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Leading learning and skills

# North East Capital Plan 2007 - 2012

## November 2007

LSC and One NorthEast joint plan for  
capital investment in learning and skills



The Development Agency  
for the North East of England



# Foreword

Leading The Way, the Regional Economic Strategy and Action Plan 2006 - 2011 and the LSC Regional Commissioning Plan set out the region's priorities for investment in learning and skills.

Capital investment has a major part to play in transforming the learning and skills infrastructure and creating world class facilities for individuals and employers.

This plan sets out how the LSC and One NorthEast will focus investment in skills and learning infrastructure jointly and individually in order that the region achieves the ambition for skills it has set out in the Regional Economic Strategy and realises its shared vision:-

**The North East will be a region where present and future generations have a high quality of life. It will be a vibrant, self reliant, ambitious and outward looking region featuring a dynamic economy, a healthy environment and a distinctive culture. Everyone will have the opportunity to realise their full potential.**

A world class skills base for the region demands world class buildings and facilities. Buildings and facilities which attract new learners and employers, improve standards and choice and form a focus for community pride and engagement. That is why investing in new buildings is the foundation of programmes of reform of the FE System. Capital investment is crucial in providing a modern fit-for-purpose infrastructure to deliver the 14 -19 reform programme and the aims set out in the Skills Strategy.

It will help take forward the recommendations from the Further Education White Paper and Lord Leitch's review of skills - to create a world class training infrastructure, creating a more dynamic FE system, providing a more diverse and specialised offer, better able to respond to employers and learners.

The LSC and One NorthEast are committed to working together across the region to meet the current and future skill needs of our people and businesses.

In this plan we set out how we will work together towards this, in partnership with further education, schools, local authorities, employers and the private sector.

We describe the key policy drivers for investment in learning and skills, and how our respective investment criteria will support targeted investment for the region.

Excellent examples of capital investment in the further education estate already exist in the region. But there is more to be done. Meeting the region's ambitions for learning and skills requires a network of first class facilities spatially targeted across the region. This plan sets out how this will be achieved.

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# 1. Introduction

If the North East is to achieve sustainable, inclusive economic growth, as outlined in the Regional Economic Strategy, then a major contributor will need to be the skills of the people that live and work in the region. This joint capital plan from the LSC and One NorthEast aims to support this goal by creating the right infrastructure and buildings in the right places.

The plan recognises the national criteria and emphasis for LSC investment, and within this context provides a framework for leveraging LSC capital investment into the region, focussing investment to meet the priorities of the region and achieving greater impact through aligning the capital investment of LSC and One NorthEast in the places and across the sectors where we can really make a difference. Proposals for capital investment will be considered both within the context of the Regional Economic Strategy and the LSC Regional Commissioning Plan.

The LSC has set out a challenge to the FE sector to develop **world-class buildings for world-class learning**. This challenge also applies to schools, universities and private and voluntary providers of training. The LSC North East expects to approve projects to the value of around £400 million in 2007/08. This is complemented by significant investment by One NorthEast in major capital projects. It is essential that co-ordinated and targeted approaches to developing the learning and skills infrastructure are adopted. This will help to maximise the funding resources that are available and produce a supply of buildings and infrastructure that meets both local and regional needs and demand. The LSC, local authorities and One NorthEast have a wider remit which links skills investment with physical regeneration, business support and sustainable community development. This plan responds to these challenges through developing a protocol which enables us to work within these constraints to achieve the best outcomes for the region to meet educational objectives together with wider regeneration objectives.

The delivery of this plan will only be possible through effective partnership working between funders, providers and employers. This plan will provide a mechanism for the LSC, One NorthEast and providers to work together to agree priorities for investment and maximise the benefits accruing from major capital development for learners and employers.

This capital plan will contribute to achieving our shared vision by ensuring that the North East region has appropriate places for people to learn, that the infrastructure is capable of supporting skills development that is responsive to employers, and contributes to sustainable, inclusive regional economic growth, particularly in sectors of economic importance. We also expect that the skills infrastructure contributes to the physical renaissance of the North East.

The capital plan is driven by the need to support the delivery of current and future policy and strategies impacting on the region. These include: the national priorities set out in the Education and Inspections Act, the Skills White Paper, the Education and Training Bill, the agreed recommendations of the Leitch Review, the LSC National Statement of Priorities and LSC Agenda for Change; and regional priorities set by the region including those articulated in the Regional Economic Strategy, the LSC Regional Commissioning Plan, the Northern Way Growth Strategy and those of the City Regions.

## 2. National policy drivers

Capital investment is crucial in providing a modern fit-for-purpose infrastructure to deliver the **14 -19 reform** programme and the aims set out in the **Skills Strategy**. It will underpin these agendas by creating the physical environment which: supports and equips learners with high quality skills for productive, sustainable employment and personal fulfilment; and ensures that employers have the right skills for their businesses to succeed in a competitive global economy. This environment will be state-of the art, flexible, innovative and with industry standard facilities that command the confidence of employers.

The **FE White Paper**, Further Education: Raising Skills, Improving Life Chances, sets out a comprehensive programme to transform the FE system into an efficient and effective powerhouse for economic prosperity and social mobility.

The **Leitch Review**, Prosperity for all in a global community - world class skills, sets out a compelling case for action if the UK is to remain competitive in the global economy. At the heart of the review is the principle of a demand-led system driven by the needs of individuals and employers, focussed on equipping individuals and employers with economically valuable skills, and able to adapt and respond to quickly changing needs.

Capital investment is a vital part of implementing the key reform principles of the Leitch Review and the FE White Paper to develop a further education system that is focussed on equipping people with the skills needed for employment, in which institutions are more specialised and which is driven by the needs of learners and employers.

Raising our Game, our Annual Statement of Priorities for 2007/08 sets out the **LSC national priorities** and targets and outlines how funding will be invested to meet these priorities and targets. There are four national priorities:

### Priority 1

Raise the quality and improve the choice of learning opportunities for all young people to equip them with the skills for employment, further or higher learning, and for wider social and community engagement.

### Priority 2

Raise the skills of the nation, giving employers and individuals the skills they need to improve productivity, employability, and social cohesion.

### Priority 3

Raise the performance of a world class system that is responsive, provides choice and is valued and recognised for excellence.

### Priority 4

Raise our contribution to economic development locally and regionally through partnership working.

### We would therefore like our capital investment to:

- Raise quality
- Improve choice and increase access to and participation in education and training
- Be responsive to the needs of employers, individuals and the economy
- Enable inclusion and economic well being
- Facilitate progression to higher level skills
- Reflect regional and local plans
- Develop state of the art facilities
- Support the policy of specialisation
- Ensure value for money
- Be sustainable





## Economic and social context

The North East region is home to an estimated 2,545,000 people. Recent population growth has been slower than that seen nationally. This trend is projected to continue, with population growth in the North East projected to be slower than in any other region. There are local variations to this trend - Sunderland, Redcar & Cleveland, South Tyneside and Middlesbrough are expected to see a population decline.

The learning and skills estate will respond to the needs of different segments of the population. The population of the North East is aging and at a faster rate than nationally, so the needs of older learners will be considered. At the same time the North East's 14 -19 cohort is projected to decline by around 1,200 (0.7 per cent) between 2007 and 2008, with the rate of decline intensifying after 2009.

## 3. Regional priorities

Level 2 attainment at 16 is improving in the region. 2005/06 data shows the improvement to be at a faster rate than nationally. But the North East has still not caught up with the national picture and there are significant variations within the region. Attainment of level 2 at age 19 is also improving, although remains below the national average.

The proportion of young people 'not in education, employment or training' (NEET) in the region remains high (10.4 % at June 2007 compared to the national average of 7.2%) But there are significant variations locally.

The skill set of adults of working age in the North East is poorer than nationally. At the lower end of the skills continuum there is a higher proportion of the working age population without qualifications, or qualified at levels below level 2. At the higher end, there is a lower than average proportion of the working age population with level 3 or above.

The North East has relatively fewer people working in the high skills and knowledge groups and relatively more in the intermediate and lower groups than nationally.

Although the North East has historically suffered from low levels of employer skills demand, employer demand for higher level skills is increasing in the region. The number of jobs requiring intermediate and higher level skills is expected to grow, while the number of jobs in occupations requiring low skills is projected to fall. In particular, employment projections suggest strong employer demand for qualifications at level 3 and at level 4 and above. Replacement demand also remains significant at all levels.

The sectoral mix of employment and the employer structure continues to change. Currently the retail sector, engineering and manufacturing sector, hospitality and tourism sector and public services represent the largest volume of employment in the region. There has been a shift in the economy towards service sectors, offset by a decline in manufacturing sectors (though the sector remains a major employer in numerical terms). This trend is projected to continue with increasing growth in service sectors such as knowledge intensive business services and health and social care.

In broad terms, learning provision appears to reflect sector needs in terms of delivering against sectors with high demand. Detailed sectoral analysis of provision shows a degree of shift towards those qualifications and levels that industry say they need, but there is more to be done, particularly at the higher levels.

The provider base in the region is rich and varied. The north of the region is characterised by medium sized and large general FE colleges; in the south the colleges tend to be smaller and there are sixth form colleges in each of the five unitary authorities of the Tees Valley.

Capacity constraints have been identified with respect to delivering priority learning for adults. Many of these relate to outreach in particular communities and the more remote rural areas. To address the gaps we need to make imaginative use of learning places in these areas.

There has been significant change in the structure of provision and in the offer to young people, in response to national 14 -19 policy. Partnership provision is increasing, creating a new form of collaborative provider infrastructure. This increases the need for collaborative capital planning for the 14 -19 phase in order that capital investment through the LSC, DCSF, Building Schools for the Future (BSF) and other funding sources supports these developments. This will be particularly important for those partnerships who will be delivering the first Diplomas.

Across the learning and skills sector within the region there are a range of specialist facilities including Centres of Vocational Excellence, Specialist Schools and a spoke of a National Skills Academy available to support the skill needs of sectors. These are detailed in Tables 5 and 6 in Annex B below. Capital developments need to support specialist facilities that form an integrated network aimed at addressing the overall skills needs of the region.



## Regional Priorities

The 2006-2011 Regional Economic Strategy sets out a number of priorities which collectively, all regional partners have agreed: the region will: -

- Ensure that skills training provision is employer led and so better able to respond to changing labour market needs.
- Integrate skills and employment services in the region.
- Focus on meeting the skills needs of strategically important sectors:-

**Chemicals and pharmaceuticals**

**Automotive**

**Defence and marine**

**Food and drink**

**Energy**

**Knowledge intensive business services**

**Health and social care**

**Tourism and hospitality**

**Commercial creative**

With support for the key underpinning sectors of construction, transport and retail.

- Raise aspirations and attainment, particularly among our young people.
- Shift the balance of provision of intermediate skills training from level 2 to level 3 and seek to increase significantly the number of people qualified to level 4 and above.
- Improve the North East's competitiveness in the international labour market by attracting and retaining skilled people.
- Promote economic inclusion by reducing worklessness, and promoting equality and diversity in skills and employment provision.

The LSC also has a number of specific priorities on which it will deliver for the region. The LSC North East priorities for 2007/08 are articulated in the Regional Commissioning Plan 2007/08. The full text is available at:-

[www.lsc.gov.uk/Regions/NorthEast/Aboutus/Annualplans](http://www.lsc.gov.uk/Regions/NorthEast/Aboutus/Annualplans)

The priorities can be summarised as:

### For young people

- To increase the engagement of young people in learning and reduce numbers 'not in education, employment and training'.
- To increase the attainment of young people at level 2 and at higher levels.

### For adults and employers

- To ensure that all adults have the foundations for employability, which we see as Skills for Life and a first level 2 qualification.
- To increase the attainment of higher level skills by adults to meet the changing needs of the economy.
- To put employers centre stage.

### For the provider network

- To strive for excellent, high quality and responsive provision.

### For economic development

- To improve the effectiveness of LSC engagement as an expert on learning and skills in the economic development and regeneration arena.
- To promote inclusion and support sustainable communities through learning and skills.

Proposals for capital investment must demonstrate the ability to make a significant contribution to a range of these priorities. More detailed criteria against which proposals will be assessed are provided at Section 5 and 6 of the plan.





## 4. Joint investment planning and operating protocol

LSC and One NorthEast are bound by the systems, processes and investment procedures of their respective government departments.

This plan sets out how we will work within our individual systems, but in a planned, joined up way which will maximise the impact of our collective investment.

We will: -

- Share information on current and future capital skill investment proposals bringing together representations from LSC and One NorthEast skills, physical regeneration and innovation business teams.
- Jointly consider how these will deliver on the regional priorities and explore how we can maximise opportunity, impact and add value, for example how investment in skills infrastructure can form part of a wider area based physical regeneration programme, or deliver on elements of regional innovation connectors.
- Share evidence and market intelligence in support of investment proposals.

- Where appropriate, agree joint investment plans in respect of specific proposals.
- Signpost investment proposals to the most appropriate partner, for example:

**FE led buildings investment - LSC**

**Area based private sector regeneration investment - One NorthEast**

In all cases, proposals will be shared and jointly considered where appropriate.

- Consider the impact of skills infrastructure on developing strong city regions and rural economies.

# 5. LSC regional investment criteria



The LSC Capital Programme incorporates capital funding for new buildings and the refurbishment of existing buildings for further education (FE) colleges and Skills Academies, new FE and school 16 -19 places through the FE fund, 16-19 Capital Fund, Personal and Community Development Learning (PCDL), Neighbourhood Learning in Deprived Communities (NLDC), Centres of Vocational Excellence (CoVE) and funding for Information and Learning Technology (ILT) provision. (See Annex C for more detail).

The FE White Paper envisages that the LSC's capital resources will be directed to implement the FE component of the 14 -19 vision in each locality as well as delivering its statutory remit for both adult and 14 -19 further education. It also envisages extending the BSF programme

to cover all settings in which young people learn and for the LSC's capital programme to complement BSF investment. This is aligned with the aims of the LSC's Agenda for Change to renew and modernise the FE estate as soon as possible and for the LSC to invest in new 16 -19 places not currently identified in the BSF or Academies programme. It is also envisaged that the capital programme will support high performing schools and colleges to expand their provision as part of the sixth form and FE presumption.

To secure LSC investment, activity must:

1. Enhance provision for 14 -19 year olds, supporting **increased choice**, quality and diversity within appropriate learning environments to increase participation and achievement.
2. Support the effective **collaboration** between schools, colleges and providers in order to deliver the **14 -19 entitlement** as set out in the local 14 -19 prospectuses.
3. Make imaginative use of learning places to deliver **priority learning for adults**. Much of this relates to outreach in particular communities and the more remote rural areas.
4. Respond to informed **employer demand** and meet **sector skills needs** in particular those sectors that are growing, of economic importance to the region and those that we know need more help as set out in the Regional Economic Strategy.



Addressing the skill needs of sectors should be focused on reflecting the Sector Skills Agreements and the Sector Qualification Strategies that are being developed by the Sector Skills Councils. The creation of new capital facilities should be focused on expanding the capacity of the learning and skills sector to address these requirements, whilst meeting the particular needs of major employers in the region and the North East as a whole.

5. Support the policy of **specialisation** and develop a coherent network of high quality, specialised facilities including Centres of Vocational Excellence, National Skills Academies and Specialist Schools.

- Support adult learning which has an increased focus on **employability** outcomes for individuals, using qualifications to help people enter and progress in sustainable employment to meet the changing needs of the economy and support wider objectives of sustainable communities.

- Meet the needs of **learners with learning difficulties and/or disabilities** by:

Ensuring access for learners and staff with disabilities, with compliance with DDA/SENDA as a minimum requirement.

Giving consideration to the delivery of provision for learners not only in terms of access, but also in the design of the learning environment and the provision of specialist learning resources.

Giving consideration to collaboration and co-location with other providers to enable learners to have access to a greater range of provision, specialisms, and facilities.

Adapting and developing facilities to provide a greater range of vocational experiences.

Giving consideration to the provision of semi-independent living accommodation, as part of a regional independent living programme, where the residential accommodation would also be used as a teaching and learning facility.

Giving consideration to increasing the provision of enterprise and supported employment facilities.

- Be **flexible**. All new facilities must be 'future proofed', and be flexible enough to accommodate unexpected changes as well as those we can anticipate.

- **Maximise the impact on local employment** where appropriate.

- Be **sustainable**. Sustainable development is the simple idea of ensuring a better quality of life for everyone, both now and for generations to come. In February 2007, the LSC gave the sustainable development agenda greater prominence as it launched its strategy for greener colleges of the future, building on the LSC's strategy, *From Here to Sustainability* (2005). This puts sustainable principles at the centre of capital investment in order to create buildings, grounds and facilities that are eco-friendly, efficient and cost effective and support sustainable behaviour among pupils, parents and local communities.

In future, to qualify for LSC capital funds all capital proposals will need to address sustainable development by:

Meeting, and preferably exceeding, the requirements of Part L of the Building Regulations.

Ensuring that completed development meets the criteria to achieve excellent Building Research Establishment Environmental Assessment Method (BREEAM) ratings.

Maximising the use of natural lighting and ventilation by using wind and solar power to generate light, heat and rainwater to reduce water usage.

Embedding the principles of sustainability in the design of buildings and building systems.

- Be underpinned by effective **risk management**. The capital plan recognises that there are significant risks, particularly for providers, associated with capital investment. The approach taken by the LSC is aimed at supporting providers in managing these risks. The new regional support structure will enable teams of experts to work more closely with providers to facilitate capital projects. This should bring greater coherence between curriculum planning and capital developments as well as providing appropriate expertise to support the financial planning of a project.

An assessment will be made as to the likelihood of LSC funding being available to support a project, based on the proposal's fit with the above principles, its financial viability, and the potential for wider economic benefits to be derived from the project.



# 6. One NorthEast investment criteria

Growth both in productivity and economic participation requires a flexible and more highly-skilled workforce. National reports indicate that by 2010 the majority (c.80%) of new jobs will be in occupations requiring higher level skills. At the same time, the level of basic skills required is projected to rise. Key drivers include the pace of technological change, global competition and product and service specification. Critically, access to a larger, more highly qualified labour force is a cornerstone of the development of the key sectors identified in the RES.

One NorthEast is the strategic lead body within Skills North East, the Regional Skills Partnership, responsible for establishing priorities and overseeing skills development in the region. While most of the Regional Skills Partnership's objectives aim to boost demand for higher skills from businesses and within the labour market and attain increases in achievement, others are concerned to ensure access to learning and employment opportunities. The RES identifies four strategic skills priorities:

- Higher Skill Level to meet business need
- Skills Needs of Strategically Important Sectors
- Raising the Aspirations and Attainment Levels of Young People; and
- Delivering Regional Need

## Characteristics

Supporting action may involve investment in related capital infrastructure and property, for example where specific facilities are identified to support the development needs of key economic sectors or where there are geographic disparities in access to facilities which hamper economic inclusion objectives.

There is also a case for Agency investment where new training infrastructure could contribute to a wider strategic investment in place, where the Agency's resources are invested in area-based physical transformation programmes involving large scale site assembly and development programmes to create attractive opportunities for a range of end users, some of whom may be training providers. Middlehaven in Middlesbrough and Central Park in Darlington - where new colleges are being built as part of overall mixed used development schemes - are regional examples of this type of support.



One NorthEast will play a largely supporting role to its partners in the Regional Skills Partnership and Local Authorities in addressing such needs. The scale of its involvement will be directly related to the development of key sectors for economic growth in the North East and promoting higher rates of economic activity.

## Key considerations

Where regional or sub-regional infrastructure is provided in connection with a specific sector, it would be expected to directly contribute to the growth of that sector in the region.

In the context of limited public sector resources, the Regional Skills Partnership highlights the need to focus public sector funds. The National Skills Strategy proposes that the emphasis of public sector skills investment should be on "market failures which block investment in skills, as distinct from where rates of return to individuals and employers make it fair to expect them to contribute to the costs of their own learning". One NorthEast will adopt a market failure - based approach to its related infrastructure investment.

In this area, leverage will also be an important consideration to the Agency. The involvement of the private sector (particularly in sector-based proposals) and other public sector partners would be anticipated.

# Darlington College

## Relocation to Haughton Road Case Study



### Background

In September 2006, Darlington Learning Park opened. This new world class facility is the result of Darlington Technical College's ambitious plans to relocate to a new building at Haughton Road.

The journey on the road to the successful delivery of the new 19,000 m<sup>2</sup> facility began when a strategic alliance was formed with Tees Valley Regeneration (TVR), One NorthEast and Darlington Council. This alliance galvanised financial and planning support behind the College proposal. The LSC's National Capital Committee approved a 40% grant offer - at an estimated cost of £32 million this was, at the time, one of the biggest capital investments in post 16 FE provision within the North East Region.

### The Existing College Estate

The new building replaces the College's existing freehold premises. The old estate was of poor quality, primarily built 40 years ago, expensive to maintain, nearing the end of its useful life and not well suited to modern curriculum delivery. The old estate does have significant development potential which has enabled the College to market them for development and achieve capital receipts of around £12.5 million which were used to part fund the new development.

### The New Development

The New Darlington College at Haughton Road comprises of a single campus FE college on a key regeneration site at the entrance to the new Darlington Learning Park. Tees Valley Regeneration facilitated the College's early occupation of their site ahead of the overall masterplan for the area and contributed £1.5 million towards the land acquisition and site infrastructure works. The new facility is a key anchor within the scheme and has obvious benefits in promoting the Learning Park ethos

of the regeneration by putting education and skills at the core of the project.

Construction of the new College began in early 2004 and the new building was completed in July 2006 and fully operational as from September 2006.

### Funding

The scheme received detailed approval from the LSC in November 2004. At that time the anticipated cost was £32,700,000. The table below identifies the provisionally approved funding sources:

	£1000	%
Proceeds of disposals	11,320	35
Tees Valley Regeneration Contribution	1,500	4.5
Loan finance	6,800	20.5
LSC grant contribution	13,080	40
<b>TOTAL</b>	<b>32,700</b>	<b>100</b>

### Educational Benefits

The key educational benefits are:

- The positioning of the College as a centrepiece within the regeneration of this key site in Darlington will have a significant psychological impact in promoting the importance of learning and training within the local economy.
- The new development will include a Centre of Vocational Excellence (CoVE) for catering and hospitality, thereby reinforcing key priorities within the Regional Economic Strategy and the sub-regional strategy 'Tees Valley Futures'
- The new facility will address access issues and promote widening participation, for example through the enhanced sports provision. This will lead to increased learner participation and retention, particularly from 'hard to reach' learners.
- The site provides facilities which will support the College's work in 14-16 partnerships with schools to develop and deliver vocational GCSE's.
- The proposal is consistent with the findings of the Tees Valley Strategic Area Review.
- The new building will help secure the long term financial viability of the College.

# Durham College

## Capital Case Study

Durham College opened their new flagship campus at Framwellgate Moor in 2005. The new campus has rationalised their estate onto a single campus in Durham, reducing the area from 31,600 m<sup>2</sup> to 26,476 m<sup>2</sup>. The college's campus at Nevilles Cross was sold for residential development, raising approximately £8.6 million in order to help fund the £35.3 million scheme. The balance was funded via college reserves, borrowing, an LSC grant contribution of £12.3 million and a small contribution from HEFCE. A particular challenge for the project team was to ensure the continuity of the existing college function at Framwellgate Moor whilst the construction works were undertaken. Considerable thought therefore had to be put into the overall phasing of the works which were completed on time and within budget.

The design has a provoking industrial theme reflecting the college's strong engineering and construction curriculum for which it has been awarded CoVE status. The buildings are functionally very efficient inside with front of house functions located near to the main entrance, vocational specialties such as the hairdressing salon, travel agency and training restaurant located on the main malls and back office admin functions located on the top floor. The college was shortlisted for the RIBA/LSC design award in 2006 and was given a special mention. It has also received two national awards for its integrated data, CCTV and telecommunications system.



# Middlesbrough College

## Relocation to Middlehaven Case Study

### Background

The merger of Teesside Tertiary College with Middlesbrough FE College, approved in 2002, was the key catalyst in taking forward the Colleges' and the LSC's ambitions to achieve a new further education facility for Middlesbrough and the Tees Valley Region that meets world class building standards.

The strategic alliance of Tees Valley Regeneration (TVR) and Middlesbrough Council galvanised financial and planning support behind the College proposal to relocate to a new building at Middlehaven. This support, combined with the LSC's 51% grant offer and the College's commitment to borrow has resulted in approval in principle being granted for the scheme, estimated to cost approximately £68 million, in July 2007.

### The Existing College Estate

The new building will replace the College's existing premises which is of poor quality, primarily built 40 years ago, nearing the end of its useful life and not well suited to modern curriculum delivery. Revenue savings in excess of £1 million per annum are potentially achievable by relocating to modern purpose built premises and will be used in order to help fund the College's borrowing requirement for procurement of the new building.

The existing estate has significant development potential and the partnership with TVR and the Council has resulted in planning briefs being agreed that enable the College to achieve major capital receipts (initial estimate £15.5 million).

### The Proposed New Development

The Middlehaven proposal comprises of the development of a single campus FE college, comprising of approx. 31,500 m<sup>2</sup> on a key three hectare site at the entrance to Middlehaven. The new College facility will be a key anchor within the scheme and has obvious benefits in terms of bringing life and activity to Middlehaven, putting education and skills at the core of this regionally significant regeneration project.

The scheme also forges HE links with the University of Teesside by incorporating an HE centre which has been funded by the University.

Addressing sustainability requirements is also high on the College's agenda. An iconic innovative design, mirroring a wave effect has been approved which will take on board appropriate environmental factors in addressing heating and ventilation requirements so as to facilitate optimum curriculum delivery. The new building is planned to be ready for occupation by September 2009.

### Funding

The scheme is estimated to cost £68 million. The table below identifies the approved funding sources:

	£1000	%
Proceeds of disposals	22,648	33
Tees Valley Regeneration Contribution	1,500	2
Loan finance	6,700	10
University of Teesside	2,500	4
LSC grant contribution	34,652	51
<b>TOTAL</b>	<b>68,000</b>	<b>100</b>

### Educational Benefits

The key educational benefits are:

- The positioning of the College as a centrepiece within the regeneration of Middlesbrough will have a significant psychological impact in promoting the importance of learning and training within the local economy.
- The town centre location and business development centre approach will support increased engagement with employers and improve the College's ability to respond to the Skills Strategy.
- The new development will include a Centre of Vocational Excellence (CoVE) for catering and hospitality, thereby reinforcing key priorities within the Regional Economic Strategy and the sub-regional strategy 'Tees Valley Futures'
- The new facility will address access issues and promote widening participation, for example through the enhanced sports academy. This will lead to increased learner participation and retention, particularly from 'hard to reach' learners.
- The site will provide facilities which will support the College's work in 14 -16 partnerships with schools to develop and deliver vocational GCSEs.
- The proposal is consistent with the findings of the Tees Valley Strategic Area Review.
- The new building will establish the educational as well as financial viability of the merged Middlesbrough College.

# Sunderland Usworth Sixth Form College

## Case Study



The new Sunderland Usworth Sixth form was opened in September 2006. The building stands as testimony to the strong collaborative partnership that exists between the local authority, local schools and Sunderland College in delivering post 16 education in the Borough. This new sixth form has proved to be a great success in fulfilling the partnership's ambitions to deliver sixth form provision in the north west quadrant of the borough serving the Washington area.

The building stands on land gifted by the Local Authority at Usworth School, Washington which is pending closure and demolition. The building extends to 5960 m<sup>2</sup>, cost approximately £9.5 million to build and was delivered on time and within budget. LSC funding of 10% was provided with the balance being funded by Sunderland College.

The building is considered to be one of the leading examples of sixth form design within the sector and has also won Newcastle Journal's 'Public Sector Building of the Year' design award.

# The Performance Academy

## Newcastle College Case Study



Newcastle College's Performance Academy opened in 2004 on the College's Rye Hill Campus. The building is of national significance, representing a major leap forward in the sector in terms of the provision of facilities for delivery of performance arts, music and media studies curriculum.

The building extends to 9100 m<sup>2</sup>, cost approximately £20 million and was funded with a contribution of £6.5 million from the LSC. The facilities include a fully equipped training theatre with flight ropes, sound proofed recording studios incorporating the latest technologies and dance studios. The building fought off strong competition including the internationally renowned Gateshead Sage building to win a RIBA design award in 2005.

# Annex A

## Current infrastructure assessment and stock take assessment

Significant progress has been made in recent years in bringing the region's FE estate up to world class standard. Derwentside and Stockton Riverside College campuses were pioneering projects of national significance, encouraging the FE sector to think ambitiously in developing their capital strategies and giving confidence in the ability of the sector to deliver, thereby facilitating the allocation of additional capital resources nationally.

Capital approvals have been granted at either detailed or approval in principle (AIP) stage for schemes totalling £350 million in recent years, of which approximately £155 million is LSC grant supported. Recent major developments include New College Durham, Darlington College, Usworth sixth form campus of City of Sunderland College, The Performance Academy and Skills for Life Academy at Newcastle College. These schemes alone amount to approximately 70,000 m<sup>2</sup> of new accommodation, costing around £115 million. Nine other major capital investment projects with a total investment value of £207.1 million are ongoing.

The FE sector within the North East has demonstrated ability to deliver high quality projects on budget, with many schemes being nominated for and winning awards. Such projects include Newcastle College's Performance Academy which won a RIBA design award in 2006. The Usworth sixth form campus of City of Sunderland College has also won the Newcastle Journal Public Sector Building Design Award and New College Durham was a runner up in the 2006 LSC/RIBA design award.

LSC North East has ambitions to ensure that this Plan builds on these successes to ensure that the whole of the FE estate is of 'World Class' standard by 2013.

There are currently 22 FE colleges within the region comprising a total of approximately 485,000 m<sup>2</sup> of accommodation. No detailed condition survey information is held on the FE estate. Despite the recent developments there is still much to be done. It is evident from preliminary inspection, analysis of college property strategies and data available via eMandate, that the condition and suitability of the estate as a whole is not ideally suited to modern curriculum delivery. The majority of the estate dates back to the 1950/60s, is typical of construction at that time, expensive to maintain, in need of major repairs and nearing the end of its useful life.

The estate is also inefficient in terms of space utilisation resulting in operational costs being significantly higher than would be the case if it were purpose built.

Current estimates indicate that approximately 350,000 m<sup>2</sup> of the region's FE estate (ie approx 74%) is either in need of renewal or major refurbishment in order to bring it up to a world-class standard (ref World Class Buildings: Design Quality in Further Education, March 2005). We estimate that the total capital investment required from 1st April 2007 onwards in order to do this will be close to £870 million, depending upon the proportion of refurbishment and rebuild which is undertaken. This figure includes approx £200 million of capital investment that is currently ongoing or approved in principle and allocated for expenditure from 1st April 2007.

The LSC wants modern, flexible, fully functional space to motivate and retain learners, provide increased choice and accommodate the demands attributable to increased participation. The major projects undertaken to date have demonstrated significant inroads in achieving this and much has been learned from these that will enable even better projects in the future.

The LSC will work with FE providers, as they develop their property strategies and capital proposals, to address issues of space utilisation, flexibility of accommodation, the demands of new ways of learning and curriculum, managing operating costs, environmental and resource implications, ICT connectivity and operability.

As participation has increased some colleges have become dependent on temporary porta-cabin type accommodation in order to service curriculum requirements. This temporary accommodation is expensive in terms of leasing costs and facilities costs and in many cases the accommodation is long past its anticipated life span providing sub standard and inappropriate accommodation.

The region has a proportion of historic college buildings, amounting to approximately 10% of the whole estate. We will work with colleges to celebrate our architectural heritage and to ensure that appropriate, cost effective and practical solutions are found in locations where planning considerations/consents and the impact on surrounding environments may present challenges. In such discussions, compliance with DDA/SENDA requirements and the particular needs of learners would be priority.

## Regional space utilisation and quality assessment

A key objective of the Plan is to address space utilisation and quality issues within the FE estate to ensure that the whole estate within the region falls within the LSC's established space utilisation guidelines (ie 10.5 - 14.5 m<sup>2</sup> per MNW plus additional allowances where appropriate) and that the quality of the estate meets the LSC's requirements for world class buildings. The tables below summarise the current space utilisation and quality within each local LSC area and the region as a whole:

**Table 1: Regional space utilisation analysis**

	Estimated current FE estate area m <sup>2</sup>	Warranted Maximum FE estate area m <sup>2</sup>	Estimated over capacity m <sup>2</sup>	Change from March 06 m <sup>2</sup>
Tees Valley	174,482	147,403	27,079 (18.4%)	-1684
Tyne and Wear	217,354	186,092	31,262 (16.8%)	+10,000
Durham	67,070	61,471	5,599 (9.1%)	-1,491
Northumberland	26,155	15,409	10,746 (69.7%)	NA
<b>REGION TOTAL</b>	<b>485,061</b>	<b>410,375</b>	<b>74,686 (18.2%)</b>	<b>+6825</b>

**Table 2: Regional quality assessment**

	Estimated current FE estate area m <sup>2</sup>	Estimated FE area in need of refurbishment or renewal m <sup>2</sup>	Estimated area that meets world class world class standard m <sup>2</sup>	Change from March 06 m <sup>2</sup>
Tees Valley	174,482	116,924	57,558 (33%)	+21,881
Tyne and Wear	217,354	158,272	59,082 (27%)	+10,000
Durham	67,070	33,820	33,250 (49.6%)	0
Northumberland	26,155	25,054	1,101 (4.2%)	NA
<b>REGION TOTAL</b>	<b>485,061</b>	<b>352,636</b>	<b>150,991 (31%)</b>	<b>+31,881</b>

# Annex B

## FE estate capital summary

A detailed capital expenditure profile outlining current, pending and future capital requirements within the region is included at Annex D. The table below sets out a summary of current and proposed (ie approved in principle) capital investment that is ongoing within the region's FE estate.

**Table 1: Ongoing regional capital investment**

	Ongoing total capital investment	Approved LSC grant
Area South (Tees Valley & Durham)	£164,630,494*	£97,012,649
Area North (Tyne & Wear and Northumberland)	£76,628,000*	£22,496,950
<b>REGION TOTAL</b>	<b>£241,258,494</b>	<b>£119,509,599</b>

\*Includes AIP approvals as at August 2007

This indicates an average current grant requirement of 49.5% within the region.

The implementation of these ongoing and AIP projects will make significant inroads in enhancing the overall performance and quality of the FE estate and it is anticipated that implementation of the future capital requirements as outlined below will further enhance the estate so that the whole estate area falls within LSC guidelines and is of World Class standard.

## Potential future capital requirements

Although existing expenditure will have a major impact on the FE estate this is only the beginning. Further expenditure of between £395 million and £606 million is required in order to bring the whole FE estate up to world class standard and achieve the objective of renewing the estate by 2013. Major projects still requiring implementation will need to have contracts in place and site ready by 2008-11 in order to meet this target.

In addition to the capital needed to modernise or renew the FE college estate it is also anticipated that between £35 million and £61 million will be required to fund new 16 - 19 provision within other sectors.

Individual local LSC capital requirements are outlined in more detail in the capital expenditure profile annexed to this Plan. It is intended that this profile will be used to inform providers of the projects which the LSC wishes to consider over the next three to five years. The profile is intended to be flexible and will need to evolve in order to accommodate currently unknown and changing future requirements. The profiles will be formally reviewed on an annual basis or otherwise as appropriate in order to address regional and local requirements.

The extent of capital spend within the range advised will depend to a large extent on providers' ability to raise funds via borrowing and receipts from disposal of their surplus assets. Whilst the ideal is to replace all providers' accommodation with purpose built modern facilities this may not always be financially viable and in some cases refurbishment may be the preferred option. The current average LSC intervention rate of 49.5% within the region is, however, anticipated to rise as future schemes coming forward for approval are likely to be more difficult to fund from the providers' perspective because of borrowing constraints and the nature of their existing estates. The likely future average intervention rate is anticipated to be at least 50%. The table below sets out the anticipated total future capital spend and grant support required within each of the region's local LSC areas:

**Table 2: Future regional capital investment - minimum spend scenario**

	Anticipated future capital investment	Estimated LSC grant @ 50%
Area South (Tees Valley & Durham)	£142,250,000	£76,125,000
Area North (Tyne & Wear and Northumberland)*	£240,000,000*	£135,500,000
<b>REGION TOTAL</b>	<b>£382,650,000</b>	<b>£211,625,000</b>

**Table 3: Future regional capital investment - maximum spend scenario**

	Anticipated future capital investment	Estimated LSC grant @ 50%
Area South (Tees Valley & Durham)	£197,750,000	£108,875,000
Area North (Tyne & Wear and Northumberland)*	£419,667,000*	£236,778,450
<b>REGION TOTAL</b>	<b>£617,417,000</b>	<b>£345,653,450</b>

**NB the above expenditure estimates are in respect of schemes that are anticipated to be eligible for funding from the national capital pot only. 6th form proposals that are likely to be funded at 100% are included at 100% rate.**

**\* These figures exclude existing AIP approvals which amount to £33.6 million but include anticipated variances on existing AIP approvals.**

**The grant figures therefore do not equate to exact % apportionments. All amounts already budgeted for through AIP are excluded.**

## Target estate performance

It is anticipated that this Plan, supported by the implementation of Local Capital Plans will have major benefits in terms of the overall performance of the FE estate. The implementation of current ongoing and AIP projects over the next two to three years reduces the extent of unsuitable accommodation to 193,908 m<sup>2</sup>. This amounts to a 45% reduction. Significant improvements will also be made in the utilisation of space - overall space could reduce by 5.3% resulting in estimated savings of around £1.6 million per annum in accommodation costs.

In the medium to longer term it is anticipated that the whole of the FE estate will be of 'world class' standard and space utilisation will fall within LSC guidelines resulting in an estimated longer term saving of £3.46 million per annum in accommodation costs.

The following table sets out the overall anticipated estate performance over the implementation of this plan:

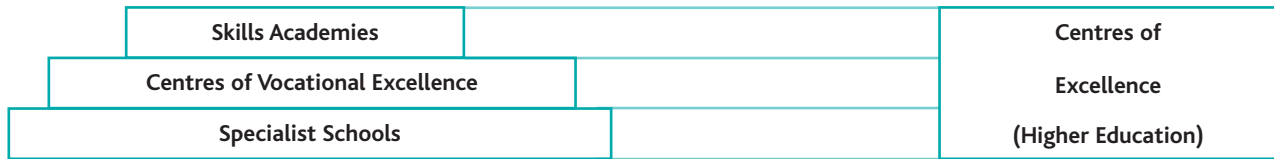
**Table 4: Regional estate performance targets**

Performance measure	March 06 performance	Current performance	Target performance as at 01.04.09	Target performance as at 01.04.11	Target performance as at 01.04.13
% Space within LSC guidelines	85.6%	81.8%*	91.3%	96%	100%
% Space of World Class standard	25.7%	31%	56.2%	80%	100%
Estimated savings in annual running costs	£0	£0	£1,797,000	£2,686,000	£3,460,000

\*Note the current performance figure is less than the March 2006 figure but this represents a more accurate position as more detailed and up to date information is available in respect of the overall FE estate.

## Current specialist facilities

Across the learning and skills sector there are a range of specialist facilities available to support the skill needs of sectors. Ideally these specialist facilities should form an integrated network of facilities aimed at addressing the overall skills needs of the region.



There is a spoke of the Manufacturing National Skills Academy in the North East and proposals for a hub and spoke of the Process Industries Academy and a spoke of the Food and Drink Academy within the region.

Table 5 provides details of the network of CoVEs that has been established within the region over recent years. The initial focus for CoVEs was to support workforce skills at level 3 and above. Recently the remit has been widened to encompass provision at levels 1 and 2 and they are now required to actively engage in supporting the delivery of provision as part of the 14 to 19 agenda.

**Table 5: North East CoVE Network**

Sector	CoVEs
Engineering Manufacture	<ul style="list-style-type: none"> <li>• Multi-skilled systems maintenance engineering</li> <li>• Technical and design engineering</li> <li>• Automotive technology</li> <li>• Nautical centre of excellence</li> <li>• Mechatronics</li> <li>• Aerospace and allied engineering technologies</li> </ul>
Hospitality and Tourism	<ul style="list-style-type: none"> <li>• Travel and tourism services</li> <li>• Services for in-bound and domestic tourism</li> <li>• Catering and hospitality</li> <li>• Culinary excellence</li> </ul>
Health and Social Care	<ul style="list-style-type: none"> <li>• Childcare</li> <li>• Adult care</li> <li>• Healthcare</li> </ul>
Construction	<ul style="list-style-type: none"> <li>• Construction services and professional studies</li> <li>• Construction crafts</li> <li>• Engineering construction</li> <li>• Construction building skills</li> </ul>
IT and Digital	<ul style="list-style-type: none"> <li>• Media-digital production and design</li> <li>• ICT networking</li> </ul>
Chemicals	<ul style="list-style-type: none"> <li>• Specialist engineering for the process industries</li> </ul>
Arts and Culture	<ul style="list-style-type: none"> <li>• Performing arts</li> </ul>
Transport and Logistics	<ul style="list-style-type: none"> <li>• Logistics</li> </ul>
Business Services	<ul style="list-style-type: none"> <li>• Business and management</li> <li>• Contact centre</li> </ul>

In addition to these facilities a large number of secondary schools have specific subject specialisms and the distribution of these is detailed in Table 6.

**Table 6: North East Specialist Schools**

Subject Specialism	Number of Schools
Sports	22
Technology	37 including 2 special schools and 1 school with this as a second specialism.
Business and Enterprise	15 including 2 special schools and 1 school with this as a second specialism.
Engineering	5
Science	12 including 1 special school and 1 school with this as a second specialism.
Arts	23 including 2 special schools and 3 schools with Art as a second specialism.
Languages	10
Maths and Computing	15 including 1 school with this as a second specialism.
Humanities	8 including 3 schools with this as a second specialism.
Music	1 school with Music as a second specialism.
Vocational	1 school with this as a second specialism.

In addition, many of the current and proposed Academies have a specialism. As part of the agreement to establish these Academies the DIUS requires that the specialisms that they propose to develop are consistent with the needs of the area.

The Centres of Excellence are funded by One NorthEast to promote the creation of high technology spin out companies and to develop new technologies to the near-market stage. Therefore they have a strong relationship to the research base of the region's universities and provide opportunities for postgraduate research training. Some of the specialist facilities being developed and/or planned for further education and schools need to ensure they can provide for the skills that will be required by these technologies.

It is essential that a coherent approach is undertaken to the further development of specialist provision within the region. This will require enhanced dialogue amongst funders and other stakeholders to ensure that new capital developments do not have an inadvertent destabilising affect on the existing infrastructure.

Single programme investment administered by the sub-regional partnerships on behalf of One NorthEast has supported a number of developments that have provided additional capital facilities. Examples of these include Tynedale Virtual College, Middlesbrough College and Darlington College.

# Annex C

## Budgets and funding

The investment estimated to be required in the North East will be met from a variety of sources, including:

- Sales of **surplus land** and buildings,
- **Providers' borrowing** and use of their reserves,
- **Private sector investment** and
- LSC capital funding.

Sometimes, other funders such as employers or the Higher Education Funding Council (HEFCE) will contribute significant sums to projects where we share objectives. Process efficiencies such as better procurement practice and innovative funding will also help stretch the LSC and One NorthEast budgets.

Most colleges rely significantly on the LSC for revenue funding and use part of this income to repay borrowing. Many have already used their borrowing capacity (usually assessed as between 30% and 40% of turnover) on early

phases of major renewal and later phases will, under current rules of affordability, look to the LSC for higher levels of capital support.

Clearly all investment will not be required in one year as capital projects are completed over several years. We already have some projects on site, others that are well-advanced toward going on site and others that have not yet started and will take varying lengths of time to bring forward and deliver.

However, if we are to achieve the National Strategy aim of renewing the estate by 2013, the major projects need to be either on site or contracts in place and "site ready" between 2008 and 2011. The investment profile has been developed from local knowledge of the types of issues affecting the lead times before, realistically, a project is site ready. An approximate profile of LSC grant funding required to support this strategy is set out below.

**Table 1: Anticipated Capital Spend & LSC Grant Profile Requirement 2007 - 2014**

Year:	2007/08 £m	2008/09 £m	2009/10 £m	2010/11 £m	2011 - 14 £m	TOTAL £m
Est. max. total capital spend ex. ongoing	19	147	210	194	96	666
Est. max. total capital spend inc. ongoing	113	249	223	194	96	866
Max spend LSC grant @ 50% ex. ongoing	13	81	114	100	50	358
Max spend LSC grant @ 50% inc. ongoing	62	129	122	100	50	463

It should be noted that the intervention rate varies according to affordability. The 50% intervention rate shown in this plan is illustrative only. It does not imply that this rate is guaranteed. On this profile the grant support required including current is set to approximately double in 2008/09 at £129 million which is the peak and run at a similar levels of £122 million in 2009/10 and 100 million in 2009/10 but thereafter reduce significantly. The substantial budget demand in 2008/9 through to 2010/11 ties in with anticipated increases in the national budget over the same period. This should therefore help avoid the need for prioritisation over this period of peak demand as long as the notional increases in the national capital pot are realised.

## The national capital budget

The capital budget is retained and managed nationally by the LSC and full details of available funds and key national priorities for their allocation are detailed in the National Capital Strategy. The table below sets out details of all the capital funds that are available nationally for the current year and projections up to 2010 -11 taking on board the outcome of the SR2004 for the period 2005-06 to 2007-08 and the new 16 -19 capital fund to be administered by the LSC. It has been assumed that funds for enhanced skills-related activities from 2007- 08 would be found from the CoVE and FE lines.

**Table 2: LSC National Capital Funding Summary 2006-07 to 2010-11 (estimated)**

Budget Heading	2006 - 07 £'million projected	2007 - 08 £'million projected	2008 - 09 £'million notional	2009 - 10 £'million notional	2010 - 11 £'million notional
FE Capital/Skills Academies	189	270	270	270	270
16 to 19 Capital Fund*	130	180	180	180	180
16 to 19 Rationalisation*					
ACL** capital	10	10	10	10	10
FE/ACL DDA***	20	0	0	0	0
NLDC****	8	8	8	8	8
Skills/WBL*****	0	0	0	0	0
CoVE***** Capital	30	30	30	30	30
Additional FE Capital - 2006 Budget			100	250	250
<b>Sub Total Main Capital</b>	<b>377</b>	<b>498</b>	<b>598</b>	<b>848</b>	<b>848</b>
Systems Development <sup>1</sup>	22.5	22.5	22.5	22.5	22.5
ILT Capital <sup>2</sup>	40.3	40.3	40.3	40.3	40.3
Exceptional Support for Colleges	35	35	35	35	35
Sub total					
<b>Total Capital Budget = Grant letter</b>	<b>474.8</b>	<b>595.8</b>	<b>695.8</b>	<b>945.8</b>	<b>945.8</b>

1 LSC initial funds credited against capital line

2 Reduced by some £35 million

\* New 'Sixth Form' Institutions arising out of Area Inspections or Strategic Area Reviews

\*\* Adult and Community Learning

\*\*\* Disability Discrimination Act

\*\*\*\* Neighbourhood Learning in Deprived Communities

\*\*\*\*\* Work Based Learning

\*\*\*\*\* Centres of Vocational Excellence

## LSC capital support programmes

	Further Education Fund	16-19 Capital Fund	Building Schools for the future	CoVE programme	National Skills Academies	Specialist Colleges	Accessibility Improvement Grants	Invest to Change
FE Colleges	✓	✓		✓	✓		✓	✓
Work Based Learning Providers				✓	✓		✓	✓
School Sixth Forms		✓	✓					
Specialist Colleges	✓					✓	✓	

## Further Education Fund

The Further Education Fund continues to be the largest capital investment made by the LSC in the further education sector. With the exception of CoVEs, this budget line covers all other aspects of capital expenditure against the affordability criteria. Nationally, since April 2001, projects worth £2.6 billion have been approved and grants of £856 million made. Approximately 50% of the national FE estate has been renewed or modernised since college incorporation in 1993 but more needs to be done to meet the challenge of developing world class buildings for world class teaching and learning.

In addition to general FE, specialist agricultural colleges and sixth form colleges, LSC capital funds are available for external institutions and HE institutions where 50% or more of their revenue funding derives from the LSC. Mergers and reorganisations are often a catalyst for capital investment.

## 14 - 16 places in FE colleges

From 2007 - 08 the LSC will extend the eligibility for capital funds to building works undertaken by colleges on their campuses to provide additional facilities for 50 or more additional full-time equivalent (FTE) places for 14 -16 vocational provision, where it can be demonstrated that such provision cannot be provided by the more intensive use of existing facilities.

## FE institutions delivering higher education provision

Where up to 20 per cent of the guided learning hours or FTEs of a project proposal is for higher education (HE) purposes, then colleges may include this provision in their capital applications to the LSC, which will regard it as incidental to the main FE purpose of the proposal. HE provision of 20 per cent or more will not be eligible for capital funding from the LSC. Providers should however always seek a contribution from HEFCE or partner universities when incorporating HE provision within their capital proposals.

## 16 - 19 Capital Fund

The 16 -19 Capital Fund came into operation on the 1 April 2006 with funds of £120 million for 2005 - 06 and £180 million for 2007- 08. The joint budget is intended to help fund the capital costs of:-

- The outcomes of 16 -19 competitions
- The cost of new 16 -19 school or college places arising from school and FE 16 -19 presumptions
- Increased participation
- Area-wide reorganisation to raise standards and/or promote choice and
- New sixth forms in areas where there is little choice of high quality sixth form provision.

### The joint budget will not cover:-

- The modernisation needs of sixth forms in schools (this will continue to be covered by formulaic modernisation funding to Local Authorities and schools, as it would not be practicable to split this between pre - and post - 16 provision).
- Schools in the 'Building Schools for the Future' programme.
- The 16 -19 element in 11 -19 City Academies.
- FE college modernisation or campus renewal schemes with a 16 -19 element not specifically addressing area-wide reorganisation or increasing participation (or otherwise identified as high priority outcomes of Strategic Area Reviews or Area Inspections), which will continue to be funded from the LSC's FE capital budget.

The LSC will not fund separate 14 -16 vocational provision on school, college or other sites unless this is through intervention and development funds but will consider 14 -16 centres where this is incidental to main FE purposes on college sites.

## Building Schools for the future (BSF)

Building Schools for the Future represented a new approach to capital investment, bringing together significant investment in buildings and in ICT (Information and Communications Technology) to support the Government's educational reform agenda. The Government committed significant funds to local authorities and schools to spend on maintaining and improving their school buildings and to promote a step-change in the quality of provision. In short, the aim of BSF is to ensure that secondary pupils learn in 21st-century facilities.

Some schools will be able to access the 16 -19 Capital Fund administered by the LSC. This fund supports the strategic expansion of 16 -19 provision (normally at least 50 new full time places) arising from increased participation, area wide reorganisation or the expansion of high performing specialist schools adding a sixth form. The fund does not cover the modernisation needs of sixth forms in schools or the 16 -19 elements of schools' projects in BSF.

The BSF programme will have a significant impact on local communities, and the LSC will take care to ensure in implementing its investment plans that there is joined up working with local education authorities. The LSC will also take account of the local BSF timetable and plans and create beneficial linkages wherever possible to provide improved choice, participation, transition and progression between the different phases of education.

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