

# Minutes



Leading learning and skills

**Date** 18 January 2007  
**Subject** Capital Committee Meeting  
**Location**  
**Time** 10:30  
**LSC office** National Office  
**Publication intent** Internal

**Present** Norman Boyland (Chair)  
John Bull  
Richard Haynes  
Lynne Morris  
Alan O'Neill  
George Sweeney  
John Taylor

**In attendance** **For Westminster Kingsway College:**  
Andy Wilson, Principal  
Pauline Fellows, Vice Principal Resources  
Mark Agger, Finance Director  
Raza Raheem, Regional Finance Director  
Catherine Davies, Regional Property Advisor  
Chris Wright, Partnership Director  
Simon Tolani - Director Provider Financial Management  
**For South Thames College:**  
Sue Rimmer, Principal  
Lesley de Courcy, Finance Director  
Raza Raheem, Regional Finance Director  
Catherine Davies, Regional Property Advisor  
Chris Wright, Partnership Director  
Simon Tolani - Director Provider Financial Management  
**For West Kent College:**  
Bill Fearon, Principal  
Terry Coleing, Finance Director  
Keith Filey, Consultant  
Malcolm Staunton, Partnership Team Director  
Leasley Downing, Area Director  
Isabelle Wragg, Regional Property Advisor  
Pauline Tiller, Regional Finance Director  
Tony Allen, Acting Area Director

**LSC staff** Alistair Grindlay

Philip Head  
Denis Miles  
David Russell  
Pete Sanders  
Judith Wilson

## Apologies

Apologies have been received from:  
Terry Dabs

## Item 1. Welcome and introductions

- 1.1 Norman Boyland welcomed the Committee and commented that he was delighted to be taking over as Chair. He praised the work of Sandra Burslem and saw no reason to do things differently, with the exception that John Taylor will now be reporting back to National Council.
- 1.2 Richard Haynes declared an interest in City of Bath, Norman Boyland declared an interest in Kent College and Raza Raheem declared an interest in South Thames College.

## Item 2. Minutes of last meeting

- 2.1 Members agreed that the minutes of the previous meeting were a true and accurate record.

## Item 3. Matters arising

- 3.1 The following three items were all considered together
  - Gleed College
  - Isle of Wight College
  - Harrow College

All three were approved as per the recommendations. It should be noted that the Harrow College recommendation was 55%, not 59% which the College asked for.

**Action: Alistair Grindlay asked to propose how to exercise better financial control to reduce the number of projects that submit a revised bid.**

## Item 4. Capital Applications for Approval by the National Council and the Capital Committee.

- 4.1 The Chair noted there are three applications to consider.

### **Westminster Kingsway College**

- 4.2 The Chair noted that the in principle part of the proposal had the possibility of a better solution; this is currently not on the table but might come back later.

- 4.3 The Westminster Kingsway College team asked that Phase 1 and 2 be considered together as neither are stand-alone projects and the finances have been linked.
- 4.4 The College is seeking detailed approval to redevelop the Kings Cross site, including the construction of 13,400m<sup>2</sup> of new accommodation and the leasing of off-site decant space. The total project costs are £53.46 million, with the LSC contribution at 55%. Phase 2 will see part of the Soho site demolished, with new construction and refurbishment also taking place. The costs of this phase are estimated at £24.98 million, the LSC contribution would be 77%. The overall area of the college will be reduced by 45%, resulting in savings due to increased efficiency of approximately £1.75 million per annum compared to the current position.
- 4.5 Costs have risen due to delays with planning applications; the London Borough of Camden required a residential requirement be added to the proposal.
- 4.6 The Chair thanked the team for their presentation and commented that it looks like an exciting and worthwhile project. The members were invited to put questions to the team, during the debate the following points were raised:
- The biggest risk will be the decant due to persuading students to relocate for up to two years. A memorandum of understanding has been made with the nearby City of Islington College preventing Westminster Kingsway College from increasing its profile in Islington's recruitment area. Decant costs are high, but delays have been budgeted for allowing the decant to run for an additional 6 months if necessary.
  - NEET groups are generally unaffected by new buildings, however NEET orientated provision and specialist staff are seeing a positive effect in drawing people from other geographical areas.
  - The recent re-inspection has moved the College from unsatisfactory to satisfactory and the improvements are expected to continue in the next cycle of inspection.
  - ESOL is another key issue in the College, and employers and employment are the main focus. Retail and hospitality are the biggest areas to target. However fees remain the biggest problem, many students are already in employment and do not get fees paid automatically.
- 4.7 Short term borrowing and cash flow might be a bigger risk than the College has predicted. The grant payments should be front loaded to ease with these problems. A 50% grant for Phase 1, and 70% for Phase 2 would give support of 62.5% overall.

**Decision:** The Committee approved the recommendations, and suggested that the Council should front load the grant to ease cash flows if necessary.

### **South Thames College**

- 4.8 The Chair summarised the proposal and reminded members that this first appeared before the Committee two years ago. Since then the Principal has changed, the architects replaced and a stronger management team put in

place. Previous issues were reported at the October 2006 meeting, but at that time issues with the previous design team were not known.

- 4.9 As things stand the buildings are beyond their natural life, interim provision is piecemeal and this project is badly needed. The proposed solution is a good solution. The College team has improved since October and the professional team is giving better advice.
- 4.10 The South Thames College team highlighted the necessity for this project. The buildings are old and beyond repair and the conditions are affecting participation and achievement, as well as staff and student morale. The unique site has posed problems and increased costs but these are now better understood. The recent renovation of the entrance saw an immediate impact on staff and students.
- 4.11 The project must start before 31 March 2007 in order to avoid increased costs due to new building regulations.
- 4.12 The Chair thanked the team for their presentation and highlighted the urgent need for this project. The members were invited to put questions to the team, during the debate the following points were raised:
- The Committee was assured that the College team will be able to handle such a large project and do their day jobs at the same time. The Head of Finance will be assisting, and Deputy Principal has previous experience of accommodation strategies and two new Directors have been appointed to help as well. The professional advice from the external team has been enhanced.
  - Costs have increased over the last two years but the site is unique and has unforeseeable issues associated with the adjoining grade II listed building. London building costs have also increased at unprecedented rates due to the Olympics. These have now all been accounted for and there should be no more costly surprises.
  - Recruitment will be affected in a positive way during the demolition and refurbishment of the Wandsworth site. Instead of being put off by building works, teachers and students will be able to see the College's aspirations for the future, and should be enthused by the project.

**Decision:** The Capital Committee agreed to support the recommendations at the grant levels and costs set out in the report.

### **West Kent College**

- 4.13 The Chair summarised the project, highlighting the key areas as being the close proximity to Gatwick, the large NEET group and that Kent generally is underperforming across all measures.
- 4.14 The West Kent College team emphasised that this project is an integral part of Kent's Capital Plan, and the wider Regional Capital Plan. One third of recruitment is from outside Kent and this project will provide a vocational hub for a large area.
- 4.15 Detailed plans will be brought back in the autumn. The land sale for approximately 15 homes will be further advanced by then and will give a better understanding of how much this sale will raise for the project.

4.16 This College will have a great impact on the wider area as west Kent has a large dormitory factor – people live in the area but work in London and the Thames Gateway. This trend is replicated in students who learn in Kent then work outside the area resulting in a “brain drain” effect.

4.17 The Chair thanked the West Kent College team and invited questions from the members. The following points were raised:

- The growth targets are challenging but achievable. Construction and Sports courses have recently been introduced and are growing well. Apprenticeships are the next area to be targeted and are forecast to engage many new students. The programme is being extended from three or four courses to many more in the near future.
- The building is designed to be flexible and can be reconfigured as necessary to adapt to future needs. The current land owner has shown an interest in selling and although it comprises two units on an industrial estate the location is actually the retail section with good amenities which are attractive to students.
- Planning for this project has looked up to 2013 – further than ever before – the long term plan is a good one which will prove successful. Eleven partners have already expressed an interest in cooperating with the Train 2 Gain programme. The College will specialise in three to five vocational areas and build the reputation of the College on those subjects. Other courses will be offered based on demand for those particular subjects.
- NEET figures are misleading; the key challenge is to reduce the number of drop outs after the first year of sixth form. The new campus will provide a wow factor to help recruit and retain students, especially from middle-class families who have traditionally not seen the College as a viable option.
- The final proposal has a large area of car park. This will be attractively landscaped, and will also be used by local residents. It is possible to sell off some of this land later if absolutely necessary.
- This is a robust plan with a good level of detail. There will not be significant variation in costs between this in principal proposal and the final proposal in the autumn.

4.18 Many areas need to be firmed up but overall this is a good project. There needs to be a lot more detail in the autumn and more needs to be known about the project management team.

**Decision:** The Committee is happy to approve this project at the proposed levels.

## **Item 5. Capital Applications for Approval by the Committee**

### **Lambeth College**

5.1 The Chair summarised the project, seen in principal eighteen months ago. This has been held up by a minister who opposed the location. Planning permission has now been granted.

- 5.2 The scheme on Phase 1 came in on target, the second phase has only a minimal decant to portacabins onsite for the administrative functions. The internal and external teams are both very good.
- 5.3 The finance spreadsheet is meaningless as all figures will be impacted by Phase 1. It is unclear whether there will be cash flow problems, but the offer of front-loading the grant should be open to the College if needed.

**Decision:** The proposal was agreed by the Committee.

#### **Reeseheath College**

- 5.4 The current review into Land Based Colleges will not impact this project as the review looks at how the Colleges are run, not the location of them.
- 5.5 The College is excellent but the provision is spread over a large area in many different and largely unsuitable buildings. Facilities on site are generally too small for teaching.
- 5.6 The residential block will not be self-financing, and consideration should be given to aiding the funding of this. However, this could set a precedent for all specialist Colleges. A review is needed into how specialist Colleges are financed; a result of this might be to openly fund residential blocks in similar cases.
- 5.7 This is a very successful College, and the Committee should support success wherever it can.
- 5.8 If the two phases are financed separately then the maximum limits are exceeded due to the difference in scale between the two phases. If they are treated as one phase then the finances make much better sense.

**Decision:** The two phases should be financed as one, and the project approved at the levels recommended.

#### **RNCB Hereford**

- 5.9 Philip Head summarised this project, as it is a specialist College more than 50% of its funding comes from the LSC. It should also be noted that government has mandated that the voluntary sector pays a substantial part of project costs, therefore the LSC is not able to fund more than 35% of this project. There is a need to review the policy on how special cases such as these are funded in order to support projects at the same level as non-specialist Colleges.

**Decision:** This project is approved as per the recommendations.

#### **City of Bath College**

- 5.10 The Committee is keen to ensure that this lack of project management does not happen again. A balance is needed to ensure competent project management teams are in place, but without imposing too much bureaucracy. There aren't enough resources available for the LSC to have a hands-on role; monitoring projects more closely than they are already will not be feasible.
- 5.11 The Principal, Deputy Principal, Finance Director and other key staff have all resigned after the recovery plan was approved and the project is now

finished. This is the only occasion where a project has gone so wrong and knee-jerk reactions should be avoided.

5.12 New powers to remove Principals from Colleges in cases like this have been given to the LSC.

**Decision:** A paper explaining the new powers of removal should be brought to a future meeting.

#### **Item 6. 16-19 Schools Projects**

##### **Chenderit School**

6.1 This is a straight forward proposal which meets the criteria. The project falls into the collaborative working going on in the area but it is unclear if these are new learners, displacement from other areas or are being taken from competing Colleges.

**Decision:** The application is agreed as per the recommendation.

#### **Item 7. Any other business**

7.1 Lynne Morris would like to invite Committee members to the offices of HBG in July or early September to see work in progress.

#### **Item 8. Date of next meeting**

8.1 The next meeting of the Committee will take place on 27 February 2007.

<b>Meeting chair</b>	Norman Boyland
<b>Minute taker</b>	Pete Sanders
<b>Date created</b>	19 January 2007
<b>Document ref.</b>	\\sc.local\User\$\CVH\sandersp\nat-capitalcommitteemeeting-minutes-18jan2007.doc