

Barnsley College: a cautionary tale

Dave Gibson (*from PSE 3, May 2001*)

The still unfolding saga of Barnsley College contains all the elements of what has been wrong with further education since incorporation. A middling sized tertiary college in a small borough with relatively low post-16 staying on rates, it jumped in a few years to be, apparently, the fourth largest college in the country. It aspired to be a national - and international - leader.

Managers entertained clients in the college's hospitality box at Oakwell, Barnsley FC's ground. The then chief executive, David Eade, led parties to Los Angeles; less in-favour managers were sent to Gorlovka, Barnsley's twin town in the Ukraine. An outpost was opened in the former East Germany for a while. Eade was welcomed to Downing Street by Blair and Blunkett. Kim Howells talked in parliament about the 'excellent college' in Barnsley. And all this based on an ever-expanding franchising bubble.

The bubble first burst in 1999. Already detailed questions were being asked by the FEFC [Further Education Funding Council] of colleges with similar franchising profiles to Halton. Then an anonymous whistleblower made allegations, backed up by photocopied documents, about malpractices regarding a company called Progress Training. (Eade had set this up prior to incorporation, but it later became the college's main provider of franchised work. It served the convenient purpose of keeping what happened to the franchised work out of sight, and accountability, of the college.)

The allegations involved suggestions that public money had been used to fund Eade's step-children in setting up a surfing magazine, to provide a layer of managers with cars, money settlements etc.

After several months' investigation by the college corporation - and despite what appeared to be clear proof of, at the least, inappropriate use of public money - Eade and his cohorts were cleared. In early 2000 Eade was diagnosed with liver cancer and went on sick leave. Two women he had promoted to the college executive, Michelle Squires and Ann Oldroyd, now took over running the college. However, FEFC inspectors continued to look at past franchised work.

The situation was actually moving towards another explosion. Eade had taken the decision to come out of franchised work altogether. As this had provided up to 40 per cent of the college's FE units, this was likely to lead to problems. Despite Squires regularly giving optimistic reports of the future, in November 2000 she announced that the college had failed to achieve its

post franchise target by up to 500,000 FE units. A shortfall of £6m was now predicted. This was rapidly added to by a demand from the FEFC to repay over £5m for units overclaimed for past franchised work.

Alongside this, Progress Training went into voluntary liquidation. As a result, paintings owned by a local artist, Ashley Jackson, on 'permanent' display in the college were reclaimed. The artist was indignant and went to the press, more anonymous documents circulated implying fraud of the college by Progress Training, and the sense of crisis and sleaze surrounding the college intensified.

Under these circumstances, and no doubt under pressure from the FEFC, the college corporation was forced this time into a more rigorous investigation. All the old allegations were re-opened, an FEFC investigation team ensconced itself in a local hotel for a week, and new allegations surfaced almost daily. In early February, the corporation suspended Squires and Oldroyd (they remain so), followed a few weeks later by a decision to terminate Eade's contract as he had been off sick for twelve months.

Since then, more details have emerged of the murky world of Progress Training. In 1999 they invested £1.5m in a local spring water bottling company, Sheldale Water. They also put money into another company called Stepdirect Ltd, which last year became part of Protocol Training, the parent company of Education Lecturing Services (ELS) and a private operation hoping to capitalise out of the new funding mechanisms. The two main Progress Training managers (both ex-college) now work for Stepdirect.

They even invested more than £250,000 in an off-shore company based in the Isle of Man called Business Developments Ltd. Nearly £2m of what, almost certainly, is public money that should have come to the college went into these three ventures alone.

At the time of writing, the acting principal, Helen Gilchrist from Bury College, is drawing up a recovery plan. Independent forensic auditors appointed by the FEFC have just completed yet another investigation. Their report is awaited too. Exactly what sort of attacks on staff will be heralded in by the recovery plan remains unknown, but there is a strong determination amongst NATFHE members to resist anything which seeks to make us pay the price for the venality and incompetence of others.