

EXPLANATORY MEMORANDUM TO
THE LEEDS COLLEGE OF MUSIC (DISSOLUTION) ORDER 2011

2011 No. 1677

1. This explanatory memorandum has been prepared by the Department for Business, Innovation and Skills and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 The purpose of the instrument is to dissolve the higher education corporation known as Leeds College of Music and to transfer all its property, rights and liabilities to Leeds College of Music Ltd, a wholly owned subsidiary company of Leeds City College further education corporation.

3. Matters of special interest to the Joint Committee on Statutory Instruments *or* the Select Committee on Statutory Instruments

3.1 None.

4. Legislative Context

4.1 The instrument is being made to dissolve Leeds College of Music and transfer its property, rights and liabilities to Leeds College of Music Ltd.

5. Territorial Extent and Application

5.1 This instrument applies to England.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The dissolution and transfer is being made as it is considered to be the best solution to secure the financial sustainability of Leeds College of Music's valuable specialist provision.

7.2 Leeds College of Music has been in a weak financial position for a number of years due to a series of deficits and a high level of borrowing. In March 2009 the College decided that it would not seek to be sustained as an independent higher education institution and would therefore look to merge with another institution. Initially mergers

with other higher education institutions were considered but none of these came to fruition. The College therefore decided to seek to merge with a further education college. The Higher Education Funding Council for England commissioned KPMG to undertake an independent high level review of the options for the College. KPMG advised that the merger with Leeds City College is the option most likely to ensure continued provision of higher education courses, and therefore current and future students, and is unlikely to affect further education provision.

8. Consultation outcome

8.1 There has been no public consultation of the dissolution and transfer. The Secretary of State has sought the consent of Leeds City College which wholly owns Leeds College of Music Ltd and he has also consulted Leeds College of Music and the Higher Education Funding Council for England on the proposed dissolution and transfer. Additionally the Secretary of State has also consulted the Skills Funding Agency and the Young People's Funding Agency on the proposals. All parties and all funding bodies involved support the dissolution and transfer.

9. Guidance

9.1 There is no guidance.

10. Impact

10.1 There is no impact on business, charities or voluntary bodies.

10.2 There is no impact on the public sector.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation does not apply to small business.

12. Monitoring & review

12.1 There is no monitoring and review of this instrument. However, the Skills Funding Agency will continue to monitor the financial health of Leeds City College which will include its subsidiary company Leeds College of Music Ltd.

13. Contact

Jacqui Entwistle at the Department for Business, Innovation and Skills Tel: 02072153970 or email: Jacqui.Entwistle@bis.gsi.gov.uk can answer any queries regarding the instrument.