



Education Act 1996

1996 CHAPTER 56

PART II

SCHOOLS MAINTAINED BY LOCAL EDUCATION AUTHORITIES

CHAPTER III

FUNDING OF VOLUNTARY SCHOOLS

Financial assistance by Secretary of State for aided and special agreement schools

65 Grants in respect of expenditure on premises or equipment

- (1) The Secretary of State may—
 - (a) in the case of any aided school or special agreement school, or
 - (b) where proposals have been approved under section 43 for a school or proposed school to be maintained as a voluntary school and the Secretary of State has made an order under section 48 directing that the school is to be an aided school,make grants to the governing body in respect of qualifying expenditure incurred by them.
- (2) In subsection (1) “qualifying expenditure” means expenditure in respect of the provision, alteration or repair of premises or equipment for the school or proposed school.
- (3) The amount of any grant paid under this section to the governing body in respect of any such expenditure—
 - (a) shall not exceed 85 per cent. of the expenditure, and
 - (b) in the case of any prescribed class or description of such expenditure, shall be such as may be determined in accordance with regulations.

Status: This is the original version (as it was originally enacted).

- (4) The times at which, and the manner in which, payments are made in respect of grant under this section shall be such as may be determined from time to time by the Secretary of State.
- (5) Without prejudice to any other duty of his, the Secretary of State shall, in performing functions relating to the exercise of the power under this section to make grants in respect of expenditure on—
- (a) such alterations to school buildings as are referred to in section 59(3)(a), or
 - (b) the repair of school buildings,
- give priority to paying grant in respect of expenditure which is necessary for the performance by governing bodies of their duties; and the amount of any grant paid in the exercise of that power in respect of such expenditure on the repair of school buildings shall be 85 per cent. of the expenditure.
- (6) A governing body to whom any payment is made in respect of grant under this section shall comply with such requirements determined by the Secretary of State as he may from time to time impose.
- (7) Such requirements—
- (a) may be imposed on, or at any time after, the making of any payment by reference to which they are imposed, and
 - (b) may at any time be waived, removed or varied by the Secretary of State.
- (8) Such requirements may, in particular, if any conditions specified in the requirements are satisfied, require the payment to the Secretary of State of the whole or any part of the following amount.
- (9) That amount is—
- (a) the amount of the payments made in respect of the grant under this section, or
 - (b) so much of the value of any premises or equipment in respect of which grant was paid under this section as is determined in accordance with the requirements to be properly attributable to the payment of such grant,
- whichever is the greater.
- (10) No such requirement as is referred to in subsection (8) may be imposed where any payment is made in respect of grant under this section if—
- (a) the grant is made in respect of the provision, alteration or repair of premises for a school or proposed school, and
 - (b) any freehold interest in the premises in respect of which the grant is made is, or is to be, held on trust for the purposes of the school.
- (11) No grant may be paid under this section—
- (a) in respect of any expenses incurred in the provision of any premises which it is the duty of the local education authority to provide, or
 - (b) in the case of a special agreement school, in respect of expenses incurred in the execution of proposals to which the special agreement relates or of repairs or alterations for the execution of which provision is made by the agreement.
- (12) In relation to a proposed school, the references in this section to the governing body, in relation to any time before such a body are constituted, are to the persons who propose to establish the school; and where requirements are imposed in relation to grant paid under this section to such persons, the requirements shall be complied with by the governing body, when they are constituted, as well as by those persons.

(13) In this section “repair” does not include repair falling within section 59(4).

66 Grants in respect of preliminary expenditure

- (1) The Secretary of State may pay grants to the governing body of an aided or special agreement school in respect of any preliminary expenditure incurred by them for the purposes of a scheme for the transfer of the school to a new site or the enlargement or alteration of the school premises.
- (2) Where any persons propose or are considering whether to propose—
 - (a) that a school established by them, or by persons whom they represent, should be maintained by a local education authority as an aided school, or
 - (b) that a school which may be so established should be so maintained,the Secretary of State may pay grants to them in respect of any preliminary expenditure incurred by them for the purposes of a scheme for the provision of a site for the school or of any buildings which would be school buildings.
- (3) Grants under subsection (1) or (2) may be paid in respect of a scheme such as is mentioned in that subsection whether or not—
 - (a) the details of such a scheme had been formulated at the time when the expenditure was incurred,
 - (b) where such details were not formulated at that time, they are subsequently formulated,
 - (c) the governing body or persons in question had determined to proceed with such a scheme at that time, or
 - (d) where they had not determined to proceed with such a scheme at that time, they subsequently determine to proceed with such a scheme.
- (4) Expenditure in respect of which such grants are payable includes, in particular, costs incurred in connection with—
 - (a) the preparation of plans and specifications for any proposed construction, enlargement or alteration of buildings which are or would be school buildings, and
 - (b) estimating the sums which would be expended if any such works were carried out,but does not include any sums expended in carrying out any such works.
- (5) A grant under subsection (1) or (2) shall not exceed 85 per cent. of the expenditure in respect of which it is paid.
- (6) Where—
 - (a) a grant is paid under subsection (1) in the case of any school, or
 - (b) a grant is paid under subsection (2) in the case of any school which becomes, or is established as, a voluntary school,the grant shall for the purposes of section 173 be treated as expenditure incurred by the Secretary of State (otherwise than in connection with repairs) in respect of the school premises.

Status: This is the original version (as it was originally enacted).

67 Loans in respect of initial expenses

- (1) Where, on the application of the governing body of an aided or special agreement school and after consulting persons representing the governing body, the Secretary of State—
 - (a) is satisfied that the governing body’s share of any initial expenses required in connection with the school premises will involve capital expenditure, and
 - (b) having regard to all the circumstances of the case, considers that that expenditure ought properly to be met by borrowing,he may make a loan to the governing body for the purpose of helping them meet that expenditure.
- (2) The amount, rate of interest and other terms and conditions applicable to the loan shall be such as may be specified in an agreement made between the Secretary of State and the governing body with the consent of the Treasury.
- (3) For the purposes of this section “initial expenses” are expenses of any of the following categories—
 - (a) expenses to be incurred in pursuance of a special agreement;
 - (b) expenses to be incurred in providing school buildings on a site to which the school is to be transferred pursuant to an order under section 47;
 - (c) expenses to be incurred in providing a site or school buildings on a significant enlargement of the school premises or on the transfer of the school to a new site, being expenses in respect of which grants may be paid under section 65;
 - (d) expenses to be incurred in providing a site or school buildings for a new school, being expenses in respect of which grants may be paid under section 65.
- (4) For the purposes of this section the governing body’s share of any initial expenses shall be taken to be so much of the expenses as remains to be borne by the governing body after taking into account the amount of any grant under section 65 or under a special agreement that may be paid or payable in respect of them.