

# Minutes



Leading learning and skills

**Date** 19 April 2007  
**Subject** Council Meeting - 41/190407  
**Location** Eagle Point  
**Time** 0915 - 1300  
**LSC office** Hampshire and the Isle of Wight  
**Publication intent** Public

**Present** Colonel Terry Scriven, Chair  
Martin Lamb, Area Director  
Michael Budd  
Jonathan Cheshire  
Christine Davis  
Donna Green  
Dr Graham Jowett  
Ken Moon  
Mike Petter

For item 9:  
Tim Jackson, Principal Sparsholt College  
Matt Atkinson, Acting Principal Cricklade College  
Steve Handford, Finance Director Sparsholt College  
Carrie Passmore, Finance Director Cricklade College

**In attendance** Pam Charlwood, Connexions observer

**LSC staff** Rachel McKellar, Partnership Director  
Anne-Marie Mountifield, Partnership Director  
Jill Farrell, Regional Skills Development Director (item 8)  
Pauline Tiller, Regional Finance Director (item 9)  
Lorna Rukin, Partnership Manager (item 9)  
Deryn Martin, Partnership Adviser

**Apologies** Apologies have been received from:  
Professor Roger Brown, Garry George, Andrew Lloyd,  
Linda McGowan, Kathy Slack (SEEDA), Cathy Evans,  
GOSE observer, Martin Pryor, JobCentre Plus observer,  
Jacky Stevens, WSX Enterprise observer, Phillip Walker,  
Partnership Director, Peter Woods, Partnership Director

## **Item 1. Welcome and introductions**

### **Welcome**

- 1.1 The Chair welcomed Members to the meeting and informed them of the recent resignation of Jill Wareham resulting from a conflict of interests over the LSC's position on the issue of 14-19 developments on the Isle of Wight. He reflected that Jill had been a long standing and pro-active Member of the Council and informed Members that he would write to her to convey the Council's thanks and best wishes for the future.

### **Action: 41.1 Chair**

Members accepted Jill's conflict of interests in this complex issue but also agreed that the LSC's position must be to support the model that was most likely to yield some degree of change for learners on the Island. Members were further informed that Linda McGowan had been suspended as Headteacher by the board of governors of Ryde High School pending investigation into a health and safety issue and as a result there was currently a lack of Island representation on the local Council.

### **Apologies**

- 1.2 Apologies were noted from Roger Brown, Garry George, Andrew Lloyd, Linda McGowan, Kathy Slack, Cathy Evans, Martin Pryor, Jacky Stevens, Phillip Walker and Peter Woods.

### **Declaration of interests**

- 1.3 Members were formally reminded to declare any interests, or conflict of interests as the need arose. They were also reminded that under the Council's standing orders Members with a conflict of interest could be requested to leave the room for the duration of the discussion.

### **Chair's update**

- 1.4 The Chair verbally updated Members on his LSC activities since the last meeting. At a local level the Chair had attended Southampton City College's award ceremony which he felt had reflected the college's achievement in widening participation in the City of Southampton.
- 1.5 The Chair continued to lead the joint corporation working group meetings of Fareham and St Vincent colleges which showed significant positive progress and he congratulated both colleges and the executive for this. Members were informed that a project manager, Neal Bawden, had been appointed to work actively on the Initial Outline Proposal and that this was scheduled to come to the July Council meeting. Picking up on concerns that some Members had previously voiced regarding the financial viability of the new college, given the existing financial situation of the two institutions, it was also noted that the LSC was in the process of tendering for financial specialist support for the colleges.
- 1.6 The Chair, with other Members, had attended the ministerial reception in March and it was agreed that this had been an enjoyable occasion.

- 1.7 Members were informed that the council capital sub-group had met to approve the Application in Principle (AIP) for Southampton City College and that the bid for £34m would go forward to National Capital Committee as scheduled. Following the national committee's AIP approval for Bay House school, the capital sub-group had also taken the opportunity to visit the school site in advance of the detailed submission. The Chair had been disappointed with the poor standard of some of the pre-16 school buildings and wished it to be placed on record that he would seek to find a way of affecting change to this.
- 1.8 The Chair had been unable to attend an event at Wheatsheaf Trust but Members were informed that this had positively raised the awareness of employers to the benefits of employing the economically inactive and a number of employers had indicated interest.
- 1.9 At a regional level the Chair was active on the current Regional Board and Members were informed that Martin Lamb was now Acting Regional Director following Henry Ball's secondment to National Office to lead on Framework for Excellence. The Chair joined Members in congratulating Martin on this appointment.
- 1.10 Members were informed that the FE and Training Bill had now reached the House of Commons but had not yet had its second reading. This had delayed the recruitment process for the new Regional Council and it was now anticipated that the public appointment process would not be complete before October 2007. It was therefore likely that local Council meetings would continue until this period. Ministers intended to reintroduce the LSC's powers to intervene and remove Principals in underperforming colleges during the Bill's passage through the House of Commons. The Chair noted that a number of Members' tenures had been initially extended until 31 August 07 and that this would need to be reviewed over the next couple of months.

**Action: 41.2 Chair**

### **Capital Sub-Group**

- 1.11 Members noted the paper that outlined the changes to the terms of reference of the local council capital sub-group that had come about as a result of changes in both the executive and non-executive structure following Agenda for Change.

**Decision:** Members endorsed the revised terms of reference for the local council capital sub-group and approved its continued authority to approve capital projects greater than £5m in total project cost and/or where the percentage of LSC grant support requested was greater than 35% and for school sixth form applications, except for school presumptions, prior to submission to National Capital Committee, for the duration of the local Council.

## **Item 2. Minutes of last meeting**

- 2.1 The minutes of the last meeting of 7 February 2007 were agreed as an accurate reflection of the discussion of that meeting and were cleared for publication.

## **Item 3. Matters arising**

- 3.1 Action 39.1 – the analysis of young people who had dropped out of Southampton colleges would be picked up through further NEET discussion at the June StAG meeting.
- 3.2 Action 40.1 – a presentation to council from the Federation of Small Businesses (FSB) would be scheduled for the October council meeting.
- 3.3 All remaining actions had been completed.
- 3.4 The Chair drew Members' attention to the schedule of Council, local capital committee and StAG dates for 2007 and requested that all dates remain in Members' diaries until further notice.

## **Item 4. Area Director's Report**

- 4.1 Members reviewed the report on key performance developments since the last Council meeting in February 2007 and their attention was drawn to highlights from the performance scorecard. In particular Members were pleased to note the 05/06 performance data on the numbers of young people reaching levels 2 and 3 by age 19 which showed that the proportion of young people in HIOW reaching level 2 by 19 had increased by 0.9 percentage points to 75.5% on the previous year. HIOW also had the highest proportion in the region reaching level 2 between the ages of 16 and 19 at 20.3% compared with a regional average of 18.2%. Members congratulated the LSC on approaching the PSA targets.
- 4.2 Members noted the good start that had been made towards the 06/07 apprenticeship completion target of 1,625 with 1,200 achieved in the first six months and a completion rate of 59%. Members discussed possible reasons for why the remaining 41% did not complete the qualification and requested a sectoral variance analysis of this for the next meeting.

### **Action: 41.3 Executive**

- 4.3 Members noted the recent email from Chris Banks that had been circulated which outlined the learner outcomes for the academic year 05/06 and showed that the success rate for FE colleges had been met two years early. Members agreed that with 22 colleges in HIOW this was good news and a cause for celebration.
- 4.4 Members noted the policy updates in connection with the current activities on the Leitch Review of Skills and the consultation document "Delivering world-class skills in a demand led system". Members also noted the information on Skills for Jobs which would form an integral part of the Train to Gain service and suggested that this be picked up through discussion at item 8.

## **Item 5. High Level Risk Register**

- 5.1 Members noted the paper that outlined the risk management processes in place within the local office and focused on the high level risk register for 06-07. The register had previously been endorsed by the local Audit Advisory Group at its final meeting on 13 September 2006 and Members were now asked to formally approve it in closure of the 06-07 financial year.
- 5.2 Members noted the local risks that had been identified against the six national priorities and the executive's judged control environment against each. Member's attention was drawn to the only "red" control evaluation against the ineffective delivery of Train to Gain and suggested that this be picked up through discussion at item 8.
- 5.3 Members reflected on the use of the traffic light control evaluation method and Donna Green offered to share the most recent register from North Hants Hospital.

**Action: 41.4 Donna Green**

**Decision:** Members approved the high level risk register for 2006-07 in closure of this financial year.

## **Item 6. Strategic Advisory Group Report**

- 6.1 Members noted the draft minutes of the StAG meeting of 28 March 2007 that had been circulated in advance of the meeting and which reflected discussion held at that meeting.
- 6.2 The main points of the meeting were highlighted and Members' attention was drawn to the group's endorsement of the SE's pragmatic approach to the commissioning of provision for work based learning activity. This was more flexible than the national policy to remove all provision below 40% achievement rate as the SE had been concerned that this would destabilise the network. The flexible approach adopted in the SE had resulted in the removal of £300k provision and the re-tendering of approximately £1m in HIOW.
- 6.3 Members noted the positive Annual Assessment Visits (AAVs) that had taken place in four colleges and were very pleased to learn that the Sixth Form College Farnborough had received an outstanding full inspection in all areas. Following StAG's recommendation Members were informed that the Chair had written to congratulate the Principal of this college in closure of this action.
- 6.4 Members' attention was drawn to the low number of complaints in HIOW, particularly in relation to the national and regional figures published and noted that this was a reflection of the quality of the existing network in the area.
- 6.5 In reviewing the partnership updates Members' attention was particularly drawn to the development of the 14-19 vocational skills centre at Bridgemary school in partnership with Highbury college with the use of AIF funding. Members noted StAG's concern that the development may potentially undermine the vocational provision on offer at Fareham college and the executive's belief that the learners who would be attracted to the centre

would not be lost to the college as they tended not to travel from that part of the peninsula.

- 6.6 In discussion of the 14-19 developments on the Isle of Wight Members noted that StAG had endorsed the LSC's response to the IW policy commission in favour of option 2 (sixth form provision delivered at 3 or 4 sites, with college separate, in a Trust Foundation, under a single governing body) and that the IW council would be conducting a free vote on this issue on 23 April. StAG had encouraged letters to be written to all councillors outlining the LSC's position prior to the vote. Due to election purdah, the executive had sought advice on this from the LSC's solicitor and press office it had been agreed that the Chair would instead write to the leader and deputy leader only. This letter had been sent in closure of this action.
- 6.7 In preparation for item 8 of the current agenda, the group had aired various issues relating to Train to Gain and had highlighted points for discussion. It was noted that an offer had been made to present Train to Gain to the FSB and there was discussion about the opportunity this may present. The executive committed to support this and it was agreed that a joint meeting between LSC, Connexions and Ken Moon would be held to further discuss this matter.

**Action: 41.5 Executive/Connexions/Ken Moon**

- 6.8 Members felt that the paper supplied for item 8 did not quite do justice to StAG's suggested points for discussion particularly in relation to the need for different approaches between sectors, large companies and small businesses. It was felt that HIOW had a particularly disparate employer population but accepted that this was also an issue for other counties and that this, together with the need for closer working between LSC and JobCentre Plus, would merit further discussion at item 8.
- 6.9 Members noted that the next StAG meeting scheduled for 2 May had been cancelled and there would therefore be no report for the next council meeting.

**Item 7. Naval Base Review**

- 7.1 The Chair recorded his thanks to Kathy Slack for supplying a brief on this item given that she had been unable to attend the meeting herself. Members asked about the LSC's involvement in the issue and were informed that the LSC chaired the skills sub-group so was involved in debate regarding the outcomes and the potential need for reskilling to boost economic activity in the area.
- 7.2 There was speculation about the closure of one base or minimisation of all three and it was accepted that even minimisation would have a huge impact on the Portsmouth area: the challenge would be to assess the scope and scale of the problem over a given timeline. Members recommended that once the decision was announced, the LSC should become engaged as quickly as possible to show support to the local workforce.

**Action: 41.6 Executive**

## **Item 8. Skills Discussion**

- 8.1 The Chair welcomed Jill Farrell, Regional Skills Development Director to the meeting and thanked her for the advance briefing paper. Jill provided an overview of the skills agenda and the composition of the regional skills team and outlined the current issues for HIOW and the priority sectors for the region. It was noted that the key issue was lack of demand for training, particularly with small employers, and there was discussion about the action that had been taken to combat this through the introduction of the Train to Gain service. This had had a slow start though there were now signs of improvement and Members were informed that the SE was now second in the country in terms of employer engagement.
- 8.2 Members suggested that it was the inflexibility of Train to Gain that prevented the service from hitting its targets. This point was accepted and there was discussion about the tension between an holistic brokerage service that also had to focus on specific government targets for a first full level 2. Members felt that the service did not meet the needs of employers who were more interested in level 3 and did nothing to address the issue of economic inactivity or those who had completed their qualifications years ago.
- 8.3 There was some discussion about the lessons learned from the pilots and it was noted that these had not been taken into account as the programme had not been insufficiently thought through and the systems had not been in place to support its implementation in 2006. It was noted that the Chancellor believed it was the model for the future in terms of employer responsiveness, with learner accounts for individuals, and that it was therefore important to get the model right.
- 8.4 Members suggested that the fundamental problem was the tension between what the government wanted and what employers wanted and there was debate about expecting employers to pay for qualifications which they expected the workforce to have already.
- 8.5 Members accepted that in some sectors, Health and Social Care for example, there was a need to upskill people to level 2 in its widest sense and suggested that in this sector in particular there was a need for a more coordinated approach to exploit this huge employer in the region. It was accepted that there was a need for a more strategic approach with the Health Service to meet both local and regional needs and it was noted that an individual had been specifically recruited to the regional skills team with this remit.
- 8.6 Some Members suggested that small employers recognised the benefits of training but had difficulty releasing people in terms of cost and flexibility and there was a need to find ways to accommodate this. Other Members suggested that the more fundamental issue was how and where the training was delivered in terms of style and approach. Other Members suggested that the flexibility was there with either public or private providers and that if employers wanted the training then they could get it but it was still not happening – the issue was cost.

- 8.7 Members suggested that mandatory training, such as health and safety, did occur but that if there was no government funding then employers tended not to take up other opportunities. It was suggested that in general employers were more concerned with the needs of their business rather than in upskilling the nation and that there ought to be some sort of levy on employers who did not take up the three-way pledge.
- 8.8 From a union perspective Members were informed that Train to Gain had received a patchy response as it was targeted on the wrong employers. Large employers tended to train their workforce anyway so the focus needed to be on the smaller ones. The Union Learning Fund had seen success and it was suggested that there was a mismatch over the LSC's definitions of skills shortages from what employers said they wanted.
- 8.9 Members asked what the LSC was actually doing to make Train to Gain work and were informed that a member of staff had been seconded to the brokerage service to review the skills sets of existing brokers and issues surrounding this service. At a local level the senior executive had met with the senior team of WSX Enterprise to discuss how the brokers working in HIOW related to providers and how they referred people to generate starts. There had been an issue with WSX Enterprise observer attendance on the local council and it had been agreed that the deputy CEO would attend future meetings to resolve this problem. In terms of things that worked well, Members accepted that it was right to have sector specific brokers who understood the specific needs of the sector.
- 8.10 In terms of other action taken to combat the issue of lack of demand for training Members noted the trialling of Learner Accounts in the SE from September 2007. These would be targeted at growth areas highlighted through the Regional Economic Strategy (RES) and in HIOW would focus on urban South Hampshire and Basingstoke. The LSC was also working with the Sector Skills Councils to stimulate demand for learning within their sectors and garner their support to get more people into training.
- 8.11 A second issue was that available provision did not always meet the needs of employers. In terms of action being taken to combat this Members were informed of the development of the New Standard (working title). This would comprise two elements (a) similar to Action for Business in that it would recognise the effectiveness of the whole organisation in employer engagement and (b) sector specific to build on the excellent work already done through the CoVE partnerships but with a higher standard of specialist expertise. This New Standard had been written by the Sector Skills Councils, with the full involvement of employers, and over the next few years there would be a transition from CoVEs to this.
- 8.12 The LSC was also working closely with Sector Skills Councils to develop provision that met the specific sectoral needs of employers in terms of qualifications and had established an Action for Business steering group to promote good practice. In the longer term it was clear that individuals would need higher skills in the SE and there would be a requirement for more people to move through the progression route.

8.13 Members suggested that the success of Learner Accounts would hinge on the quality of independent information advice and guidance (IAG), particularly for those adults who were vocationally unfocussed. Members outlined the need to persuade individuals, particularly those who were economically inactive, that they needed training and that this could only be achieved through good, independent IAG to steer them in the right direction. This was currently very difficult for individuals to find. Members also noted that there was a need for better coordination between the LSC and JobCentre Plus and for an integrated adult careers service. The Chair thanked Members and Jill Farrell for an interesting debate.

### **Item 9. Proposed Merger of Cricklade College and Sparsholt College Hampshire**

- 9.1 The Chair welcomed Lorna Rukin and Pauline Tiller to the meeting and Members were informed of the legal framework and criteria for judging the proposal. Members were reminded that they had unanimously voted in favour of the Initial Outline Proposal at the council meeting held on 6 December 2006 and that now they were being recommended to forward to the Secretary of State a recommendation that Cricklade College and Sparsholt College be merged with effect from 1 August 2007 by the dissolution of the corporation of Cricklade College and transfer of its property, rights and liabilities to Sparsholt College.
- 9.2 The executive outlined the anticipated legal changes as a result of the current passage of the FE and Training Bill through the House of Commons. Should the proposal be rejected by either the Council or the Secretary of State, the LSC and colleges would be required to start at stage one of the new merger process.
- 9.3 The executive briefed the Council on the criteria against which the proposal should be judged and then focussed on criterion 5 that adequate consultation had been undertaken and proper consideration given to alternative options. Members were informed that a comprehensive consultation had been undertaken with only one objection received. Support had been generally very positive from all key stakeholders, including the local MP.
- 9.4 The main issue raised in consultation responses had been that the development of vocational provision in Winchester may be unnecessary, unviable and may destabilise existing provision in Eastleigh and Basingstoke. Members were informed that the Principal of Sparsholt College had been proactive in reassuring colleges that may be affected that any changes would be fully worked through with the existing 14-19 consortia and that there was no intention to introduce unhelpful competition in this area.
- 9.5 Members questioned the LSC's ability to control this potential competition and there was discussion about the LSC's primary role in planning and funding provision in any given area. Members asked whether any view had been taken on the potential destabilisation of the network with a new and growing institution and a major capital build. The executive noted that the focus of the proposal had been on the Andover area and reminded Members

that Sparsholt college had no interest in competing with neighbouring providers.

- 9.6 Members asked whether any delay in the decision process would have an effect on the financial stability of either college and were informed that any significant delay would have major financial impact on Cricklade College who would be unable to continue as an independent entity. Members were reminded of the LSC's recommendation to approve the proposal to the Secretary of State under the current legislation. Should delay occur through the Secretary of State then Members were informed that the LSC would need to deal with this as there was still a commitment to support the learners at Cricklade College.
- 9.7 Members were informed that the election purdah meant that no announcement could be made regarding the outcomes of the Council's decision until after 3 May 2007.
- 9.8 The Chair welcomed the Principals and Financial Directors of both Cricklade and Sparsholt Colleges to the meeting and the two Principals outlined their vision for the new institution. Members were informed that both college corporations had voted unanimously in favour of the merger and that Sparsholt had received the reassurance it had requested from the LSC in terms of transitional costs.
- 9.9 The vision for the merged institution focussed on the offer of both FE and HE for the Andover community, thus raising aspirations. Quality was at its core and Members noted that the theme of excellence ran through the entire proposal. Parity of esteem between the academic and vocational offer, the reputation of the merged institution, workforce development and the creation of a high quality learning environment were all paramount. The benefits of the reorganisation were outlined and Members were informed that significant planning had gone into re-defining the curriculum offer at Andover to further meet the needs of the local community which would be available from September 2007.
- 9.10 Work had been undertaken to shape the infrastructure of the existing colleges to support a larger college and the capital development of both sites was crucial to this vision. The Andover campus had been rebranded, with the direct involvement of local employers and the objectives and measurable outcomes of the merger had been strengthened. The Andover Visioning Board had been involved in this activity to ensure that the development complemented the future vision for the area.
- 9.11 Key strategic benefits related to the capacity of the joint institution to meet the challenges of its environment and its ability to contribute to the overall quality of education and training in the Andover area from Key Stage 4 onwards to improve the level of attainment. The development of an ambitious property strategy for both colleges also provided an opportunity to further relationships with local employers and fully develop the workforce skills offer.
- 9.12 The colleges had consulted widely regarding the provision in the area and concerns about competitive provision had been raised, as outlined in the

paper. The colleges had proactively discussed these issues with all relevant colleges and all recognised that whilst there was no major FE deficiency in the area there was still a number of NEETs needing to be addressed.

- 9.13 Members' attention was drawn to the vision for the merged organisation, as outlined in the proposal, which was underpinned by high-quality and it was noted that this was a continuation of the way that Sparsholt college already operated and which Cricklade college had been implementing since the Acting Principal's arrival. The merged organisation would focus on its existing learning community and would further its links with local employers and professional bodies.
- 9.14 The Chair thanked the Principals for this presentation and opened the discussion. Members asked about the level of employer engagement and contact with Sector Skills Councils in the development of the curriculum offer and were informed that this engagement had been a key task for the development of the provision. Senior appointments would be made to a number of strategic areas in the new institution and linked to this would be a planning/analysis function to ensure that the college further developed its responsiveness to meet employers' needs.
- 9.15 Members asked for an explanation of the financial forecasts in terms of cash days in hand and the colleges confirmed that borrowing in the short term (08/09) before the LSC capital grant was received would generate a negative cash flow. Members asked about inflation and known growth factors and there was discussion about the cautious estimates. The executive noted that the growth figures were realistic.
- 9.16 Members asked about the high maintenance of current buildings and whether any saving benefit would be realised through new buildings. It was noted that this was reflected through the non-pay line and it was explained that maintenance in the first few years would necessarily be lower until the buildings aged.
- 9.17 Members asked about the robustness of student number projections over the capital build period as it was noted that many learners already left the area to travel to neighbouring colleges. Members were informed that the major building work would take place with minimal disruption to provision and that work had already been undertaken to make the existing buildings at Cricklade more attractive and build the esteem of the college within its local community. The robust management style of the Acting Principal had improved the quality of the provision at the college and this had been recognised by both staff and local headteachers who were now recommending the college to their students.
- 9.18 The college Principals and Finance Directors were invited to leave the room whilst Council continued discussion.
- 9.19 In response to Members' financial concerns regarding the capital build Members were informed that both colleges had been required to submit two 10-year forecasts, one with capital support and one without, and both had been fully scrutinised. The merged institution would be viable without the capital investment.

9.20 Members noted that merging would move the institution from one financial category to another and that it would be in category C by the time it submitted its capital application. Members were informed that the National Capital Committee would be considering whether a college should be penalised for this when a merger had been encouraged by the LSC and it was anticipated that the college would be treated sympathetically.

9.21 The Chair thanked the executive for the work that had gone into preparing the proposal and Members for their diligent review of the issues. Members voted unanimously in favour of the proposal and the Chair signed the required letter to the Secretary of State.

**Decision:** Members unanimously (9-0) recommended to forward to the Secretary of State a recommendation that Cricklade College and Sparsholt College be merged with effect from 1 August 2007 by the dissolution of the corporation of Cricklade College and the transfer of its property, rights and liabilities to Sparsholt College.

**Action: 41.7 Executive**

#### **Item 10. Any other business**

10.1 None noted.

#### **Item 11. Date of next meeting**

11.1 The next Council meeting will take place on Wednesday 23 May 2007, 1230 – 1600 at Botleigh Grange Hotel. This meeting will be followed by a seminar and dinner with private work-based learning providers.

**Note: copies of all papers and reports relating to each item and presented to Council are not circulated with the minutes but are held on file.**

**Signed:**

**Colonel Terry Scriven, Chair**

**Date:**

#### **Publication no.**

**Meeting chair**

Colonel Terry Scriven

**Minute taker**

Deryn Martin

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