



# Education Act 1994

## 1994 CHAPTER 30

### PART I

#### TEACHER TRAINING

##### *Funding*

### **3 The funding agencies**

- (1) Any reference in this Part to a funding agency is—
  - (a) in relation to institutions in England, to the Teacher Training Agency, and
  - (b) in relation to institutions in Wales, to the Higher Education Funding Council for Wales.
- (2) The references above to institutions in England and in Wales are to institutions whose activities are carried on, or principally carried on, in England or, as the case may be, in Wales; but both references include the Open University.

Any dispute as to which funding agency any functions are exercisable by shall be determined by the Secretary of State.

- (3) The funding agencies shall be responsible for administering funds made available to them by the Secretary of State and others for the purpose of providing financial support for the carrying on by eligible institutions of qualifying activities.

### **4 Qualifying activities and eligible institutions**

- (1) The activities qualifying for funding under this Part (“qualifying activities”) are—
  - (a) the provision of teacher training;
  - (b) the provision of facilities, and the carrying on of other activities, by eligible institutions which the governing bodies of the institutions consider it necessary or desirable to provide or carry on for the purpose of or in connection with activities within paragraph (a);

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- (c) the provision by any person of services for the purposes of, or in connection with, such activities.
- (2) The institutions eligible for funding under this Part (“eligible institutions”) are—
  - (a) any institution within the higher or further education sector,
  - (b) any school, and
  - (c) any other institution or body designated by order of the Secretary of State, and any partnership or association of eligible institutions, or body established by one or more such institutions, for the purpose of carrying on qualifying activities.
- (3) The Secretary of State may by order provide for references in this Part to the governing body of an institution, in relation to an institution which is conducted by a company, to be read as references to the governing body provided for in the instrument of government, or to the company or to both.
- (4) In relation to a nursery school which is maintained by a local education authority references in this Part to the governing body shall be construed as references to the authority.

## **5 Grants, loans and other payments**

- (1) A funding agency may—
  - (a) make grants, loans or other payments in respect of expenditure incurred or to be incurred by the governing body of an eligible institution for the purposes of activities qualifying for funding under this Part by virtue of section 4(1)(a) or (b), and
  - (b) make grants, loans or other payments in respect of expenditure incurred or to be incurred for the purposes of the provision of services as mentioned in section 4(1)(c),
 subject in each case to such terms and conditions as the funding agency think fit.
- (2) The terms and conditions on which a funding agency may make any grants, loans or other payments under this section may in particular—
  - (a) enable the funding agency to require the repayment, in whole or in part, of sums paid by the agency 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 funding agency in accordance with any of the terms and conditions remains unpaid.
- (3) The terms and conditions shall not relate to the application of any sums derived otherwise than from a funding agency.
- (4) In exercising their functions under this section a funding agency shall have regard—
  - (a) generally, to any forecasts of demand for newly-qualified teachers notified to them by the Secretary of State; and
  - (b) in relation to any particular institution, to any assessment of the quality of education provided by the institution—
    - (i) made by either of Her Majesty’s Chief Inspectors of Schools, or
    - (ii) to which the agency think it appropriate to have regard or to which the Secretary of State directs them to have regard.

## **6 Provisions supplementary to s. 5**

- (1) In exercising their functions in relation to the provision of financial support for qualifying activities the funding agencies shall have regard to the desirability of—
  - (a) establishing and maintaining in relation to courses for initial training of school teachers an appropriate balance between school-centred courses and other courses; and
  - (b) not discouraging any institution for whose activities financial support is provided under this Part from maintaining or developing its funding from other sources.
- (2) For the purposes of subsection (1)(a) a “school-centred course” means a course provided by a school or schools, or by a partnership or association consisting wholly or mainly of schools or by a body established by a school or institutions consisting wholly or mainly of schools.
- (3) Before exercising their discretion under section 5(1)(a) or (b) with respect to the terms and conditions to be imposed in relation to any grants, loans or other payments, a funding agency shall consult such of the following bodies as appear to them to be appropriate to consult in the circumstances—
  - (a) such bodies representing the interests of eligible institutions as appear to the funding agency to be concerned, and
  - (b) the governing body of any particular eligible institution which appears to the funding agency to be concerned.
- (4) In exercising their functions in relation to the provision of financial support for qualifying activities a funding agency 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—
  - (a) what appears to them to be an appropriate balance in the support given by them as between institutions which are of a denominational character and other institutions, and
  - (b) any distinctive characteristics of any eligible institution for whose activities financial support is provided under this Part.
- (5) In exercising their functions a funding agency shall take such steps as appear to them appropriate to secure that the governing body of any institution which provides a course of initial teacher training funded by the agency makes available such information relating to the course, in such manner and to such persons, as the agency may require.

## **7 Grants to the funding agencies**

- (1) The Secretary of State may make grants to the funding agencies 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 a funding agency—
  - (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 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

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any amount or description so specified is provided by the agency in respect of activities carried on by the institution, but

- (b) shall not otherwise relate to the provision of financial support by the agency in respect of activities carried on by any particular institution or institutions.
- (3) Such terms and conditions may not be framed by reference—
- (a) to particular courses of study or programmes of research (including the contents of such courses or programmes and the manner in which they are taught, supervised or assessed), or
  - (b) to criteria for the selection and appointment of academic staff and for the admission of students.
- (4) 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.

## **8 Directions by the Secretary of State**

- (1) In exercising their functions under this Part a funding agency shall comply with any directions under this section.
- (2) The Secretary of State may give general directions to a funding agency about the exercise of their functions.
- (3) If it appears to the Secretary of State that the financial affairs of an eligible institution have been or are being mismanaged he may, after consulting the agency and the institution, give such directions to the funding agency about the provision of financial support in respect of the activities carried on by the institution as he considers are necessary or expedient by reason of the mismanagement.
- (4) Directions under this section shall be contained in an order made by the Secretary of State.

## **9 Joint exercise of functions**

- (1) A funding agency and any other relevant funding body may exercise any of their functions jointly where it appears to them that to do so—
  - (a) will be more efficient, or
  - (b) will enable them more effectively to discharge any of their functions.
- (2) In subsection (1) “other relevant funding body” means the other funding agency, the Higher Education Funding Council for England, a further education funding council or a funding authority for schools.

## **10 Efficiency studies**

- (1) A funding agency may arrange for the promotion or carrying out by any person of studies designed to improve economy, efficiency and effectiveness in the management or operations of an institution which is receiving financial support under this Part.

- (2) A person promoting or carrying out such studies at the request of a funding agency may require the governing body of the institution concerned—
- (a) to furnish him, or a person authorised by him, with such information, and
  - (b) to make available to him, or a person authorised by him, for inspection their accounts and such other documents,
- as he may reasonably require for that purpose.

## **11 Research**

A funding agency may carry out or commission such research as they consider appropriate with a view to improving—

- (a) the training of teachers, or
- (b) the standards of teaching.