

Minutes



Leading learning and skills

Date 27 January 2009
Subject Regional Council
Location Moongate House
Time 16:00
LSC office North East Region
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Present James Ramsbotham (Chair), David Barker, David Butler, Mary Dunning, Graham Henderson, Sharon Oliver, Graham Randell, Sarah Robinson, Chris Roberts, Kevin Rowan, Paul Watson, Kate Welch, Ashley Winter, Oliver Wood

In attendance Chris Banks - National Chair
Jan Thirlaway - Jobcentre Plus

LSC staff Gillian Miller, Dorothy Smith, John Smith, John Wayman, Julie Calvert, Ken Coulson

Item 1. Apologies for absence

1.1 Government Office was not able to be represented on this occasion.

Item 2. Chairman's Remarks

- 2.1 Chris Banks, National Chair, was welcomed to the meeting.
- 2.2 Sarah Robinson was congratulated on the award of an OBE in the New Year's Honours List.
- 2.3 The next national Chairs meeting was on 3 February. It was expected that the agenda would focus on the LSC's response to the economic downturn.

Item 3. Declaration of Interest

- 3.1 The Chairman drew attention to the register of interests printed on the agenda and reminded members of the opportunity to declare any potential conflict of interest in any business under discussion.
- 3.2 Sarah Robinson recorded a potential interest in matters related to FE capital.

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Item 4. National Chairman's Update and Discussion

4.1 Chris Banks commented as follows:

- He had visited the new Gateshead College Campus, Skills Academy and Construction Centre and had been impressed by the positive learning environment.
- Appreciation to council members and staff for the continued focus on performance whilst having to deal with a difficult set of issues arising from the current economic climate and the transition to new arrangements.

4.2 Performance

- Recognition that the LSC with its partners and providers had delivered just about everything asked of them. Train to Gain performance in the NE was accelerating with a real sense of demand-pull which was needed across the country. There was a challenge of demand outstripping supply in some places.
- Overall there had been tremendous growth in apprenticeships for adults. This had been funded through Theme 7 releasing £40m to the front line, without which this growth would not have happened.
- Employers currently needed more encouragement to take on apprentices. A major advertising campaign was about to begin for the new apprentice vacancy matching service. There was additional government funding for 35k places in the next 12 months.

4.3 FE Capital

- Up until mid 2008 the demand for capital was behind supply. However, there had been a real acceleration in demand arising from the scale of projects, % total cost asked for, speedier construction, and the gap between AIP and AID approvals narrowing dramatically. In the current climate colleges were encountering difficulties with land sales and in raising money from banks.
- The capital programme had been very successful. However there had been a need for a pause to look again at how the LSC decided where the money was spent.
- Andrew Foster had been asked to undertake a review to identify what sort of system was needed to manage scarce resources going forward, in a fair and transparent way, taking account of peaks and troughs.

4.4 Transition

- The accelerated transition strategy was starting to happen. Appreciation was recorded for the continuing commitment and professionalism of staff. The Council had an important role to play in supporting the Executive.
- The post of Chair of the Young People's Learning Agency was being advertised with a view to someone being in place by April. This would signal a move towards an LSC demarcation between activity relating to Young People and Adults in anticipation of the transition. The YPLA Board would be established in April and then strengthened in September.

This was a critical period for the LSC during which the Regional Council needed to play a key role.

4.5 Economy

- It was recognised that the region had a well established Regional Skills Partnership and links with Jobcentre Plus and wider economic groupings that would hold it in good stead in the current climate.
- It was documented that businesses that invested in its people during the last recession were 2½ times more likely to survive than those who did not. Maintaining momentum and ensuring a rapid response to the needs of business was very important.
- It was very important to maintain awareness of and focus on the needs of disadvantaged groups.

Discussion

- 4.6 The criteria for capital funding needed to be consistent with the Government guarantee to support colleges. It was possible that this may require a longer term approach similar to 'Building Schools for the Future' but it would need a Government commitment to funding beyond 3 years. Other options might include phasing, or an indicative investment per student.
- 4.7 Members were aware that the 3 month pause may result in a much longer delays for some colleges depending on the stage of the project. Members were supportive of finding a solution that delivered value for money but commented on the importance of minimising the impact on learners. Reference was made to the need have regard to the impact of any decisions had on 14-19 partnerships ahead of the transition.
- 4.8 Reference was made to the vulnerability of agency workers in the current economic climate and the need to identify solutions to ensure that their needs were also addressed in a redundancy situation.
- 4.9 With regard to apprenticeships targets members commented on the need for a radical approach to engage the public sector.

Item 5. Regional Capital Committee

- 5.1 Minutes of 6 January 2009 were approved and adopted.
- 5.2 National Council would consider proposals based on Andrew Foster's review at the meeting on 4 March.
- 5.3 Consideration needed to be given as to how the views of regional council members were taken into account. Members were anxious that that the outcome delivered a real role for the regional council to ensure regional discretion and recognise regional complexities.
- 5.4 Chris Banks would consider how the Chairs of Regional Capital Committees could be consulted prior to National Council.

Item 6. Regional Audit Committee

- 6.1 Graham Randell reported that the committee had met immediately prior to Council. The risk management process was highlighting a lot of 'red risk' arising from Machinery of Government changes and the response to the

current economic situation. The position was being managed but there were concerns around the significant number of new providers recently and the need to understand how good or bad some of these providers were. This was making significant demands on PFA staff resources, where necessary additional resource was being bought in. Allegations of financial irregularity had doubled nationally, at this stage it was not clear whether this was related to the number of new providers.

- 6.2 Arrangements were being made for a national meeting of Audit Committee chairs.
- 6.3 The committee had discussed whether, where there were economies of scale, there was a need for differential rates on Adult Apprenticeships/TTG funding.
- 6.4 There was a managed approach to bad debts. Reference was made to the pressure on the public sector to pay faster to support companies in the current economic climate and the response to this in the region.

Item 7. Regional Director's Update

Chris Roberts reported as follows:-

- 7.1 Machinery of Government: there had been a speeding up of the timetable which meant that the transition would now take place at April 2010. In readiness the LSC would move to a new organisation structure from September 2009. To deliver that there would be a need to move towards the organisation structure from April onwards beginning with senior managers. There was a desire to block match large groups of staff avoiding the need for technical interviews but this would not cover every position.
- 7.2 Arrangements were underway to recruit a Regional Director for the National Apprenticeship Service with other appointments being made by April. Whilst within the LSC, the NAS Regional Director would report directly to the Regional Director with a 'dotted line' reporting line to the NAS Chief Executive.
- 7.3 The Regional Management Group was to consider arrangements for managing interim structures. There would be up to 35 NAS staff recruited and this could result in 50-60 vacancies in the region. This would leave the region with insufficient staff. It was possible to backfill but there would be issues around the level of capability. Discussion was taking place with the National NAS Chief Executive as to how the position might be managed. Staff continued to do a good job.
- 7.4 A member commented that colleges and providers continued to have concerns about the lack of clarity around the relationship between young people and adults activity going forward. There was a need to understand how the relationships at a national level would work. It was noted that the NE region was the only one to have already reduced the number of offices. Endeavours were being made to keep the current office arrangements and have the SFA and YPLA located within the same building. Nationally, there was recognition of the dangers of two silos emerging. Early decisions of the YPLA and SFA would need to flush out the issues.

Item 8. LSC Response to Economic Downturn

- 8.1 Submitted: Draft Regional Skills and Employment Plan responding to the Economic Downturn.
- 8.2 The plan documented how Jobcentre Plus, RDA, LSC and Government Office would respond and this had been submitted nationally during December.
- 8.3 The plan had four key themes:
 - Resilience: using public funding/policy to assist employers to maintain the current workforce and minimise job losses
 - Redundancy/Redeployment: to move as many people as possible from a job to a job
 - Recruitment/Retention: to get the unemployed back into work as quickly as possible and to maximise the chances of retention and progression
 - Readiness for the upturn: maximise the region's readiness by pursuing upskilling, employment and productivity growth
- 8.4 The intention was for the plan to go out to all local areas including local authorities and local area agreements so that they could map in their activity and identify gaps.
- 8.5 In responding to redundancy situations the LSC funded Next Steps agency was coming into its own.
- 8.6 £8m ESF was being used to procure additional pre employment activity.
- 8.7 The RDA and other agencies had responded speedily to the needs of Nissan and its supplier chain arising from the need for Nissan to cut the third shift which had been introduced one year ago. This included ensuring that the support that the LSC and Jobcentre Plus was able to offer was properly understood. It was clear that the key issue for employers was access to cash.
- 8.8 There were plans for further flexibilities around TTG particularly aimed at SMEs. Business Link had a key role to play in working with employers. A wage compensation scheme was planned for employers with up to 50 staff but this was a limited offer.
- 8.9 Arrangements were being made to ensure that Jobcentre Plus were aware of all public sector vacancies so that they can be accessed by those in a redundancy situation. Reference was made to the values of the voluntary sector in ensuring that people remained motivated and useful. It was noted that Jobcentre Plus was looking at ways to keep people close to work.
- 8.10 There was concern that numbers of apprentices may be made redundant at the end of their apprenticeship. Reference was made to the possible need to consider programme led apprenticeships for a period of time. It was noted that this was being considered by the Department. A college was already promoting the programme led route from September and was expecting to be over-subscribed.
- 8.11 At a time when there was massive growth in the number of new providers it was essential to carefully evaluate the quality of provision. Also to take every opportunity to share regional/national good practice.

Item 9. Work with Local Authorities on 14-19 Arrangements

- 9.1 Dorothy Smith reported on progress in working with the three emerging 14-19 sub regional groupings covering Tees Valley, County Durham, and Northumberland/Tyne & Wear. The sub regional groupings were currently working on second stage proposals based on travel to learn and due in at the end of February.
- 9.2 The LSC was working very closely with all 12 local authorities and the 3 sub regional groupings. The LSC was aligning support to the groupings to develop proposals and at the transition point would transfer capacity, processes and staff to make it as seamless as possible.
- Tees Valley authorities intended to embed 14-19 in Tees Valley Unlimited in governance terms and to manage it within that structure.
 - Tyne and Wear/Northumberland would maintain close linkages with the City Region structures in terms of managing the 14-19 agenda.
 - County Durham would manage 14-19 within the local authority.
- 9.3 Considerable work was taking place to try and clarify some of the detail around accountability, funding flows, commissioning and transfer of resources.
- 9.4 The LSC was also engaged in strategic workshops with local authorities, Association of Colleges and Association of Learning Providers to consider future funding and commissioning taking account of the provider perspective.
- 9.5 The Regional Planning forum was proving to be very effective and an Executive Group was meeting two weekly. Some of the outstanding issues were around LLDD, 16-18 capital, the relationship with NAS on apprenticeships, and learner choice.
- 9.6 Members recorded their considerable appreciation to staff for their work on these issues.

Item 10. Next Meeting

The meeting would be held on 24 March 2009 at 4.00pm in Moongate House.

Signed: -----

Chairman

Date: -----

Meeting chair	James Ramsbotham
Minute taker	Ken Coulson
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