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Leading learning and skills

# Building for skills

A prospectus for the LSC's capital programme

Of interest to FE colleges, other post-16 providers  
and their professional teams aspiring to provide  
first-class education in excellent surroundings

# CONTENTS

WHY DOES CAPITAL COUNT? 2–3

SUPPORTING INVESTMENT IN YOUR BUILDINGS 4–7

LOOKING FORWARD: responding to the FE White  
Paper and the Leitch report 8–15

LOOKING TO RENEW OR REBUILD? 16



**We all know that state-of-the-art buildings make a difference to education. They attract new learners, help to improve standards and form a focus for community pride. This is why investing in new buildings is the foundation of our programme of reforms.**

In March last year, my Department published the White Paper, *Further Education: Raising Skills, Improving Life Chances*. The changes it proposes will:

- offer more choice for customers
- tailor services to meet individuals' needs
- encourage innovative new providers to enter the market
- promote action to tackle poor quality services; and
- give more autonomy to excellent providers.

Lord Leitch's recent report, *Prosperity for all in the global economy – world class skills*, challenges us to ensure that the UK has a world-class skills base by 2020. We have accepted that challenge, which will require a significant increase in the number of adults participating in learning and up-skilling each year. The report builds on the reforms already put in place by the Further Education (FE) White Paper, is underpinned by recent legislative proposals, and is geared towards making sure the supply side – the FE system – is able to respond to the challenges.

This Government is fully committed to developing a world leading FE system. In 1996–97, the earmarked government expenditure for FE capital was nil. Next year, in 2007–08, the Government plans to spend just under £500 million on FE capital (excluding Information Learning Technology funding). In a little over a decade, the total investment by this Government in the FE sector's buildings and facilities will be just over £2 billion – this has included investment in modernising the college estate and developing the National Skills

Academy and CoVE networks. Budget 2005 announced additional capital funds of £100 million in 2008–09 and £250 million in 2009–10. Through the 2006 Pre-Budget Report, we have recently announced a further £250 million on top of 2007–08 budgets, for 2010–11. This new capital will enable the continued transformation of the FE estate, and is crucial in providing a modern, fit-for-purpose infrastructure to deliver our 14–19 reform programme and the aims set out in the Skills Strategy. The inclusion of FE within the Building Schools for the Future programme will also mean that, for the first time, there is effectively a fully integrated capital strategy which will deliver for 14–19 year olds across schools and the FE system.

Our aim is to make England's FE estate a world leader – so that learning is delivered in innovative, inspirational buildings, designed to fully meet the needs of learners, employers and our communities – to enable us to rise to today's challenges and those we will face in the future.

**BILL RAMMELL,**  
**Minister of State for Lifelong Learning,**  
**Further and Higher Education**



# WHY DOES CAPITAL COUNT?

The level of government investment in the Further Education estate clearly demonstrates a genuine commitment to transforming England's education system. And as that investment is rewarded with increased participation, retention and success rates, it shows just how much our students value inspirational learning environments too.

In 2003, research showed that the £300 million we spent on FE capital investment could be linked to a 3 per cent increase in participation and success rates across the country. More recently, research has found that capital expenditure impacts positively on participation and attainment for both 16–19 year olds and adults.

Underlining this research, the two major education publications of 2006, the White Paper produced in March, *Further Education: Raising Skills, Improving Life Chances*, and Lord Leitch's December report, *Prosperity for all in the global economy – world class skills*, cite capital investment as a key tool in equipping our young people and adults with the skills, attitudes and qualifications they need to prepare for productive employment.

Both of these publications focus on transforming our FE system into a model of efficiency, based on choice and need. If the UK is to retain its internationally competitive position, we must meet both the needs of our learners **and** those of our employers. That means giving learners the chance to obtain world-class qualifications and offering employers the prospect of filling their vacancies with workers with world-class skills.

Capital investment is a clear and vital part of achieving these goals. Modern, fit-for-purpose learning environments should be an **entitlement** for all learners, just as the regenerative benefits that accompany high-quality, high-profile education buildings should be an entitlement for our diverse communities. That's why our aim is to work in partnership with individual colleges and schools to invest capital funds in creating learning environments that will maximise learner achievement.



# The benefits of capital investment will help the LSC meet all of its strategic 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.

# SUPPORTING INVESTMENT IN YOUR BUILDINGS

Since 2001, the LSC has approved over £1.8 billion of capital investment in 632 projects, costing over £4.5 billion.

When colleges became independent and were incorporated in 1993, the majority had suffered many years of under-investment, with teaching and learning taking place in poor-quality premises and often in the wrong location. It was demoralising for teachers and uninspiring for students – a fact often reflected in results.

Since then, the LSC and its predecessor prior to 2001, the Further Education Funding Council, have helped colleges deal with a legacy of poor, outmoded buildings and replace underused, expensive estates with efficient, flexible premises.

Nearly half the FE estate still requires modernisation to ensure that providers can offer relevant, valuable learning and develop recognised excellence in specific vocational areas. In return, we will lever in more contributions from employers and individuals. We already have plenty to celebrate in terms of education building achievements. Since 1999, capital investment to target renewal and modernisation of the FE estate has increased year on year.

The LSC expects to invest about £500 million in FE and school 16–19 capital projects in 2007–08. Similarly, the need to transform the school estate has given rise to the Government's Building Schools for the Future (BSF) programme and the Primary Capital Programme. A new delivery body, Partnership for Schools (PfS), has been set up to support local government to deliver BSF efficiently. The LSC and PfS are already working in partnership with local authorities, colleges and schools to deliver this transformation in learning environments.







# Impact of capital expenditure

## Leading Cornish college boasts world-class facilities

Established in 1993, Truro College is one of the newest and fastest-growing tertiary colleges in the country. Already a leading International Baccalaureate and A-level institution and a Centre of Vocational Excellence (CoVE), the college can now add two new state-of-the-art buildings to its list of accolades and glowing inspection reports.

Both buildings were part of a £20 million project that was partially funded by the LSC, and will enable the college's 4,300 full-time and 11,020 part-time students to reap the benefits of new teaching, catering and student accommodation. Vocational curriculum opportunities have been extended, as have the sports facilities, which now include an all-weather sports pitch, a multi-use games area and new rugby pitches and tennis courts.

The benefits of the investment have been felt by everyone at the college, says Truro College's Principal, Jonathan Burnett OBE: "Students and staff are enjoying the new facilities and they're helping to motivate people to achieve their best. New buildings such as these do help the college to maintain its designated outstanding status."

Recent research projects show that **capital investment results in increased participation** and attainment rates for both 16–19 year olds and adults.

	Projects approved since 1 April 2001	Projects approved since 1 April 2006
Number of projects	<b>632</b>	<b>94</b>
Total cost	<b>£4.63 billion</b>	<b>£1.49 billion</b>
Average cost per project	<b>£7.32 million</b>	<b>£15.80 million</b>
Total LSC grant support	<b>£1.80 billion</b>	<b>£0.78 billion</b>
Average LSC grant support per project	<b>£2.85 million</b>	<b>£8.32 million</b>



## New building is engine for educational excellence in the West Midlands

Matthew Boulton College has been educating Birmingham residents for over 100 years. In the summer of 2005, following a £38 million building project approved in 2003, it relocated to new premises in the centre of the city. The grant received from the LSC for the project – £13.3 million – represented the largest then awarded in the West Midlands and one of the largest in England.

The new, nine-storey building can accommodate the college's 400 staff and up to 25,000 students. It features a striking curved glass wall to maximise natural light and IT classrooms on almost every floor to ensure easy access to state-of-the-art equipment. Designed to cluster all of the major curriculum areas, student activities are concentrated on the lower floors while the administrative side of things is dealt with on the upper floors. In addition, new conference rooms and IT suites foster links with the local business community, which provides the college with an important source of revenue in return for the use of its affordable and central facilities.

The new building has proved to be massively popular all round: "The response from students wishing to study at this landmark building has been fantastic," says Christine Braddock, Principal and Chief Executive. "The investment has created more learning opportunities for the people of Birmingham and the wider West Midlands."

Initial evaluation of our Centres of Vocational Excellence (CoVE) programme – a network of around **400 approved centres to develop employees' skills to underpin business success** – found that capital investment had improved the image of education buildings, expanded the use of industry-standard specialist equipment and generated support from other funding sources.





# London's learners given a lift by City Lit's new building

City Lit's vision – to be the best provider of adult lifelong learning in London – is a step closer to being realised following its move to a brand new building in the heart of the city.

The £21 million project – towards which the LSC contributed 40 per cent of the funds – features modern teaching and tutorial rooms, specialist facilities for music, drama, art, dance, health, complementary therapies and deaf people, a roof-top garden, a multi-purpose theatre and a supported learning centre. The building is also totally accessible for people with disabilities.

City Lit's 23,000 students are impressed with the new building – and it shows in their results, with 87 per cent of them passing their exams or finishing their courses. "City Lit is renowned for its first-class teaching and we are delighted that students will now enjoy facilities to match," comments Principal Peter Davies, CB, CBE.

By 2004–05, **more than 40 per cent of the FE estate could be classed as 'excellent'** – and this statistic is rising by about 7 per cent a year.

The FE estate has been **reduced from approximately 9.15 million m<sup>2</sup> of floor space to 7.4 million m<sup>2</sup>** as colleges sell off outmoded, inefficient, poorly located sites in order to develop efficient, flexible and usefully located estates.

# LOOKING FORWARD:

## responding to the FE White Paper and the Leitch report

*Further Education: Raising Skills, Improving Life Chances* sets out a series of reforms to raise skills and qualification levels for young people and adults to world-class standards. In *Prosperity for all in the global economy – world class skills*, Lord Leitch identifies the priorities for those reforms. So what can capital investment achieve?

As well as improving facilities and the wider environment, capital investment plays a crucial role in the implementation of our priorities for young people and adults. In particular, it helps us ensure that there is sufficient capacity, deliver specialisation and increase choice, access and responsiveness to learners and employers.

Within the context of local authorities' leadership role in delivering 14–19 reform, LSC capital resources will be directed to implement the FE component of local 14–19 visions. Already, we are making significant progress. The Building Schools for the Future (BSF) Strategies for Change now cover all settings in which young people learn, including FE. Through the 16–19 Joint Capital Fund, we are also investing in new 16–19 places not currently identified in the BSF or Academies programmes. This is all in addition to the provision of 14–19 diplomas, which is funded from DfES's devolved capital programmes to local authorities and schools.

Our capital resources for adult provision will be directed towards supporting the implementation of the package of reforms set out in the FE White Paper. These include specialisation and extending eligibility for capital support to new, high-quality providers. This investment will be crucial in expanding capacity to deliver Lord Leitch's ambition.



# We will use our capital programme to:

- increase the rate of renewal and modernisation
- help fund new places for 16–19 year olds in schools and colleges
- continue to invest in Skills Academies and the CoVE network
- support the delivery of the new diplomas by investing in equipment and other facilities and ensuring that LSC and BSF capital investment are co-ordinated
- sufficiently fund building projects that support the objectives described in this prospectus
- ensure that our regional capital strategies reflect local plans to improve choice, quality and diversity and that those strategies in turn help drive the approval criteria for individual capital proposals
- support sustainable design and construction
- encourage providers to deliver greater operational efficiency through the modernisation and renewal of their premises; and
- extend the provider network.





## Committing our resources

In order to deliver this ambitious programme of reform, our capital budget will rise to just under £500 million in 2007–08, and, on top of this, the Government has announced additional capital funds of:

- £100 million in 2008–09
- £250 million in 2009–10
- £250 million in 2010–11.

## Working in partnership to renew the FE estate

One of our main priorities between now and 2010–11 is to maximise the scale of FE development, making world-class, 21st-century facilities available to all learners as soon as funding permits.

Grants will be allocated after careful consideration of our regional capital strategies. This will ensure that our capital programme supports local capital plans and targets the areas – both urban and rural – where regeneration is most needed. The strategies will help to:

- develop and address regional and local criteria and priorities for improvement, alongside national policies and priorities
- identify providers' capacity to meet that demand.


We will provide capital support to colleges and other qualifying providers seeking to implement capital proposals that meet the objectives and priorities of our regional capital strategies and local capital plans. We will also allow on-site 14–16 provision in colleges to be taken into account in assessing floor space for capital project proposals. Colleges will be expected to contribute as much as they can from the sale of redundant assets, bank loans, grants from other sources and reserves.

## The 16–19 Capital Fund

The publication of the DfES *Five-Year Strategy for Children and Learners* in 2004 announced the creation of a single capital fund for new 16–19 school and FE provision not catered for by the Building Schools for the Future or 11–19 Academies. The primary purpose of the 16–19 Capital Fund is to support the provision of new places and major structural changes.

Between 2006 and 2008, the 16–19 Capital Fund will provide £300 million for college and school capital projects that expand provision for 16–19 year olds and increase school or college places, normally by at least 50 places. Applications to the fund may arise from increased participation, area-wide reorganisation, or the expansion of post-16 provision in high-performing specialist schools and FE colleges. In some cases, applications to the fund will follow a 16–19 competition, held to determine how demand should be met.





## We are working on a number of initiatives to help colleges manage the challenges of capital projects, including:

- FE procurement frameworks for construction and consultancy contracts
- case studies and competitions showcasing design and architectural excellence and procurement best practice
- joint procurement initiatives for energy and other major services
- advice and guidance on sustainable development; and
- the eMandate estates data benchmarking programme, in which over 90 per cent of colleges participate.

For more information on any of these initiatives, visit [www.lsc.gov.uk](http://www.lsc.gov.uk)



# Building skills for life and work

## National Skills Academies

*Further Education: Raising Skills, Improving Life Chances* paves the way for developing at least one National Skills Academy (NSA) in each major sector of the economy, in addition to the 12 already to be established by 2008. As part of that programme, we are keen to welcome innovative propositions from businesses, such as those of the proposed Dyson School of Design Innovation in Bath or the Fashion Retail Academy in central London.

NSAs will develop and deliver cutting-edge skills requirements for each industry sector through:

- new, industry-led curricula
- innovative teaching and learning models that directly engage employers in the teaching process and reflect international best practice; and
- new joint public/private partnerships between FE and the private sector, offering high levels of sponsorship in exchange for industry-led governance of each NSA.

The size and nature of NSAs will, of course, vary, but in some cases we believe that the establishment of a Skills Academy will require an initial capital cost of up to £10 million. The LSC is committed to contributing up to 35 per cent of the capital funds, with the employer and the host institution (normally an FE college) providing the other 65 per cent of the cost.

## Centres of Vocational Excellence

Alongside the NSAs we will continue to develop our Centres of Vocational Excellence (CoVE) programme, building on best practice from the 400-strong network of CoVEs that we have already established. This will see the programme shift from a supply-led to a demand-led model and build a coherent, responsive skills supply system that industry is prepared to invest in to drive up future skills demand.

To mark the continued development of this programme, we will be rolling out during 2007 a new Standard for CoVEs, emphasising the key priorities of employer responsiveness and specialisation in key vocational areas. In future, priority for capital funding will be given to CoVE providers gaining this accreditation and those working towards CoVE status.

## Skills Networks

We recognise that other providers working with NSAs and CoVEs in Skills Networks may also need capital funds to help give their learners access to modern equipment and replicate actual working environments. Two new initiatives will support these aims:

- a joint DfES/LSC pilot fund of £40 million (including £10 million from the 16–19 Capital Fund) for 2006–07, which will be spent on supporting capital projects (equipment and minor building works) selected from consortia that are successful in the 14–19 Gateway process; and
- a detailed consultation, which we will undertake during 2007 to better understand providers' equipment needs.

## Extending the provider network

To ensure that our funding supports the needs and choices of learners and employers, we are committed to improving quality and choice – which means opening the market to new providers. Our capital programme will, therefore, address extending the eligibility for capital support to new categories of providers.

Until now, our capital funds have been available mainly to FE colleges and higher education colleges to support their FE provision. It has not previously been available to support work-based learning (although training providers have had access to the capital funding supporting the CoVE programme) but, following external research and consultation, we will confirm arrangements for new categories of eligible providers later this year. These arrangements will reflect those already in place for FE and 16–19 Capital Fund projects and will also address funding for equipment.

To mark the continued development of this programme, **we will be rolling out during 2007 a new Standard for CoVEs.**



# Promoting sustainable development

We recognise that FE and the learning and skills sector have an important role in promoting sustainable development (SD) and in managing resources and engaging with communities in ways that encourage sustainability.

In September 2005, we launched *From Here to Sustainability*, a long-term SD strategy that communicates our vision for the next 10 years. Its core commitments are that strategies and policies will be in place to implement SD and integrate it into normal practice. Improvements in the SD performance of the sector will be reported and recognised, along with good practice in learning, management and community interaction.

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

- meeting, and preferably exceeding, the requirements of Part L of the Building Regulations
- ensuring that the 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 and heat and rainwater to reduce water usage; and
- embedding the principles of sustainability in the design of buildings and building systems.



# Dedicated funding for ICT, PCDL and access

Our current FE and 16–19 new build programmes have already been providing considerable Information and Learning Technology (ILT) funding.

In future, priority will be given to those providers that have not previously received the same level of support as FE colleges, such as Personal Community Development Learning (PCDL), work-based learning and offender learning.

We are also looking at:

- ways of encouraging institutions to share data more effectively
- using the technology that our learners use – such as MP3 players – for educational purposes; and
- how the potential benefits of e-assessment might be realised.

To do this, and to make technology and e-learning as rewarding as possible for our learners, it is important that we also invest in training and recruiting an FE sector workforce with the highest level of technical knowledge and skills.

## Continuing investment in development funds and schemes

In line with our priority funding for PCDL and other providers, we are currently preparing to receive the fifth round of applications for our PCDL Challenge Fund (formerly the Adult and Community Learning Challenge Fund). Local authority and other PCDL providers are eligible to apply and successful projects will be implemented in 2008–2010.

We will also continue the Neighbourhood Learning Development in Deprived Communities Capital scheme, which helps local voluntary and community sector organisations – individually or in partnership

– to deliver learning opportunities and support activities for people living in disadvantaged neighbourhoods.

## Prioritising access and inclusivity

Compliance with the Disability Discrimination Act 1995 (DDA) Part 4, as amended by the Special Education Needs and Discrimination Act 2001 (SENDA), is a legal requirement for all education providers. In 2005, the strategic review of our funding and planning of provision for learners with learning difficulties and/or disabilities (LLDDs), *Through Inclusion to Excellence*, recommended that we could help providers by:

- giving greater prominence and clarity to provision for LLDDs in our Annual Statements of Priorities
- collaborating with partners to develop a national strategy for the regional and local delivery of high-quality, learner-centred and cost-effective provision for LLDDs across the post-16 education and skills sector; and
- committing to a policy of 'investment for change' to increase the supply of high-quality, local provision for LLDDs.

Our capital programme continues to support these recommendations, providing capital grant support for specialist colleges and mainstream FE and other qualifying providers whose project proposals help to meet these strategic aims. All proposals must also meet DDA and SENDA requirements, demonstrating that providers have endeavoured to ensure learner access across their entire estates and not just in those buildings to be built or modernised.

# Continued ILT funding will ensure that, by 2007–08:

- all FE colleges will have access to the *Superjanet* 5 network through a 10 Mb broadband connection
- all specialist colleges (with more than 10 LSC-funded learners) and all ACL-funded providers will have access to the *Superjanet* 5 network through a 2 Mb connection; and
- all LSC-funded providers will have free access to a national programme of staff development to embed the use of ICT in their provision.

Local authorities and other PCDL providers are eligible to apply for our PCDL Challenge Fund.





# Looking to renew or rebuild?

This is a very exciting time for FE. Supported by our capital programme, the reforms detailed in this prospectus will equip learners with high-quality skills for productive, sustainable employment and personal fulfilment.

Moreover, they will ensure that employers have the right skills for their business to succeed in a competitive global economy. Together, this will enable the system to achieve its full potential as the driver for economic growth and social mobility.

Through this programme of modernisation and investment, we have a chance to raise the profile of FE in the hearts and minds of learners, prospective learners, communities, employers and makers of policy in other, connected fields. As this prospectus and the entries to the recent Royal Institute of British Architects/LSC 2006 design competition demonstrate, we already have plenty to celebrate in the way of world-class colleges and providers. Our vision is that this quality of excellence becomes standard for **all** educational buildings in England – so if you are inspired by our vision, contact us at [property@lsc.gov.uk](mailto:property@lsc.gov.uk) for more information and guidance.



# Where to go for more information

Visit our website – [www.lsc.gov.uk](http://www.lsc.gov.uk) – for more information about related LSC publications, including:

- **LSC National Capital Strategy** (to be updated in April 2007), which sets out our priorities for spending capital funds and forms the guiding strategy for regional teams
- **LSC Capital Handbook**, which sets out technical guidance on how providers can access LSC capital funding
- **LSC Regional Capital Strategies** (to be updated by summer 2007), which set out regional responses to the National Capital Strategy and identify future needs for capital investment.

Visit [www.dfes.gov.uk/publications/furthereducation](http://www.dfes.gov.uk/publications/furthereducation) for more information about:

- the White Papers *Further Education: Raising Skills, Improving Life Chances* and *14–19 Education and Skills*
- the DfES **Skills Strategy**.

To read Lord Leitch's report *Prosperity for all in the global economy – world class skills*, go to [www.hm-treasury.gov.uk/independent\\_reviews/leitch\\_review](http://www.hm-treasury.gov.uk/independent_reviews/leitch_review)

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