

LSC STATEMENT

Between 1997/98 and 2006/07 more than £2 billion has been invested in modernising FE facilities across England. A further £2.3 billion is forecast to be spent in the current review period, with a further £220 million of this having been brought forward, £110 million from 09-10 to 08-09 and £110 million from 10-11 to 09-10.

Since the launch of the successful programme, nearly 700 projects in 330 colleges throughout England have been agreed, with 253 schemes already underway or fully approved. This leaves just 42 colleges yet to receive investment.

The NAO reported last summer that the programme has made good progress, with the great majority of projects coming in on budget. The success of the programme has led to an increase in demand for funding, as the size and scale of projects have become increasingly ambitious.

Following the recent review of the Capital Funding programme, the LSC can announce that eight projects deferred from December 2008 have now been given the go ahead. These are Solihull College, Liverpool Community College, Bolton Community College, Bolton Sixth Form College, West Kent College, Northampton College, Stoke on Trent 6th Form College and Coulsdon College (Surrey).

Following the Council's decision today, we will be working with the colleges involved on the phasing and funding requirements of these projects and how they are now taken forward. Of the £400 million total project cost, £300 million is to be funded by the LSC or the proposed Skills Funding Agency over the next five years.

A further 79 colleges have already received the first stage of approval in principle. Funding of nearly £2.7 billion will be required to complete these projects, as well as a further £3 billion for the 65 colleges which have submitted proposals for approval in principle. Clearly, there are more schemes currently presenting applications than can be funded in this spending round and not all schemes can be implemented in the original timescales envisaged.

We will consult urgently, and as quickly as possible, with the AoC and other key sector organisations on proposals and a strategy for prioritisation for future projects. These proposals and the future management of the programme will also reflect the conclusion of Sir Andrew Foster's current review.