

## **Draft Press Statement**

***26 June – for immediate release (around 0935, ie, after WMS laid)***

### **LEARNING AND SKILLS COUNCIL ANNOUNCES 13 COLLEGES GO THROUGH TO NEXT STAGE OF BUILDING PROGRAMME**

The Learning and Skills Council (LSC) has today announced a shortlist of 13 further education building projects which are proceeding to the next stage of development. The 13 projects announced today have been selected from over 180 projects submitted to the LSC as part of the latest round of the FE Capital programme.

The LSC has been working in close consultation with the sector to use transparent and objective criteria to inject funds where they will have the greatest impact for learners, employers and communities, to get building work started quickly and to get the best value for the taxpayer. This consultation was built upon recommendations made by Sir Andrew Foster in his review of the FE Capital building programme.

The LSC examined all projects which are ready to proceed quickly and then applied the following criteria:

- the education and skills impact;
- contribution to local economic and regeneration priorities;
- co-dependency (for example, where there is significant leverage of third party funding or another important project that is dependent on the college project);
- the current condition of the estate; and
- value for money.

The 13 colleges will now be asked to make cost reductions to their initial project plans, to maximise borrowing within prudent limits, and to examine other possible sources of funds, while at the same time maintaining the planned project benefit for future learners and enabling construction to proceed rapidly. The aim of the LSC is to deliver best value for money for the taxpayer and to fund the maximum possible number of projects.

The 13 colleges are:

Barnsley College

Bournville College

Furness College

Hartlepool College of Further Education

Kirklees College

Leyton Sixth Form College

Manchester College – Wythenshawe

North West Kent College

St Helens College

Sandwell College

South Thames College

Tresham Institute of Further and Higher Education, Corby

West Cheshire College

Discussions between these colleges and the LSC will now take place as a matter of urgency. All 13 colleges will receive funding only if the overall cost is reduced. The reductions required are significant but manageable.

For colleges which have not been selected to proceed this year, the next steps will start this autumn when we will further consult with the sector to agree a robust, fair and transparent process for prioritising the capital investment programme for the next Spending Review period starting in 2011/12. The size and scope of the programme will depend in large part on the outcome of the next Spending Review.

Many colleges have incurred development costs for projects which will not now be going ahead in the short term. We have a contingency fund to mitigate the impact of potential aborted costs on the financial health of colleges. This will be limited to those appropriately incurred within the terms of the capital programme.

LSC Chief Executive Geoff Russell said:

“These are the projects that will bring the greatest benefit to learners and communities across the country. They will have a substantial impact on the education and skills environment in their locality by transforming the condition of college buildings. In conjunction with wider regeneration projects to which they are integral, they will help to revitalise communities. While they show good value for money and excellent links with third party funding, we will ask each of these colleges to find additional cost savings in order that we can afford to fund additional projects.”

Budget 2009 announced an additional £300 million of capital investment in further education as part of a fiscal stimulus package which has enabled a number of projects to be funded this year. This Government has an excellent record on investment in FE capital and since 2001, 700 projects – at nearly 330 colleges across England – have been funded.

In April, Sir Andrew Foster published his independent report on the FE Capital building programme and made recommendations which have been accepted and followed.

The Government remains committed to the FE capital investment programme, and this will continue into the next Spending Review period. The LSC will in the meantime help colleges whose projects are not proceeding in the short term to draw up a revised estates strategy and to examine other possible sources of finance such as collective approaches to private financing and borrowing.

## **Notes to editors:**

### **The Capital Reference Panel**

The LSC has been working in close consultation with the sector - key stakeholders on the Capital Reference Panel. Established with the help of the Association of Colleges, it includes representatives from Regional Development Agencies and the Local Government Association as well as from the Sixth Form Colleges' Forum, the 157 Group and the National Association of Specialist Colleges.

### **Sir Andrew Foster Report**

In January 2009 the Department for Innovation, Universities and Skills agreed with the LSC to appoint Sir Andrew Foster to conduct an independent review of the LSC's handling of its capital programme and to make recommendations for the future. For further information, see:

[http://www.dius.gov.uk/news\\_and\\_speeches/press\\_releases/lsc\\_review](http://www.dius.gov.uk/news_and_speeches/press_releases/lsc_review)