

Minutes



Leading learning and skills

Date 23 January 2008
Subject Regional Board
Location Moongate House
Time 16:00
LSC office North East Region
Publication intent Public

Present Ashley Winter (Chair), Jackie Axelby, Terry Dabbs, James Ramsbotham, Chris Roberts
In attendance Tom Crompton, Gillian Miller, Dorothy Smith, John Wayman. David Johnson, Ken Coulson, Val Goodrum, Darren Coulton, Julie Calvert
Apologies Apologies have been received from:
John Smith

Item 1. Redevelopment of Westoe and Hebburn Campuses, South Tyneside College

- 1.1 Submitted: Paper presenting the LSC NE assessment of a formal request from South Tyneside College for detailed Council consent and LSC capital grant support. The capital would support the phased demolition of the existing college buildings at Westoe and Hebburn to be replaced by new build of 21,324m² and 14,406m² respectively.
- 1.2 The capital cost of the project was £89,154 million (£102,299,189 including inflation) and the college intended to fund the project by using disposal proceeds of £7 million, secured by long-term borrowing of £11.5m (including capitalised interest), and grant support from the Council of 85%, which equates to £75.78 million (£86,954,000, using the cost plus inflation figures) of total eligible project costs.
- 1.3 The LSC welcomed the development of the capital strategy which had taken a long time to bring forward as part of the regeneration of the college. It was needed in the area, and had been encouraged by the LSC. The strategy was supported by the Local Authority; it included collocation with a school on the Hebburn site. The Marine College had an international reputation which would be further enhanced by the new development.
- 1.4 A presentation of the application in principle for the proposed development (circulated) was given by Jim Bennett, College Principal, and colleagues. The

presentation covered the background to the development, what it was seeking to achieve in educational terms, forecasted growth, partnership working, the proposed timetable and structural arrangements for the development of the project. It was intended that both sites would be finished by 2011.

1.5 The financial plan was outlined. This was consistent with LSC guidelines for borrowing and represented a maximum; it was expected this would be reduced by land sales and some VAT mitigation on elements of the project. The major risk identified was uncertainty in projecting the substantial fee earning income stream.

1.6 In response to members questions:

- The intention was to undertake phased development to minimise the impact on existing learners during the parallel development of both sites
- Dialogue was ongoing with ONE NE concerning capital investment in specialist equipment, critical to the development. The LSC offered support in these discussions
- The college considered that the development would enable it to compete more effectively for its market share and had developed projections around what it hoped to achieve
- The local authority had given high level support in principle for the development. There were still issues at Westoe around planning permission, as the Council required an element of social housing which may be contentious to existing residents
- There was confidence that project management structures to manage the development were robust and had included the recruitment of an Estates Project Manager for the task
- The projections of a move from Financial Health category C to category A in 2012/13 were in line with timing of land sale and capitalisation of short term debt to long term debt. Financial projections were realistic and prudent
- Sunderland University were committed to supporting the HE investment in the project.

1.7 College representative withdrew from the meeting whilst members considered the recommendations.

Decision: That the project be endorsed for consideration by Capital Committee recommending capital support grant at 85%.

Item 2. Proposed Merger of Stockton Riverside College and Bede Sixth Form College

2.1 Submitted: Paper providing and assessment of the proposed merger of Stockton Riverside College and Bede Sixth Form College, following receipt of the Full Merger Proposal from the two colleges.

2.2 The report findings were that the full merger proposal had clear strengths and satisfied the seven LSC criteria for FE reorganisations.

- 2.3 Local Council Tees Valley had approved the initial outline proposal in September 2007. Thereafter the colleges had undertaken local public consultation and due diligence of both financial and legal aspects. There had been 14 responses to public consultation all of which were broadly supportive; there were no objections.
- 2.4 The proposed merger was now recommended for approval on the basis that it met all LSC criteria; a view that had been confirmed by national colleagues.
- 2.5 The capital proposal which was integral to the arrangements had received approval in principle from National Capital Committee and would receive detailed consideration on 18 March.
- 2.6 Subject to support the Secretary of State would be recommended to dissolve the corporation of Bede and the merged institution would commence from 1 April 2008.
- 2.7 Members confirmed that they supported the proposal.

Decision: That

- a. the Board recommends the proposal to the Secretary of State;
- b. the Board recommends that as part of its ongoing planning and funding negotiations, it is committed to supporting the mutually agreed cost of merger between Bede Sixth Form College and Stockton Riverside College.

Item 3. Minutes:

- 3.1 Minutes of the meetings held on 14 and 23 November 2007 were approved as a correct record and signed by the Chairman.

Item 4. Chairman's Report

- 4.1 A meeting of the Regional Chairs had taken place in December at which it had been agreed that there was a need to strengthen the membership of Regional Boards until such time as Regional Councils were established later in 2008.
- 4.2 The process for strengthening membership had been circulated, and a letter sent to all members of the four Local Councils.
- 4.3 Members agreed that nominations to National Appointments Committee be as follows:
 - a. County Durham: John Widowson
 - b. Northumberland: Mary Dunning and Kevin Rowan
 - c. Tees Valley: Graham Henderson
 - d. Tyne and Wear: Graham Randell

Action: Members to confirm K Coulson

- 4.4 Following the decision by the National Appointments Committee arrangements be made to communicate the decision to outgoing local Council members.

Action: K Coulson

4.5 It was also agreed that the following organisations be invited to nominate observers to attend meetings of the regional Board:

- a. Local Authorities (via ANEC)
- b. ONE NE
- c. Sector Skills Councils

Action: C Roberts/K Coulson

Item 5. Regional Director's Update: Machinery of Government

- 5.1 The Secretaries of State would issue a joint consultation paper concerning arrangements both pre and post 19. At this stage it was not clear how many options would be consulted upon. It was expected that a final proposal would form part of the Queen's speech on 3 November to enable its inclusion in the parliamentary timetable to be completed before July 2009; enactment would then take 10-12 months with full implementation in 2010/11. There would be a General Election before implementation.
- 5.2 There was expected to be a very prolonged period of uncertainty for staff. It was clear that employment law applied but still some uncertainty around TUPE. There was a need to retain staff if the LSC was to deliver its performance. There were also increasing pressures due to the need to deliver a significant reduction in the administration budget.

Item 6. Business Update

Directors reported, as follows:-

a. Area North

- 6.1 Inspections: Percy Hedley school had received an 'outstanding' OFSTED report. TyneMet College had been classed as 'satisfactory'.
- 6.2 Newcastle College had recently presented the college's whole capital development plan to the Regional Capital Working Group; delivery of the strategy was contingent upon land and property acquisitions.
- 6.3 Gateshead College: the college was gradually transferring into the new Baltic campus. The new Kingsway vocational centre was being developed on Team Valley in conjunction with WBL, schools and Local Authority partners and would open in September.
- 6.4 Sunderland College: work had started on the St Peters campus development.
- 6.5 Harton School Presumption, South Tyneside: this would need to be brought to Regional Board by April or the presumption falls.
- 6.6 NEET: there were strong indications of a sustainable reduction in the NEET in Newcastle and Northumberland. It was considered that this was the result of closer working with the local authorities, in partnership, and a reflection of shared targets and effective use of the 14-19 local intervention development fund.

b. Area South

- 6.7 Premises: the County Durham office was now closed. The Area South Team was based in Wynyard Park House; and this was working effectively. At a time when there was pressure on administration budgets it would be

necessary to remind National Office colleagues what had been achieved in the NE.

- 6.8 Infrastructure: Six colleges were to undertake a strategic options review and had appointed external consultants. A report would be presented to each Governing Body at the end of March to identify a preferred option; it was expected that a decision on whether to proceed beyond that would be taken by the end of June.
- 6.9 Performance: there were serious concerns going forward on how to fund progression of young people. Some 6th Form colleges were turning away learners. Young people were seeking to stay in education at age 16. It was possible that this would be accompanied by a huge expansion in Apprenticeships age 17-18.
- 6.10 Capital: Bishop Auckland College was benefiting from increasing numbers in learning following completion of the new college. New College, Durham new build was also resulting in growth. Middlesbrough College would be a dramatic new building, resulting from the £85m investment on the small site.

Item 7. Communications

- 7.1 Submitted: Paper by Julie Calvert concerning mechanisms to ensure effective consultation and communications to inform decisions and corporate communications aimed at ensuring board members have sufficient information to assist them.

Decision: That

- a. The approach to communications be endorsed;
- b. arrangement be made to send the electronic bulletin to named members of Chamber/CBI; for further review in six months.

Item 8. Forward Timetable

- 8.1 The timetable was received, noting that the next meeting was scheduled for 12 March.

Publication no.

Meeting chair

Ashley Winter

Minute taker

Ken Coulson

Date created

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