



# Education Act 1996

## 1996 CHAPTER 56

### <sup>F1</sup>PART III

#### GRANT-MAINTAINED SCHOOLS

#### CHAPTER VI

#### FUNDING OF GRANT-MAINTAINED SCHOOLS

#### *Grants: general*

<sup>F1</sup>244 .....

#### Textual Amendments

**F1** S. 244 repealed (1.4.1999) by 1998 c. 31, s. 140(1)(3), Sch. 30, para. 70, Sch. 31 (with ss. 138(9), 144(6)); S.I. 1999/1016, art. 2(1), **Sch. 1** (subject to savings in S.I. 1999/2323, Sch. 7 paras. 2, 5, 6, 10, 12)

#### [<sup>F2</sup>245 **Special purpose grants.**

- (1) Grant regulations may provide for the payment by the funding authority to the governing bodies of grant-maintained schools of grants (known as special purpose grants) in respect of expenditure, of any class or description specified in the regulations, incurred or to be incurred by the governing bodies—
  - (a) for or in connection with educational purposes of any class or description so specified,
  - (b) in making any provision (whether of educational services or facilities or otherwise) of any class or description so specified which appears to the

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- funding authority to be required for meeting any special needs of the population of the area served by the schools in question, or
- (c) in respect of expenses of any class or description so specified, being expenses which it appears to the funding authority the governing bodies of such schools cannot reasonably be expected to meet from maintenance grant.
- (2) Grant regulations may provide for special purpose grants to be payable—
- (a) on a regular basis in respect of expenditure of a recurrent kind, or
- (b) by reference to expenditure incurred or to be incurred on particular occasions or during any particular period.]

#### Textual Amendments

**F2** S. 245 repealed (1.4.1999 for specified purposes and otherwise prosp.) by 1998 c. 31, ss. 140(1)(3), 145(3), Sch. 30, para. 70, **Sch. 31** (with ss. 138(9), 144(6)); S.I. 1999/1016, art. 2(1), **Sch. 1** (subject to savings in S.I. 1999/2323, Sch. 7 paras. 2, 5, 6, 10, 12)

#### Modifications etc. (not altering text)

**C1** S. 245 applied (with modifications) (1.3.1999) by S.I. 1999/274, **reg. 2**

### [<sup>F3</sup>246 Capital grants.

- (1) Grant regulations may provide for the payment by the funding authority to the governing bodies of grant-maintained schools of grants (known as capital grants) in respect of expenditure of a capital nature, of any class or description specified in the regulations, incurred or to be incurred by the governing bodies.
- (2) The descriptions of expenditure which are to be regarded for the purposes of capital grant as expenditure of a capital nature shall be such as may be determined by or in accordance with the regulations.
- (3) Where the governing body of a grant-maintained school include sponsor governors, the funding authority shall, if directed to do so by the Secretary of State, pay capital grant of such amount as may be specified in the directions in respect of such expenditure falling within subsection (1) as is incurred, or to be incurred, by the governing body for such purposes as may be specified in the directions.
- (4) Before giving a direction under subsection (3), the Secretary of State shall consult the funding authority.
- (5) A direction under subsection (3) may not be given after the end of the period of twelve months beginning—
- (a) (in the case of a governing body incorporated in pursuance of proposals for acquisition of grant-maintained status which include sponsor governors on the incorporation date) with that date,
- (b) (in the case of a governing body incorporated in pursuance of proposals for the establishment of a new grant-maintained school which include sponsor governors on the date of implementation of the proposals) with that date, and
- (c) (in any other case) with the date when the instrument of government naming a person as the sponsor of the school came into effect.]

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#### Textual Amendments

- F3** S. 246 repealed (1.4.1999 for specified purposes and otherwise prosp.) by 1998 c. 31, ss. 140(1)(3), 145(3), Sch. 30, para. 70, Sch. 31 (with ss. 138(9), 144(6)); S.I. 1999/1016, art. 2(1), Sch. 1 (subject to savings in S.I. 1999/2323, Sch. 7 paras. 2, 5, 6, 10, 12)

#### Modifications etc. (not altering text)

- C2** S. 246 modified (20.11.1998) by S.I. 1998/2670, reg. 7(1)

### [<sup>F4</sup>247] Imposition of requirements on governing body in receipt of grant.

- (1) A governing body to whom any payments in respect of maintenance grant, capital grant or special purpose grant are made shall comply with such requirements of a kind mentioned in subsection (2) as the funding authority may from time to time impose.
- (2) The kinds of requirements which may be imposed under subsection (1) are—
  - (a) requirements specified in grant regulations as requirements which may be imposed by the funding authority on governing bodies to whom such payments are made, and
  - (b) requirements determined in accordance with grant regulations by the funding authority.
- (3) Requirements imposed under subsection (1)—
  - (a) may be imposed on or at any time after the making of any payment by reference to which they are imposed, and
  - (b) subject to subsection (4), may at any time be varied by the funding authority.
- (4) The power of the funding authority to vary such a requirement—
  - (a) does not apply to a requirement of the kind mentioned in subsection (2)(a), or a requirement required to be imposed by the regulations (by virtue of subsection (9)) or by directions under section 24, unless the Secretary of State has consented to the variation, and
  - (b) is subject, in the case of a requirement of the kind mentioned in subsection (2)(b), to the provisions of the regulations relating to the determination of the requirements that may be imposed in the case of payments in respect of the grant in question.
- (5) Requirements imposed under subsection (1) may at any time be waived or removed by the funding authority with the consent of the Secretary of State.
- (6) The requirements which may be specified in or authorised by grant regulations as requirements which may be imposed on governing bodies to whom payments are made in respect of special purpose grant or capital grant may, in particular, if any conditions specified in the requirements are satisfied, require the payment to the funding authority of the whole or any part of the following amount.
- (7) That amount is—
  - (a) the amount of the payments made in respect of the grant, or
  - (b) so much of the value of any premises or equipment in respect of which the grant was paid as is determined in accordance with the requirements to be properly attributable to the payment of such grant,whichever is the greater.

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- (8) No such requirement as is referred to in subsection (6) may be imposed where any payment is made in respect of capital grant if—
- (a) the grant is made in respect of the provision, alteration or repair of premises for a 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.
- (9) Grant regulations may require the funding authority to impose any such requirements as may be imposed under the preceding provisions of this section.]

#### Textual Amendments

- F4** S. 247 repealed (1.4.1999 for specified purposes and otherwise prosp.) by 1998 c. 31, ss. 140(1)(3), 145(3), Sch. 30, para. 70, **Sch. 31** (with ss. 138(9), 144(6)); S.I. 1999/1016, art. 2(1), **Sch. 1** (subject to savings in S.I. 1999/2323, Sch. 7 paras. 2, 5, 6, 10, **12**)

#### Modifications etc. (not altering text)

- C3** S. 247 modified (20.11.1998) by S.I. 1998/2670, **reg. 7(2)**  
 S. 247 applied (with modifications) (1.3.1999) by S.I. 1999/274, **regs. 3, 4**  
 S. 247 modified (1.4.1999) by S.I. 1999/532, **reg. 5(1)**  
 S. 247: functions transferred (1.4.1999) by S.I. 1999/532, **reg. 4**

### [<sup>F5</sup>248 Grants: further provisions.

- (1) The times at which, and the manner in which, payments are made in respect of—
- (a) maintenance grant for a grant-maintained school in respect of any financial year,
  - (b) special purpose grant, and
  - (c) capital grant,
- shall be such as may be determined from time to time by the funding authority.
- (2) Payments in respect of maintenance grant for a school in respect of any financial year may be made, before any amount has been determined in accordance with grant regulations as the amount of such grant payable for that year in respect of the school, by reference to an estimate of the amount which will be so payable made by the funding authority.
- (3) Where in respect of any financial year an over-payment of maintenance grant is made to the governing body of a school, a sum equal to the amount of that over-payment shall be recoverable from the governing body by the funding authority.
- (4) Where a sum is payable by the governing body of a school to the funding authority—
- (a) in respect of an over-payment of maintenance grant in respect of a financial year, or
  - (b) by way of repayment of special purpose grant or capital grant (whether by virtue of a requirement such as is mentioned in section 247(6) or otherwise),
- the funding authority may (without prejudice to any other mode of recovery) recover the whole or any part of that sum by deducting it from any grant payable by them to the governing body.

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- (5) In this section references to an over-payment of maintenance grant in respect of a financial year are to any amount by which the aggregate amount of any payments in respect of maintenance grant made to the governing body of the school in question in respect of the year exceeds the amount finally determined in accordance with grant regulations as the amount of maintenance grant payable for that year in respect of the school.
- (6) The funding authority shall exercise any power conferred on them by this section, by any of sections 216 and 244 to 247, or by paragraph 6 of Schedule 21 in such manner (if any) as may be specified in or determined in accordance with grant regulations.]

**Textual Amendments**

- F5** S. 248 repealed (1.4.1999 for specified purposes and otherwise prosp.) by 1998 c. 31, ss. 140(1)(3), 145(3), Sch. 30, para. 70, **Sch. 31** (with ss. 138(9), 144(6)); S.I. 1999/1016, art. 2(1), **Sch. 1** (subject to savings in S.I. 1999/2323, Sch. 7 paras. 2, 5, 6, 10, **12**)

**Modifications etc. (not altering text)**

- C4** S. 248 applied (with modifications) (1.3.1999) by S.I. 1999/274, reg. 5  
S. 248 modified (1.4.1999) by S.I. 1999/532, **reg. 6**  
S. 248: functions transferred (1.4.1999) by S.I. 1999/532, **reg. 4**
- C5** S. 248(1)-(4) modified (20.11.1998) by S.I. 1998/2670, **reg. 7(3)**

*Grants: Wales (until establishment of the SFCW)*

[<sup>F6</sup>**249** **Application of sections 250 to 254.**

Before the Schools Funding Council for Wales begin to exercise their functions, sections 250 to 254 shall have effect in relation to grant-maintained schools in Wales in place of sections 244(1) and (3), 245(1), 246(1), 247 and 248.]

**Textual Amendments**

- F6** S. 249 repealed (1.4.1999 for specified purposes and otherwise prosp.) by 1998 c. 31, ss. 140(1)(3), 145(3), Sch. 30, para. 70, **Sch. 31** (with ss. 138(9), 144(6)); S.I. 1999/1016, art. 2(1), **Sch. 1** (subject to savings in S.I. 1999/2323, Sch. 7 paras. 2, 5, 6, 10, **12**)

<sup>F7</sup>**250** .....

**Textual Amendments**

- F7** S. 250 repealed (1.4.1999) by 1998 c. 31, s. 140(1)(3), Sch. 30, para. 70, **Sch. 31** (with ss. 138(9), 144(6)); S.I. 1999/1016, art. 2(1), **Sch. 1** (subject to savings in S.I. 1999/2323, Sch. 7 paras. 2, 5, 6, 10, **12**)

<sup>F8</sup>**251** .....

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**Textual Amendments**

- F8** S. 251 repealed (1.4.1999) by 1998 c. 31, s. 140(1)(3), Sch. 30, para. 70, **Sch. 31** (with ss. 138(9), 144(6)); S.I. 1999/1016, art. 2(1), **Sch. 1** (subject to savings in S.I. 1999/2323, Sch. 7 paras. 2, 5, 6, 10, 12)

**F<sup>9</sup>252** .....

**Textual Amendments**

- F9** S. 252 repealed (1.9.1999) by 1998 c. 31, s. 140(1)(3), Sch. 30 para. 70, **Sch. 31** (with ss. 138(9), 144); S.I. 1999/2323, art. 2(1), **Sch. 1** (with savings in Sch. 7 paras. 2, 5, 6, 10, 12)

**[F<sup>10</sup>253 Imposition of requirements on governing body in receipt of grant.**

- (1) A governing body to whom any payments in respect of maintenance grant or special purpose grants are made shall comply with such requirements of a kind mentioned in subsection (2) as the Secretary of State may from time to time impose.
- (2) The kinds of requirements which may be imposed under subsection (1) are—
  - (a) requirements specified in grant regulations as requirements which may be imposed by the Secretary of State on governing bodies to whom such payments are made, and
  - (b) requirements determined in accordance with grant regulations by the Secretary of State.
- (3) A governing body to whom any payments in respect of capital grant are made shall comply with such requirements determined by the Secretary of State as he may from time to time impose.
- (4) Requirements imposed under subsection (1) or (3)—
  - (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 or removed or, subject to subsection (5), varied by the Secretary of State.
- (5) The power of the Secretary of State to vary such a requirement—
  - (a) does not apply to a requirement of the kind mentioned in subsection (2)(a), and
  - (b) is subject, in the case of a requirement of the kind mentioned in subsection (2)(b), to the provisions of the regulations relating to the determination of the requirements that may be imposed in the case of payments in respect of the grants in question.
- (6) The requirements—
  - (a) which may be specified in or authorised by grant regulations as requirements which may be imposed on governing bodies to whom payments are made in respect of special purpose grant, or
  - (b) which may be imposed by the Secretary of State on a governing body to whom payments in respect of capital grant are made,

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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.

- (7) That amount is—
- (a) the amount of the payments made in respect of the grant, or
  - (b) so much of the value of any premises or equipment in respect of which the grant was paid as is determined in accordance with the requirements to be properly attributable to the payment of such grant,
- whichever is the greater.
- (8) No such requirement as is referred to in subsection (6) may be imposed where any payment is made in respect of capital grant if—
- (a) the grant is made in respect of the provision, alteration or repair of premises for a 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.]

#### Textual Amendments

**F10** S. 253 repealed (1.4.1999 for specified purposes and otherwise prosp.) by 1998 c. 31, ss. 140(1)(3), 145(3), Sch. 30, para. 70, Sch. 31 (with ss. 138(9), 144(6)); S.I. 1999/1016, art. 2(1), Sch. 1 (subject to savings in S.I. 1999/2323, Sch. 7 paras. 2, 5, 6, 10, 12)

#### [<sup>F11</sup>254 Grants: further provisions.

- (1) The times at which, and the manner in which, payments are made in respect of—
- (a) maintenance grant for a grant-maintained school in respect of any financial year,
  - (b) special purpose grants, and
  - (c) capital grants,
- shall be such as may be determined from time to time by the Secretary of State.
- (2) Payments in respect of maintenance grant for a school in respect of any financial year may be made, before any amount has been determined in accordance with grant regulations as the amount of such grant payable for that year in respect of the school, by reference to an estimate of the amount which will be so payable made by the Secretary of State.
- (3) Where in respect of any financial year an over-payment of maintenance grant is made to the governing body of a school, a sum equal to the amount of that over-payment shall be recoverable from the governing body by the Secretary of State.
- (4) Where a sum is payable by the governing body of a school to the Secretary of State—
- (a) in respect of an over-payment of maintenance grant in respect of a financial year, or
  - (b) by way of repayment of special purpose grant or capital grant (whether by virtue of a requirement such as is mentioned in section 253(6) or otherwise),
- the Secretary of State may (without prejudice to any other mode of recovery) recover the whole or any part of that sum by deducting it from any grant payable by him to the governing body.

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(5) In this section references to an over-payment of maintenance grant in respect of a financial year are to any amount by which the aggregate amount of any payments in respect of maintenance grant made to the governing body of the school in question in respect of the year exceeds the amount finally determined in accordance with grant regulations as the amount of maintenance grant payable for that year in respect of the school.]

**Textual Amendments**

**F11** S. 254 repealed (1.4.1999 for specified purposes and otherwise prosp.) by 1998 c. 31, ss. 140(1)(3), 145(3), Sch. 30, para. 70, **Sch. 31** (with ss. 138(9), 144(6)); S.I. 1999/1016, art. 2(1), **Sch. 1** (subject to savings in S.I. 1999/2323, Sch. 7 paras. 2, 5, 6, 10, **12**)

*Loans*

<sup>F12</sup>**255** .....

**Textual Amendments**

**F12** S. 255-258 repealed (1.4.1999) by 1998 c. 31, s. 140(1)(3), Sch. 30, para. 70, **Sch. 31** (with ss. 138(9), 144(6)); S.I. 1999/1016, art. 2(1), **Sch. 1** (subject to savings in S.I. 1999/2323, Sch. 7 paras. 2, 5, 6, 10, **12**)

*Recovery from local funds*

<sup>F13</sup>**256** .....

**Textual Amendments**

**F13** S. 255-258 repealed (1.4.1999) by 1998 c. 31, s. 140(1)(3), Sch. 30, para. 70, **Sch. 31** (with ss. 138(9), 144(6)); S.I. 1999/1016, art. 2(1), **Sch. 1** (subject to savings in S.I. 1999/2323, Sch. 7 paras. 2, 5, 6, 10, **12**)

<sup>F14</sup>**257** .....

**Textual Amendments**

**F14** S. 255-258 repealed (1.4.1999) by 1998 c. 31, s. 140(1)(3), Sch. 30, para. 70, **Sch. 31** (with ss. 138(9), 144(6)); S.I. 1999/1016, art. 2(1), **Sch. 1** (subject to savings in S.I. 1999/2323, Sch. 7 paras. 2, 5, 6, 10, **12**)

<sup>F15</sup>**258** .....



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**Textual Amendments**

**F15** S. 255-258 repealed (1.4.1999) by 1998 c. 31, s. 140(1)(3), Sch. 30, para. 70, **Sch. 31** (with ss. 138(9), 144(6)); S.I. 1999/1016, art. 2(1), **Sch. 1** (subject to savings in S.I. 1999/2323, Sch. 7 paras. 2, 5, 6, 10, 12)

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