

2000 No. 2170

EMPLOYMENT AND TRAINING, ENGLAND

**The Training Programmes (Cessation of Funding)
(Prescribed Actions) Order 2000**

<i>Made - - - -</i>	<i>7th August 2000</i>
<i>Laid before Parliament</i>	<i>9th August 2000</i>
<i>Coming into force</i>	<i>10th August 2000</i>

In exercise of the powers conferred on the Secretary of State by section 141 of the Learning and Skills Act 2000(a) the Secretary of State for Education and Employment hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Training Programmes (Cessation of Funding) (Prescribed Actions) Order 2000 and shall come into force on 10th August 2000.

Application

2. This Order shall apply in relation to England.

Interpretation

3. In this Order “Business Plan” and “Transition Plan” mean any document called by either of those names and agreed or approved for the time being by or on behalf of the Secretary of State, for the purpose of arrangements made by the Secretary of State with the company under section 2 of the Employment and Training Act 1973(b) or under sections 12(1) and 12(2) of the Industrial Development Act 1982(c), or under both those Acts.

Prescribed Actions

4.—(1) The following actions are actions of a prescribed kind for the purposes of section 141(2) of the Learning and Skills Act 2000:

- (a) any change to the contractual terms and conditions of any person, other than routine increases in the salary or remuneration paid by the company to any employee, executive director of the company, or to the Chief Executive of the company;
- (b) any expenditure or agreement to commit expenditure in excess of £20,000, including the staged payment of any part of such a sum, which is not included in the company’s Business Plan or Transition Plan;
- (c) entering into any contractual obligation or other liability to any person other than the Secretary of State—

(a) 2000 c. 21.
(b) 1973 c. 50.
(c) 1982 c. 52.

- (i) in relation to which the agreed date for the full performance of the obligation or full discharge of the liability falls after 25th March 2001; and
- (ii) which is not included in the company's Business Plan or Transition Plan;
- (d) any transfer or disposition, other than at full market value, of any asset which was valued in excess of £10,000 for the purposes of the most recent annual company accounts prepared under Part VII of the Companies Act 1985^(a), or which the directors reasonably believe to have a value in excess of that sum;
- (e) any transaction, disposition or agreement, including any settlement with debtors, which has the effect of decreasing by more than £10,000 the net book value of the company's fixed or current assets, excluding cash at a bank or in hand.

(2) For the purposes of paragraph (1)(a), "routine" means an increase in salary or level of remuneration of any person referred to in that sub-paragraph which does not exceed the highest of any increase awarded to that person during the last three annual accounting periods, where all increases are calculated as a percentage of the salary or level of remuneration paid to that person in the previous accounting period.

(3) For the purposes of paragraph (1)(b), in determining the total value of any expenditure or agreement to commit expenditure the company shall aggregate the value of expenditure paid or agreed to be paid to the same person in relation to goods or services of the same or similar nature.

Prescribed Actions—Exceptions

5. None of the actions specified in article 4 above is prescribed for the purposes of section 141(2) of the Learning and Skills Act 2000 if the company takes it, or permits a person to take it, after the latest of the dates on which—

- (a) the company has secured all provision specified in its Business Plan and its Transition Plan, and has discharged all other obligations agreed in any such Plan; and
- (b) the company has discharged all of its indebtedness to the Secretary of State, howsoever incurred, and all other liabilities to return or repay to the Secretary of State assets attributable to funding paid to the company by the Secretary of State in pursuance of arrangements under section 2 of the Employment and Training Act 1973.

7th August 2000

Jacqui Smith
Parliamentary Under Secretary of State,
Department for Education and Employment

^(a) 1985 c. 6.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order specifies actions which are prescribed for the purposes of section 141(2) of the Learning and Skills Act 2000. No action specified in this Order may be taken by a company to which the Order applies without the written consent of the Secretary of State. It applies to Training and Enterprise Councils (TECs) and Chambers of Commerce, Training and Enterprise (CCTEs), these being companies which fall into the category set out in section 141(1) of that Act. The application of this Order is limited to TECs and CCTEs in England.

The actions prescribed by this Order are changes to contractual terms and conditions of employees and company executives, other than routine increases in salary; any new expenditure in excess of £20,000, any new contractual commitments which extend beyond 25th March 2001; the transfer of any asset of a value in excess of £10,000, other than at full market value; and any transaction or agreement which decreases the fixed or current asset base of the company by more than £10,000 of its net book value. No such action is prescribed, however, if it is carried out or procured by the company after the company has fulfilled all of its contractual obligations under arrangements with the Secretary of State and has discharged all of its financial indebtedness to the Secretary of State.

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