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STATUTORY INSTRUMENTS

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**2002 No. 2978**

**EDUCATION, ENGLAND**

**The School Companies Regulations 2002**

*Made - - - - 26th November 2002*

*Laid before Parliament 12th December 2002*

*Coming into force 20th January 2003*

**THE SCHOOL COMPANIES REGULATIONS 2002**

**PART 1**

Preliminary

1. Citation and commencement
2. Interpretation
3. Definition of “an agreement under the private finance initiative”
4. Companies governed by these Regulations

**PART 2**

Restrictions on School Companies

5. Persons who may be admitted to membership of School Companies
6. Restriction on entering into contracts in which a director of the company has an interest
7. Procedure in meetings of the directors if a director has an interest in a matter to be discussed
8. Directors of School Companies and their remuneration
9. Procedure for deciding remuneration and benefits of directors
10. Application of any surplus or profits of a school company
11. Permission required before a school company may borrow
12. Restriction on school funding of school companies
13. Circumstances where a governing body must withdraw from a school company
14. Notice required if a member wishes to leave a company

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### PART 3

#### Seeking Consent to Become a Member of a School Company

15. Grounds on which a local education authority may refuse permission to a school governing body to become a member of a school company
16. Duty to provide written reasons for refusal

### PART 4

#### The Supervising Authority for a School Company

17. Designation of a supervising authority by a school company
18. Designation of a supervising authority by the relevant local education authorities
19. Designation of a supervising authority by the Secretary of State
20. Written notice required when the Secretary of State revokes the designation of a supervising authority
21. Supervising authority may resign
22. Circumstances in which the supervising authority must resign
23. Procedure where a supervising authority resigns
24. Notification required if a company ceases to be a school company
25. Initial functions of a supervising authority
26. Duties of a supervising authority
27. Duty to notify Secretary of State
28. Duty of a school company to provide information and accounts to its supervising authority
29. Powers of a supervising authority
30. Circumstances where a supervising authority must direct a governing body
31. Procedures relating to directions from a supervising authority
32. Direction to a governing body to reduce its involvement in the management of a school company
33. Direction to a governing body to resign from a school company
34. Notification and revocation of a direction to a governing body

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### SCHEDULE 1 —

#### Individuals who cannot be members of a school company

1. Individuals who cannot be members of a school company
2. A person who has made a composition or arrangement with,...
3. A person who is subject to a disqualification order under...
4. A person who has been removed from the office of...
5. A person who has been removed under section 7 of...
6. A person who is included in the list of teachers...
7. A person who is disqualified from being the proprietor of...
8. A person who is subject to a direction under section...
9. A person who either during his membership of the company,...
10. A person who within the period of 20 years ending...
11. A person who at any time has been convicted as...
12. A person who has not attained the age of 18;...
13. A person who is liable to be detained under the...
14. A person who is employed by the governing body of...

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## Explanatory Note