

Changes to legislation: School Standards and Framework Act 1998, Cross Heading: Loans by Secretary of State in respect of initial expenses expenditure is up to date with all changes known to be in force on or before 19 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

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 [F¹ expenses][F¹ expenditure]

Textual Amendments

- F1** Cross-heading preceding Sch. 3 para. 7: "expenditure" substituted for "expenses" (E.) (1.4.2002) by [The Regulatory Reform \(Voluntary Aided Schools Liabilities and Funding\) \(England\) Order 2002 \(S.I. 2002/906\)](#), [art. 9](#)

- 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 [F²initial expenditure] 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 [F³capital 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 [F⁴"initial expenditure" is expenditure] to be incurred in providing—
- (a) a site or F⁵. . . 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 F⁶. . . buildings for a new voluntary aided school,
- being [F⁷expenditure] 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 [F⁸initial expenditure] shall be taken to be so much of the [F⁹expenditure] as remains to be

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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 [^{F10}expenditure] incurred by that body on behalf of the governing body as it applies to [^{F10}expenditure] 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.
- (6) Paragraph 3(3) of Schedule 10 (consent to borrowing) does not apply to any borrowing by a governing body under this paragraph.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 14(3)(aa) inserted by [2011 nawm 7 s. 16\(2\)](#) (Amendment not applied to legislation.gov.uk - s.16(02) of 2011 nawm007 omitted by 2013 nawm001 s. 100(4), Sch. 5 para. 13(2); S.I. 2014/178, art. 2(f) (with art. 3) prior to commencement)
- s. 18B inserted by [2011 nawm 7 s. 16\(3\)](#) (Amendment not applied to legislation.gov.uk - s.16(02) of 2011 nawm007 omitted by 2013 nawm001 s. 100(4), Sch. 5 para. 13(2); S.I. 2014/178, art. 2(f) (with art. 3) prior to commencement)
- Sch. 22 para. 5(1B) inserted by [2023 c. 55 s. 235\(4\)](#)