

*These notes refer to the Education Act 2002 (c.32)  
which received Royal Assent on 24 July 2002*

# **EDUCATION ACT 2002**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS AND SCHEDULES**

#### **Part 1 – Provision for New Legal Frameworks**

##### *Chapter 3 – Powers to form companies etc.*

##### *Section 11: Powers of governing bodies to form or invest in companies to provide services etc.*

67. This section provides a new enabling power so that the governing body of a school can form, or take part in forming, companies to purchase goods or provide services for other schools. Such a company could provide, or help with the provision of, facilities or services for schools. It could, for example, provide, or arrange the provision of, the financial, technical and legal advice that schools would normally have to arrange elsewhere, and it could also procure suppliers through the use of standard specifications and contracts.
68. In addition, maintained schools may form companies to deliver services to any schools on behalf of an LEA, pursuant to a ‘contracting out’ order under the Deregulation and Contracting Out Act 1994, and/or to provide traded services to schools. The section requires companies to be registered under the Companies Act 1985 as companies limited either by shares or by guarantee.