

SCHEDULES

SCHEDULE 3

FUNDING OF FOUNDATION, VOLUNTARY AND FOUNDATION SPECIAL SCHOOLS

PART II

VOLUNTARY AIDED SCHOOLS

Loans by Secretary of State in respect of initial expenses

- 7 (1) Where, on the application of the governing body of a voluntary aided school and after consulting persons representing the governing body, the Secretary of State—
- (a) is satisfied that the governing body's share of any initial expenses required in connection with the school premises will involve capital expenditure, and
 - (b) having regard to all the circumstances of the case, considers that that expenditure ought properly to be met by borrowing,
- he may make a loan to the governing body for the purpose of helping them meet that expenditure.
- (2) The amount, rate of interest and other terms and conditions applicable to the loan shall be such as may be specified in an agreement made between the Secretary of State and the governing body with the consent of the Treasury.
- (3) For the purposes of this paragraph “initial expenses” are expenses to be incurred in providing—
- (a) a site or school buildings for a voluntary aided school in connection with—
 - (i) the implementation of any proposals for a prescribed alteration to the school published under section 28, or
 - (ii) the transfer of the school to a new site, or
 - (b) a site or school buildings for a new voluntary aided school,
- being expenses in respect of which grants may be paid under paragraph 5.
- (4) For the purposes of this paragraph the governing body's share of any initial expenses shall be taken to be so much of the expenses as remains to be borne by the governing body after taking into account the amount of any grant under paragraph 5 that may be paid or payable in respect of them.
- (5) The preceding provisions of this paragraph shall apply for the purpose of enabling loans to be made to a relevant body (within the meaning of paragraph 5) in respect of expenses incurred by that body on behalf of the governing body as it applies to expenses incurred by the governing body; and in those provisions, as they apply in relation to a new voluntary aided school, references to the governing body are to the promoters.

Status: This is the original version (as it was originally enacted).

(6) Paragraph 3(3) of Schedule 10 (consent to borrowing) does not apply to any borrowing by a governing body under this paragraph.