### Minutes

Date: 24 March 2010  
Subject: National Council meeting  
Location: Centre Point, London  
Time: 09:30  
LSC office: National Office  
Publication intent: INTERNAL DOCUMENT

#### Present
- Chris Banks (Chair)  
- Gareth Cadwallader  
- John Cridland  
- Ian Ferguson  
- Maggie Galliers  
- Claire Ighodaro  
- Mary Marsh  
- Emma Pearson-Winstone  
- Geoff Russell  
- Mark Sanders  
- Malcolm Trobe  
- Les Walton  
- Jill Youds

#### In attendance
- Norman Boyland (Chair of LSC’s Capital Committee)  
- Heather Fry (HEFCE)  
- Lesley Longstone (DCSF)  
- Stephen Marston (DBIS)  
- John Merry

#### LSC staff
- Priya Gossain  
- David Hughes  
- Paul McGuire  
- Amy Noonan  
- Sue Randall (Clerk)  
- Cathy Robinson

#### Apologies
Apologies have been received from:  
- Robert Hough  
- Frances O’Grady  
- George Sweeney
Item 1. Welcome
1.1 The Chair welcomed everyone to the final meeting of the LSC National Council.
1.2 In particular, welcome was extended to Heather Fry who was attending on behalf of Sir Alan Langlands (HEFCE).

Item 2. Minutes of the last meeting
2.1 These had previously been cleared by correspondence and had been published to the LSC’s website.
2.2 The minutes of this meeting would be completed and circulated in draft to members by the end of the week. They would also be published on the website before the end of the LSC on 31 March 2010.

Item 3. Matters arising/action log/notification of AoB items
3.1 The Skills Funding Agency was to have its own Single Equality Scheme which would also cover the National Apprenticeship Service.
3.2 The Chair’s Committee had monitored the National Council action log. All actions had been completed.

Item 4. Declarations of Interest
4.1 Members were given the opportunity to declare any interests with specific links to the meeting agenda.
4.2 Other than members’ ongoing interests previously declared to the LSC via its annual process, no specific interests were declared

5.1 The item was presented by Geoff Russell.
5.2 The majority of risks had been managed successfully and only two remained at amber/red level: NEETs and IT programmes linked to the Qualification and Credit Framework.
5.3 All risks had been formally handed over to, and accepted by, the SROs of the successor organisations.
5.4 Council noted that 30% of management bonuses were now linked to risk management. This 30% had been withheld from the latest management bonus payments as some risks remained at amber/red.
5.5 Performance continued to be good, which was a testament to the dedication of LSC staff.
5.6 Lesley Longstone recorded the Department’s thanks for recent improvements in the level 2 and 3 attainment figures and added that the latest LFS quarterly data showed that NEET numbers were reducing at 16-18. She agreed to liaise with Les Walton to ensure the data was circulated to members.

Action: Les Walton/Lesley Longstone

6.1 The item was presented by Paul McGuire.
6.2 There were two areas to note: current financial performance to 31 January 2010, and the Hard Close Accounts position.
6.3 A balanced budget was forecast following receipt of agreed additional funding totalling £5.2m and proposed management actions totalling £35.2m that had been submitted to the Departments.
6.4 There were residual risks in the form of possible under-spends on Adult Apprenticeships and 16-18 Apprenticeships. These were under review and plans were in place to manage them.
6.5 The Council extended its thanks to Paul McGuire and the wider team. It recognised the good working relationships that had been established with the Departments which had been key to bringing a large budget in on target.
6.6 In terms of the hard close accounts, the NAO’s management letter had not reported any material issues.
6.7 A report detailing outstanding issues to the year end had been seen by the Audit Committee. Audit Committee Chair, Gareth Cadwallader, feedback on the outcomes of the Audit Committee meeting:
   - The Committee had noted the improved risk management position and robust handover arrangements
   - The Committee had received a provisional draft of the Statement on Internal Control (SIC). A process had been agreed for the final sign off of the SIC in June, involving a meeting between Geoff Russell and former members of the Audit Committee (attending in their personal capacities). As such, the Committee gave the Council a good level of assurance that the SIC process was robust
   - The Committee had been satisfied with the progress on the Hard Close accounts
   - The Committee had noted a positive Internal Audit Division report. The IA Division had achieved a great deal with limited resource. This was acknowledged and thanks extended
   - The PFM team had moved to a more risk based monitoring process. The Committee gave the Council a good level of assurance about the level of control.
6.8 Council extended its thanks to the Audit Committee Chair and members, and also to the executive team who had worked closely with the Committee over the life of the LSC.

Item 7. Invest to Save (Paper LSC 53/2010)

7.1 The item was presented by David Hughes.
7.2 There were a number of colleges who may begin to experience difficulties as a result of reduced allocations in 2010/11. Invest to Save was intended to assist such colleges if necessary. The programme obliged colleges to pay back any money invested at an appropriate time.
7.3 Noting that the programme was a matter for the successor organisations, and as such in depth discussion was not appropriate, Council nevertheless felt that the criteria for application to the programme required clarification. Council was also unclear about the origin of the money to fund the programme. David Hughes advised that there was sufficient money in the system, but that it would only be used for Invest to Save once all alternative methods of support had been exhausted.

Item 8. Capital Update

16-19 Capital Programme (Paper LSC 54a/2010)

8.1 The paper, reporting on developments of the 16-19 capital programme, was noted.

FE Capital Programme Update (Paper LSC 54b/2010)

8.2 All of the 13 projects approved following the value for money prioritisation challenge were under construction.
8.3 The Capital Committee was due to meet for the final time on 29 March to complete the allocation for the National Skills Capital Projects Fund.
8.4 The budget for the current year had been conservative but it was clear there would be no overspend. Spend had been managed and a balanced budget was anticipated.
8.5 A hearing date of 16 June had been set for the Grimsby College Judicial Review. Counsel felt that it was possible to enter a successful defence.
8.6 The Council thanked the Capital Committee and executive for their hard work and dedication over the life of the LSC.

Item 9. Committee Updates

Young People’s Learning Agency Committee

9.1 Committee Chair Les Walton advised that the YPLA Board had been appointed and an announcement was imminent.
9.2 The unratified National Commissioning Framework was to be published on the YPLA’s website on 1 April. It was clear that the NCF was a guide only.
9.3 The Committee had advised on a response to the School Improvement Partners consultation.
9.4 The Committee had also looked at a draft Intervention Strategy.
9.5 An extended transition period on academies responsibilities had been agreed.
9.6 The Council extended its thanks to the Committee for its effective management of the business and preparation for the future.

Adult Skills and Apprenticeships Committee

9.7 Committee Chair Gareth Cadwallader advised that in focussing to the end of the LSC, the Committee had a different focus from the YPLAC.
9.8 The Committee’s meetings recently had focussed on the performance and risk reports specifically in relation to adults, the allocations issue and Invest to Save.

9.9 Gareth Cadwallader extended particular thanks to Council members Jill Youds, Maggie Galliers, Claire Ighodaro and Robert Hough who were members of the Committee.

9.10 The Council extended its thanks to the Committee for its effective management of the business.

**Equality and Diversity Committee**

9.11 Committee Chair Mary Marsh advised that the Committee held its final meeting on 9 March.

9.12 The Committee had an effective and diverse membership, who had proved themselves to be effective champions and challengers to the LSC.

9.13 A productive final year had seen good engagement with the emerging YPLA and Skills Funding Agency.

9.14 The Chair extended thanks on behalf of the Council to the Committee and its membership. The Committee’s current Chair, and her predecessor, Shirley Cramer, had both been highly effective leaders, ensuring equality and diversity remained high up on the LSC’s agenda.

**Capital Committee**

9.15 Norman Boyland said he would pass on the Council’s earlier thanks to the Committee at its meeting on 29 March.

9.16 Council had previously asked for a briefing on the recruitment of apprentices by contractors working on capital projects. The LSC had instituted three additional conditions of funding in autumn 2008 to ensure contractors signed up to the Skills Pledge, had training plans in place and encouraged their workforces to take up apprenticeships.

9.17 Norman Boyland asked successor bodies to take account of the fact that many of the successful capital applications had included a commitment to increase learner numbers. In committing to achieving these increases, the institutions had an expectation that the numbers would be funded.

**Chair’s Committee**

9.18 The process had seemed to work well, and thanks were extended to the members of the Committee.

**Remuneration Committee**

9.19 Recent focus had been on bonus payments. The consideration process had been rigorous and factual.

**Item 10. Any Other Business**

10.1 Members would receive two documents that were being produced to look back at and celebrate the work of the LSC: a “Legacy Document” containing contributions from staff around the country, and a shorter report listing what had gone well and why, as well as lessons learned.
10.2 Council recorded its thanks to the LSC Chair for his passion and determination over the course of his tenure.

10.3 Finally, the Chair extended thanks to the Chief Executive, the management team, the special advisors on the Council, the members themselves, the observers and secretariat.