

Minutes



Leading learning and skills

Date	7th March 2008
Subject	South West Regional Board
Location	Dillington House
Time	12.30
LSC office	South West Region
Publication intent	Internal

Present	John Savage CBE (Chair) Shirley Arayan David Brech John Crownshaw Simon Curtis Richard Dimpleby Chris Hyde Brian Kemp Catherine Christie John Chudley Paul Lucken Denis Miles Marinos Paphitis Trish Taylor Mike Davies Mark Harvey Sarah Hughes Laurence Leader Tony Reynolds
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Apologies	Jane Barrie OBE Professor John Bull CBE Malcolm Gillespie Bryan McGinity Tim Moore Malcolm Trobe John Temple
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Item 1. Welcome and introductions

- 1.1 The Chair welcomed everyone to the meeting including all of the recently nominated additional Board Members Shirley Arayan, David Brech, John Crownshaw, Simon Curtis and Chris Hyde. Tim Moore had sent his apologies.
- 1.2 The Chair also welcomed Sarah Hughes, Partnership Director in Somerset and Dorset; Laurence Leader, Partnership Director in West of England; and Tony Reynolds, Partnership Manager in Devon and Cornwall, all of whom attended to introduce specific capital proposals.
- 1.3 The Chair confirmed apologies had been received from Jane Barrie, John Bull, Malcolm Gillespie, Tim Moore, Malcolm Trobe and John Temple.
- 1.4 The Chair encouraged Board Members to attend the event on 7th April hosted by Chris Banks and reminded them that the advertisements for application to the new Regional Council had been published.
- 1.5 The Chair explained that the nominations for additional Board Members agreed at the last meeting had been approved by the National Appointments Committee. Board Members were now asked to formally confirm the appointment of Shirley Arayan, David Brech, John Crownshaw, Simon Curtis and Chris Hyde. John Savage said that a written vote of confirmation for each of them had been received from John Bull.

Shirley Arayan, David Brech, John Crownshaw, Simon Curtis and Chris Hyde were unanimously approved as members of the South West Regional Board.

Item 2. Declarations of Interest

- 2.1 The Chair reminded members of their responsibility to declare any interest relevant to the agenda. Brian Kemp reported that he had made a personal financial donation to the National Star College capital expenditure appeal. David Brech reported that he works for Ashridge Business School, funded by the QIA to help Providers deliver Train to Gain in the SW region. John Crownshaw reported that he is a member of Finance Committee of Plymouth University, and Richard Dimbleby reported that he had previously been the Principal of Bournemouth and Poole College.

Item 3. Minutes of last meeting

- 3.1 The minutes of the meeting on the 18th January were agreed as a true record.

Item 4. Matters arising

- 4.1 Brian Kemp asked for an explanation of how the different percentage levels of LSC grant support for capital proposals was decided. Denis Miles said that it was determined using affordability rules based on each College's financial turnover and borrowing limits as a percentage thereof. The capital grant was the gap funding necessary after the borrowings, asset sales, non-LSC capital grants and appropriate reserves contributions had been decided.

The system had been set up to ensure equitable treatment of applications across the country.

Item 5. Regional Performance Review

- 5.1** Catherine Christie referred to the meeting papers and explained that they related to the performance review with Mark Haysom on the 8th February which had been a positive meeting. Catherine Christie explained that the covering paper listed the main topics that were discussed although the majority of the time had been spent discussing Train to Gain and Apprenticeships.
- 5.2** Paul Lucken explained that with regard to Train to Gain, the discussions had been about the factors affecting performance and the improvement measures needed both regionally and nationally. The issues to be tackled were not unique to the South West.
- 5.3** David Brech commented on 5 key factors affecting Train to Gain; target Brokers on Learner starts, more innovative technical delivery, greater focus on business benefits especially for SMEs, the need for a welcome pack for providers and customisation of NVQs.
- 5.4** Catherine Christie said she was aware of the busy meeting agenda and offered to take further questions either during the meeting or afterwards. The Chair thanked Catherine Christie for her report.

Item 6. Regional Commissioning Plan 2008-09

- 6.1** Catherine Christie referred to the meeting papers and said that most of the information had been presented to Members at a previous meeting and added that not all of the figures from other regions were available. In addition school sixth form allocations had been made and they were currently in the two week period for providing responses to the LSC. Catherine Christie said that whole commissioning process was a very difficult balancing process across the different cohorts and providers.
- 6.2** Brian Kemp asked for an update on numeracy qualifications at a future meeting.
- 6.3** Richard Dimbleby referred to page 23 of the Commissioning Plan and said it would be good for the LSC if external partners could see the levels of investment that the LSC made. Catherine Christie said that her team were in the process of communicating this information to the Local Authorities.
- 6.4** David Brech referred to page 15 in relation to pockets of NEET and apprenticeships and commented that there needs to be a focus on quality as well as infrastructure. Catherine Christie agreed and said that employer engagement is a significant challenge.
- 6.5** Catherine Christie offered to take any further questions either during the meeting or afterwards. The Chair thanked Catherine Christie for her report.

Item 7. Capital Proposal Bournemouth & Poole College

- 7.1** The Chair welcomed Shirley Arayan to the meeting and introduced the four capital proposals by saying that the Board may need to review the process for receiving capital proposals in the future especially if there are to be several on the agenda of any one meeting.
- 7.2** Mark Harvey summarised the property considerations for the Bournemouth and Poole proposal and said that although it was a big project there were no major issues of concern in the proposal at this stage. Brian Kemp asked about project management and Mark Harvey said that they have employed an experienced Estates Director.
- 7.3** Denis Miles said that there are some financial issues arising from the ratio analysis which require clarification and further analysis before the Detailed Application is submitted to the National Capital Committee.
- 7.4** The meeting was then joined by Lawrence Vincent Principal of Bournemouth and Poole College, Finance Director and Vice Principal Dianne Grannell and the Director of Estates Ken Roberts. All three were welcomed by the Chair. The visitors from the College then presented a summary of the proposal including the need for educational improvement as well as addressing the existing inadequate and substandard accommodation.
- 7.5** The Chair then invited Board members to ask questions. David Brech asked about the impact on growth of learner numbers during the construction period. Lawrence Vincent said that although growth would be restricted until 2010/11, current levels of learning would not be interrupted as the building work would be done in carefully planned phases.
- 7.6** Brian Kemp asked about the proposed suite of shops and Lawrence Vincent explained that these were outlet shops directly associated with the relevant student vocational courses.
- 7.7** Brian Kemp asked about project management skills and Ken Roberts explained that he had undertaken similar projects of this type in South Thames and for the MOD.
- 7.8** Richard Dimpleby said that the growth projections for Train to Gain were modest and Lawrence Vincent agreed to review the figures.
- 7.9** Richard Dimpleby asked about the listed buildings on the Bournemouth site. Ken Roberts said that a lot of work had been done with the planning authority and it was hoped that the overall design can be achieved by a mixture of refurbishment, agreed demolition and the reinstatement to learning use.
- 7.10** John Crownshaw asked about the risk of going over budget as it was a long running project. Dianne Grannell said that inflation had been built into the calculations and the plan will be broken down into separate projects each with their own budget. There would also be a £5 million contingency fund.
- 7.11** Simon Curtis asked about finances should the level of support at 86% not be made. Lawrence Vincent said the College Board of Governors was fully committed to support the necessary level of borrowings within the range required by the LSC.

7.12 The Chair thanked the visitors who then left the meeting. Sarah Hughes provided an overall LSC prospective of the proposal and said that although this is a very large project there had been many years of planning to get to this point and believed it was ready to proceed. David Brech asked about the adequacy of the contingency fund and Mark Harvey said that this conformed to the LSC's model.

7.13 The Chair said that there needed to be a contingency plan to ensure continuity of dedicated project management.

7.14 **The Regional Board then voted and agreed to endorse the project with capital grant support of £88.362m (86%) based on an estimated capital cost of the project of £102.746 million (pre-inflation) with unsecured long term borrowings of £14.275 million. In addition the Regional Board stipulated the requirement for fully resourced professional project management and the filling of the vacancy created by the appointment of Lawrence Vincent. The Board also required the financial ratio queries raised by Denis Miles in 7.3 above to be addressed before the Detailed Application returned for consent.**

Item 8. Capital proposal for Truro College (Penwith development)

8.1 Tony Reynolds, Partnership Manager in Devon & Cornwall introduced the proposal and directed the Board to 3 minor typographic errors in the proposal paper in paragraph 29 which should read 2009 not 2010, a 'k' missing from £23,690 in paragraph 34 and a 'k' missing from £17,048 in paragraph 36.

8.2 The meeting was joined by Jonathan Burnett, Principal of Truro College and Finance Officer Sue Dickinson. Both were welcomed by the Chair.

8.3 Jonathan Burnett summarised the proposal and explained that improvements were urgently needed in Penwith primarily for the learners but also for the sake of the community and local commerce. The response from the planning authority has so far been positive and there are tenders out for the work.

8.4 Brian Kemp commented that construction and engineering did not feature very much in the curriculum. Jonathan Burnett agreed and said that they would have to develop it to provide a broad vocational range for the future. Growth in student numbers would need to be built up through the further development of relationships with local schools and balanced with the programmes that will continue to be based at Truro.

8.5 Simon Curtis asked about the reality of achieving the VAT exemption. Sue Dickinson was confident of achieving this by being able to ring fence the 16-19 Further Education element.

8.6 Denis Miles explained that the level of capital grant to the merged college would, under LSC capital funding affordability rules, be less than 20% but that, if the Penwith College finances were considered alone, the capital grant would be 80-90%. This issue had been taken in advance to the National Capital Committee in October 2007 and it had agreed that, in the circumstances, it would be reasonable for the application to assume a 50% capital grant rate and this had been incorporated into the merger proposal that had been agreed by the Secretary of State.

8.7 The visitors then left and the Board voted to endorse the project at a gross cost of £23,690,000 with capital grant support at £11,845,000 (50%) and borrowings of £8,000,000 for consideration by the National Capital Committee.

Item 9. Capital proposal for National Star College

9.1 Marinos Paphitis introduced the proposal and said that this was a national provider for which there was always an enrolment waiting list. Although it is a specialist College it was being encouraged to take part in Train to Gain and Apprenticeships which are high priority delivery areas for the LSC.

9.2 Brian Kemp asked why the level of support was not at 50%. Mark Harvey explained that it was based on the College voluntarily opting to cover the increased costs from the original specification. Mark Harvey said that calculation in the proposal therefore conformed to the LSC's capital support model. Denis Miles referred to paragraph 11 of the paper and said that the proposal if endorsed would not need to go the National Capital Committee but could be decided upon by the LSC's Chief Executive.

9.3 The Board then voted to endorse the project at a gross cost of £3,139,000 with capital grant support at 46.7% and no borrowings for consideration by the LSC's Chief Executive.

Item 10. Capital proposal for Norton Radstock College

10.1 Shirley Arayan declared an interest as the Principal of Norton Radstock College. The Chair acknowledged the declaration and asked Shirley Arayan to remain in the meeting in order to answer any questions in her capacity as the Principal.

10.2 An overview of the proposal was provided by Laurence Leader the Partnership Director in LSC West of England Area. The Chair invited questions.

10.3 David Brech asked about the impact on participation rates during the construction work. Shirley Arayan said that current levels should not be affected as it would be carried out in phases. Simon Curtis asked about the impact of the closure of the Keynsham facility. Shirley Arayan said that there would be some effect but that she anticipated this would be offset by the attraction of the improved facilities.

10.4 Denis Miles referred to some comments on the proposal received by email from John Bull. Mark Harvey confirmed that property issues in the email had been satisfactorily addressed in the proposal papers. In response to the question about project management Shirley Arayan said that the College had managed several projects in the past and will be commissioning expertise from Kings Sturge. Mark Harvey said that he believed the College had the necessary project management resources in place. In response to John Bull's question of the planned growth being perhaps optimistic when considering past performance Shirley Arayan said that the forecast numbers were robust and realistic.

10.5 The Regional Board endorsed the project at a gross cost of £14,359,000 with capital grant support of £10,958,000 (81%) and associated borrowings of up to £1,601,000.

Item 11. Regional Director's report

11.1 Paul Lucken introduced the report in the absence of Malcolm Gillespie and said that he would not speak to each item but would take questions.

11.2 Paul Lucken said that there was still no detailed information about the Machinery of Government changes but it was anticipated that some information would be available next week. Paul Lucken reassured the Board that the regional senior management team would be preparing an interim structure in response to the changes when they emerge.

11.3 Trish Taylor reported that the Huish Episcopi proposal which had been considered at the last meeting had not been supported by the Somerset Schools Organisation Advisory Panel when it met on the 2nd of March. It would now go forward to the Somerset County Council Executive Board.

Item 12. Appointment of new members

12.1 The Chair asked the Board to approve the appointment of Tim Moore, the remaining nomination who had been unable to attend the meeting.

Regional Board members unanimously approved the appointment of Tim Moore to the South West Regional Board.

Item 13. The next meeting of the Board

13.1 The next meeting will take place on the 11th April 2008 starting with lunch at 12.30pm.

Meeting chair John Savage

Minute taker Mike Davies