



# Further and Higher Education Act 1992

## 1992 CHAPTER 13

### PART I

#### FURTHER EDUCATION

#### CHAPTER I

##### RESPONSIBILITY FOR FURTHER EDUCATION

##### *Finance*

#### **5 Administration of funds by councils**

- (1) A council may give financial support to the governing body of any institution within the further education sector or the higher education sector in respect of—
  - (a) the provision of facilities for further education, or
  - (b) the provision of facilities, and the carrying on of any activities, which the governing body of the institution consider necessary or desirable to be provided or carried on for the purpose of or in connection with the provision of facilities for further education.
- (2) A council may give financial support to the governing body of any institution within the further education sector in respect of—
  - (a) the provision of facilities for higher education, or
  - (b) the provision of facilities, and the carrying on of any activities, which the governing body of the institution consider necessary or desirable to be provided or carried on for the purpose of or in connection with the provision of facilities for higher education.
- (3) A council may give financial support to a further education corporation for the purposes of any educational institution to be conducted by the corporation, including the establishment of such an institution.

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- (4) For the purposes of section 4(3) to (5) of this Act, a council may give financial support to any person other than a local education authority, the governing body of a grant-maintained school or a person maintaining or carrying on a city technology college or city college for the technology of the arts.
- (5) A council may give financial support to any person in respect of—
- (a) the provision of training or advice, or
  - (b) the carrying on of research or other activities,
- relevant to the provision of facilities for further education.
- (6) Financial support under this section—
- (a) shall take the form of grants, loans or other payments, and
  - (b) may be given on such terms and conditions as the council think fit.
- (7) The terms and conditions on which a council make any grants, loans or other payments under this section may in particular—
- (a) enable the council to require the repayment, in whole or in part, of sums paid by the council if any of the terms and conditions subject to which the sums were paid is not complied with, and
  - (b) require the payment of interest in respect of any period during which a sum due to the council in accordance with any of the terms and conditions remains unpaid,
- but shall not relate to the application by the person to whom the financial support is given of any sums derived otherwise than from the council.
- (8) A council may not give any financial support except in accordance with this section.

## **6 Administration of funds: supplementary**

- (1) Before exercising their discretion under section 5(1) to (4) of this Act with respect to the terms and conditions to be imposed in relation to any grants, loans or other payments, a council shall consult such of the following bodies as appear to the council to be appropriate to consult in the circumstances—
- (a) such bodies representing the interests of institutions within the further education sector as appear to the council to be concerned, and
  - (b) the governing body of any particular institution within that sector which appears to the council to be concerned.
- (2) In exercising their functions in relation to the provision of financial support under section 5 of this Act a council shall have regard to the desirability of not discouraging any institution in respect of which such support is given from maintaining or developing its funding from other sources.
- (3) In exercising those functions a council shall have regard (so far as they think it appropriate to do so in the light of any other relevant considerations) to the desirability of maintaining what appears to them to be an appropriate balance in the support given by them as between institutions of a denominational character and other institutions.
- (4) For the purposes of subsection (3) above an institution is an institution of a denominational character if it appears to the council that either—

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- (a) at least one quarter of the members of the governing body of the institution are persons appointed to represent the interests of a religion or religious denomination,
  - (b) any of the property held for the purposes of the institution is held upon trusts which provide that, in the event of the discontinuance of the institution, the property concerned shall be held for, or sold and the proceeds of sale applied for, the benefit of a religion or religious denomination, or
  - (c) any of the property held for the purposes of the institution is held upon trust for or in connection with—
    - (i) the provision of education, or
    - (ii) the conduct of an educational institution,in accordance with the tenets of a religion or religious denomination.
- (5) Where—
- (a) the governing body of an institution within the further education sector to which this subsection applies (“the sponsoring body”) receive from the governing body of an institution outside that sector (“the external institution”) a request for the sponsoring body to apply to a council for financial support in respect of the provision of facilities for part-time, or adult, further education by the external institution in any academic year, and
  - (b) there are no arrangements for the provision in that year of any facilities of the kind specified in the application for the population of the sponsoring body’s locality by any other institutions or the arrangements for such provision for that population in that year by other institutions are inadequate,
- the sponsoring body shall apply to the council specified in the request for financial support to be given to the sponsoring body on terms requiring it to be applied in respect of the provision of the facilities specified in the application by the external institution in that year.
- (6) In subsection (5) above—
- (a) references to part-time, or adult, further education are to education provided by means of courses of any description mentioned in Schedule 2 to this Act, and
  - (b) references to the provision of facilities for such education by any institution in any academic year include the provision of facilities, and the carrying on of any activities, which the governing body of the institution consider necessary or desirable to be provided or carried on for the purpose of or in connection with the provision of facilities for such education by them in that year,
- and that subsection applies to an institution within the further education sector if the institution is for the time being specified in an order, or for the time being falls within a description specified in an order, made by the Secretary of State.

## **7 Grants to councils**

- (1) The Secretary of State may make grants to each of the councils of such amounts and subject to such terms and conditions as he may determine.
- (2) The terms and conditions subject to which grants are made by the Secretary of State to either of the councils—
  - (a) may in particular impose requirements to be complied with in respect of every institution, or every institution falling within a class or description specified in

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the terms and conditions, being requirements to be complied with in the case of any institution to which the requirements apply before financial support of any amount or description so specified is provided by the council in respect of activities carried on by the institution, but

- (b) shall not otherwise relate to the provision of financial support by the council in respect of activities carried on by any particular institution or institutions.

(3) Such terms and conditions may in particular—

- (a) enable the Secretary of State to require the repayment, in whole or in part, of sums paid by him if any of the terms and conditions subject to which the sums were paid is not complied with, and
- (b) require the payment of interest in respect of any period during which a sum due to the Secretary of State in accordance with any of the terms and conditions remains unpaid.