

FURTHER EDUCATION AND TRAINING ACT 2007

EXPLANATORY NOTES

COMMENTARY

Part 2: Further Education Institutions

Sections 14, 15 and 16: Transferring powers to the LSC to establish and dissolve further education corporations

62. The Government's White Paper entitled 'Further Education: Raising Skills, Improving Life Chances' contained a commitment to eliminate inadequate provision across the learning and skills sector by 2008. The Government also undertook to bring about significant improvements in those providers perceived to be coasting.
63. The policy intention in England is to enable the LSC to intervene quickly where a college is underperforming, mismanaged or inadequate. As part of a package of measures, the power to incorporate and dissolve colleges will be transferred from the Secretary of State to the LSC. As far as Wales is concerned, these powers will continue to be exercised by the Welsh Ministers.
64. Section 16 of the Further and Higher Education Act 1992 ("the 1992 Act") enables the Secretary of State by order to establish a body corporate to conduct a new or existing educational institution in England. Such a body is known as a further education corporation. Section 27 of the 1992 Act enables the Secretary of State to provide by order for the dissolution of further education corporations in England and the transfer of their assets and liabilities. In Wales these powers are exercised by Welsh Ministers.
65. The provisions for the publication of proposals for the establishment and dissolution of further education corporations under sections 16 and 27 of the 1992 Act are set out in section 51 of the 1992 Act and in regulations made under that section, i.e. the [Education \(Publication of Draft Proposals and Orders\) \(Further Education Corporations\) \(England\) Regulations \(SI 2001/782\)](#) and the [Further Education Corporations \(Publication of Draft Orders\) \(Wales\) Regulations 2007 \(SI 2007/854\)](#).
66. [Section 14](#) transfers the power to incorporate further education institutions in England under section 16 of the 1992 Act to the LSC. In Wales the powers will continue to be exercised by the Welsh Ministers.
67. [Section 15](#) transfers the Secretary of State's power to dissolve further education corporations in England under section 27 of the 1992 Act to the LSC. In Wales the powers will continue to be exercised by the Welsh Ministers.
68. Where it is proposed to dissolve a further education corporation, it may be necessary to transfer the property, rights and liabilities of a corporation to the LSC to achieve the best outcome for an area. In such a case the LSC will need to seek the agreement of the Secretary of State before making such provision.

*These notes refer to the Further Education and Training Act
2007 (c.25) which received Royal Assent on 23 October 2007*

69. **Section 16** amends section 51 of the 1992 Act which requires the LSC, when making a proposal to the Secretary of State to establish or dissolve a further education corporation under section 16 or section 27, to publish the proposal in a prescribed form and consider any representations made on it. The amendment makes appropriate modifications to reflect the transfer of power to establish and dissolve further education corporations from the Secretary of State to the LSC and the fact that for institutions in Wales, this power will remain exercisable by the Welsh Ministers. It will be necessary to make consequential amendments to the regulations for England made under section 51 (see paragraph 65).
70. The provision made by section 10 is relevant to the operation of sections 16, 27 and 51 as amended by sections 14 to 16 (see paragraphs 50 and 51).