

## SCHEDULES

### SCHEDULE 2

#### TRANSFER OF MANAGEMENT OF INSTITUTIONS OF FURTHER EDUCATION

##### *Restrictions on boards entering into contracts*

**10.**—(1) This paragraph applies to any contract which—

- (a) is entered into by a board after 31st August 1996 and before the transfer date; and
- (b) would by virtue of paragraph 2 or 9 be binding on the new governing body of an institution of further education with effect from the transfer date.

(2) A board shall not enter into a contract to which this paragraph applies without the prior consent, given in writing, of the former governing body of the institution of further education.

(3) A board shall not enter into a contract to which this paragraph applies in respect of which the consideration or, where the consideration is not expressed as an amount of money, the value of the consideration exceeds £50,000 without the prior consent, given in writing, of the Department.

(4) For the purposes of sub-paragraph (3), the consideration or value of the consideration in respect of a contract of employment exceeds £50,000 if, in respect of any period of 12 months, the aggregate amount of the remuneration payable to and value of other benefits receivable by the employee exceeds £50,000.

(5) Any consent for the purposes of this paragraph may be given in respect of a particular contract or in respect of contracts of any class or description; and such consent may be given unconditionally or subject to conditions.

(6) Where any contract entered into by a board whether on, before or after 31st August 1996 is varied after that date and the effect of such variation is as mentioned in paragraph (1)(b), the contract shall be treated, for the purposes of this paragraph, as if it were a contract entered into after that date.

(7) Any signification of consent for the purposes of this paragraph, or of such consent subject to conditions, given by the former governing body of an institution of further education or the Department before the coming into operation of this Schedule in respect of any contract to which this paragraph applies shall be treated for the purposes of this paragraph as a consent, or a consent subject to the conditions, given under this paragraph.

(8) Where—

- (a) a board has entered into a contract in contravention of this paragraph; and
- (b) the contract has not been performed, or has been performed only in part,

the new governing body may, in accordance with sub-paragraph (9), repudiate the contract to the extent that it has not been performed.

(9) A repudiation under sub-paragraph (8) shall be effected by serving notice in writing of the repudiation on—

- (a) the board; and
- (b) the other party to the contract.

(10) A repudiation under sub-paragraph (8) shall have effect as if made by the board.