



# Education Reform Act 1988

## 1988 CHAPTER 40

### PART I

#### SCHOOLS

#### CHAPTER IV

##### GRANT-MAINTAINED SCHOOLS

##### *Winding up and disposal of property*

#### **99 Capital expenditure: former county schools**

- (1) This section applies where—
  - (a) a grant-maintained school conducted or formerly conducted by a governing body in liquidation was a county school immediately before it became a grant-maintained school; and
  - (b) the Secretary of State has incurred any expenditure in paying capital grant to the governing body of the school (“W”).
- (2) Where in any case to which this section applies—
  - (a) an order is made by virtue of section 95(1) of this Act vesting the school premises in any persons to be held on trust for the purposes of a proposed voluntary school; and
  - (b) the Secretary of State has directed that the proposed school shall be an aided school;

an order under section 94 of this Act may provide for the consideration otherwise payable by virtue of section 95 to the local education authority concerned to be reduced by an amount equal to the whole or any part of the capital grant expenditure.

- (3) Any reduction by virtue of subsection (2) above shall be disregarded in determining the amount of any sums expended by the persons in whom the school premises are vested

---

*Status: This is the original version (as it was originally enacted).*

---

by the order on the provision of a site for the new school or of the school buildings; but an amount equal to the amount of that reduction shall be treated as having been paid by the Secretary of State to the governing body of the new school—

- (a) as to so much of it as does not exceed 85 per cent. of the amount of the sums so expended, by way of a grant under section 1(2)(a) of the Education Act 1967; and
- (b) as to the balance (if any), by way of a loan made under section 105 of the 1944 Act on such terms as the Secretary of State may specify.

(4) Where in any case to which this section applies—

- (a) an order is made as mentioned in subsection (2)(a) above; but
- (b) no direction that the proposed school shall be an aided school has been given before the dissolution date;

subsection (5) below shall apply in relation to the capital grant expenditure.

(5) Where this subsection applies the capital grant expenditure shall for the purposes of section 14 of the 1944 Act (restrictions on discontinuance of voluntary schools) be treated (if it would not otherwise be so) as expenditure incurred by the Secretary of State (otherwise than in connection with repairs) in respect of the premises of the new school.

(6) Where in any case to which this section applies an order is made by virtue of section 95(2) of this Act vesting the school premises in any persons proposing to establish an independent school on those premises, an order under section 94 of this Act may require an amount equal to the whole or any part of the capital grant expenditure to be deducted from the consideration otherwise payable by virtue of section 95 to the local education authority concerned and paid by the persons in whom the property is so vested to the Secretary of State.

(7) Where in any case to which this section applies—

- (a) the school premises—
  - (i) are vested beneficially in a local education authority by an order made by virtue of section 95(7) and (8) of this Act; or
  - (ii) vest in such an authority by virtue of section 95(6) of this Act on the dissolution date; and
- (b) any person subsequently acquires the premises or any part of them from that authority (whether compulsorily or otherwise);

the Secretary of State may require the authority to pay to him the whole or any part of the consideration or purchase money paid in respect of the acquisition in or towards repayment of the capital grant expenditure.