

GRAHAM STUART M.P.



HOUSE OF COMMONS

LONDON SW1A 0AA

Right Honourable Nicky Morgan MP  
Secretary of State for Education  
Department for Education  
Sanctuary Buildings  
Great Smith Street  
London  
SW1P 3BT

6 February 2015

Dear Nicky,

**Fairer funding for Sixth Form Colleges**

As MPs representing constituencies that either contain or are served by a Sixth Form College, we are writing concerning a modest step that would help to deliver more equal funding for students in these institutions.

Currently, Sixth Form Colleges are required to pay VAT on their purchases. By contrast, schools and academies can reclaim these costs - in the case of maintained schools, through the local authority VAT refund scheme, and in the case of academies, via section 33b of the VAT Act 1994. This leaves the average Sixth Form College with £335,000 less to spend on the education of students each year.

Introducing a VAT refund scheme for Sixth Form Colleges would help to ensure that students in the sector receive the same level of investment in their education as students in school or academy sixth forms. No young person should be penalised because of where they choose to study in the sixth form.

The VAT anomaly threatens the success of a high performing sector – a greater proportion of Sixth Form Colleges (87%) are graded as good or outstanding by Ofsted than schools or academies. Students in Sixth Form Colleges achieve better exam results, and are more likely to progress to higher education, than young people educated elsewhere in the state sector. Sixth Form Colleges also offer superior value for money by delivering better outcomes than schools and academies at a lower cost to the public purse. All of this is achieved with a greater proportion of students eligible for Free School Meals than school or academy sixth forms.

Despite this success, perversely Sixth Form Colleges have experienced deeper cuts to their funding than schools or academies since 2010, and two thirds have been forced to drop courses as a result. A VAT refund would enable Sixth Form Colleges to continue to offer key subjects such as languages and sciences and maintain enrichment activities such as drama, music and sport. It would also help to keep class sizes at a manageable level and support the training and development of teaching staff.

**Working hard for Beverley and Holderness**

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Ministers have recently described the introduction of a VAT rebate for Sixth Form Colleges as "worthwhile" but unaffordable at the present time. Officials in the Department of Education estimate it would cost in the region of £30 million per annum to refund the VAT costs of these institutions.

Given the vital work that Sixth Form Colleges do in preparing young people for higher education and employment we believe a VAT rebate would be both effective and affordable. We urge you to give this idea serious consideration.

Yours sincerely,

Graham Stuart MP

And 75 others:

Debbie Abrahams  
Peter Aldous  
Graham Allen  
Stuart Andrew  
Bob Blackman  
Tom Blenkinsop  
David Blunkett  
Sir Peter Bottomley  
Steve Brine  
Lorely Burt  
Dan Byles  
Sarah Champion  
Jenny Chapman  
Geoffrey Clifton-Brown  
Ann Coffey  
Alex Cunningham  
Nic Dakin  
Simon Danczuk  
John Denham  
Jackie Doyle-Price  
Louise Ellman  
Tim Farron  
Frank Field  
Mike Freer  
Roger Godsiff  
Fabian Hamilton

David Heyes  
Meg Hillier  
Margaret Hodge  
Kelvin Hopkins  
Sir Gerald Howarth  
Mark Hunter  
Julian Huppert  
Glenda Jackson  
Margot James  
Alan Johnson  
Sir Gerald Kaufman  
John Leech  
Caroline Lucas  
Karen Lumley  
Jason McCartney  
John McDonnell  
Anne McIntosh  
Michael Meacher  
Austin Mitchell  
David Mowat  
George Mudie  
Caroline Nokes  
Jesse Norman  
David Nuttall  
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Mark Pritchard  
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Sir Bob Russell  
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Barry Sheerman  
Gavin Shuker  
Caroline Spelman  
Sir Andrew Stunell  
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Mike Thornton  
Derek Twigg  
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Martin Vickers  
Joan Walley  
Dame Angela Watkinson  
Dave Watts  
Mike Weatherley  
James Wharton  
Alan Whitehead  
Shaun Woodward