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## **ONS reclassification**

In 2012 colleges went from public to private - enabling them to borrow large sums from banks

Following the 2011 Education Act the ONS "recognised that some public sector controls - including over borrowing - had been removed" and as a result from 1 April 2012 colleges were reclassified from the public sector to the NPISH (non-profit institutions serving households) sector.

### Ten years on - back to public again

Our "review was prompted by the passage of the Skills and Post-16 Education Act on 28 April 2022, and by updates to the Further and Higher Education Act 1992 (FHEA 1992), since the last classification review in 2012."

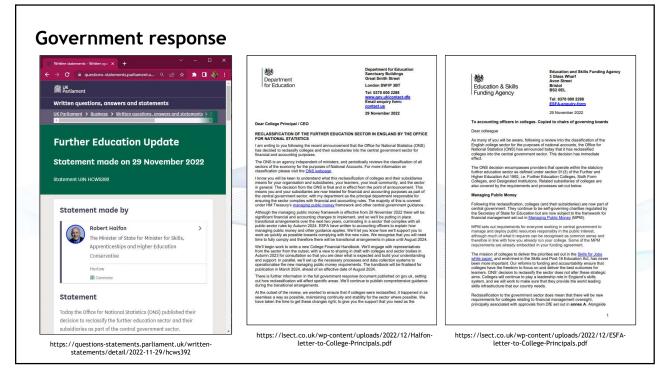
The 2022 Act extends intervention (step-in) powers to "mismanagement" such the Secretary of State can appoint and/or remove members of the relevant institution's governing body. The Act also "adds an intervention power for failure to meet local needs".

The ONS also concluded that college subsidiary companies should be reclassified

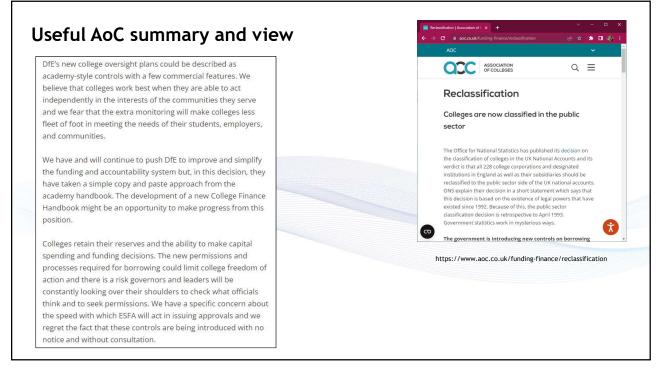
"FE institutions will be reclassified from the non-profit institutions serving households (NPISH) sector to the central government sector. This comes into effect, retrospectively, from 1 April 1993 for FECs and DIs, and from 1 April 2012 for SFCCs."

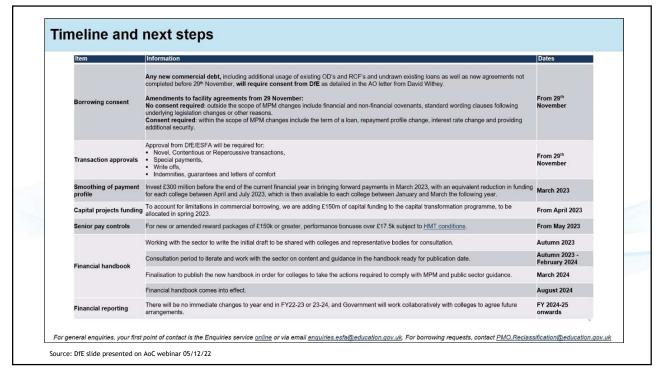
> https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/articles/economicstatisticssec torclassificationclassificationupdateandforwardworkplan/november2022

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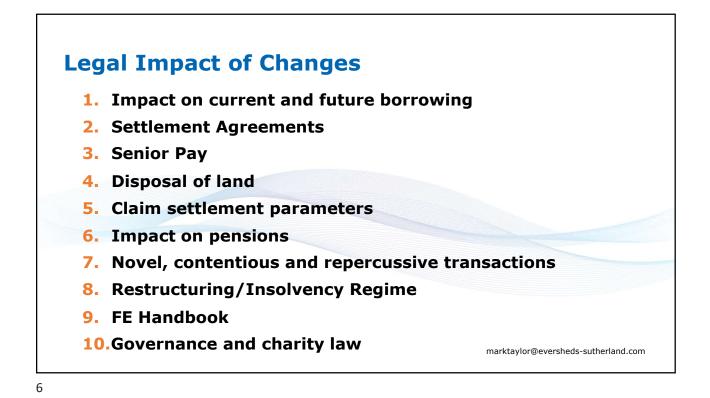


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# Future webinars - register at www.lsect.co.uk

- > 7 December T-level funding
- > 12 December Using FIS and ILR funding reports
- > 13 December Making sense of achievement rates
- > 10 January Apprenticeship Accountability Framework
- > 11 January Apprenticeships and PDSAT
- > 18 January Apprenticeship Accountability Framework
- > 22 February Lsect Annual Data Conference (London)