minimise abortive costs during this scenario.
- projects are required to draw down all funding by 30 April 2018 ahead of the commencement of Round 2 in 2018.