



School Condition Allocations Grant Conditions 2016-17

Introduction:

1. Payment and use of the School Condition Allocation grant shall be subject to the specific conditions and requirements relating to this grant as set out in, or referred to in, this Grant Conditions document.
2. In using the grant, multi-academy trusts (MATs) and sponsors of groups of academy trusts will also need to ensure they comply with the general operational framework set out in the Funding Agreements for their academies; and with the responsibilities and requirements relating to academy trusts' financial governance and management as set out in the Academies Financial Handbook.
3. MATs and sponsors will also need to comply with any further conditions and requirements that the Secretary of State may, from time to time, specify.

Purpose of the School Condition Allocation capital grant:

4. This grant will be paid by the Secretary of State pursuant to Section 14 of the Education Act 2002 for the purpose of keeping academy buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency and health and safety issues.
5. The grant must be used exclusively for capital expenditure in support of the above purposes. If there is any doubt about whether expenditure can be classified as capital expenditure meeting the above purposes, and can therefore be funded from this grant, the MAT or sponsor should seek local advice (e.g. from auditors).
6. The grant allocation does not include funding for VAT. Any VAT paid on projects can usually be reclaimed under provisions in the VAT Act 1994 as amended by The Finance Act 2011. No additional grant will be made available to cover unrecoverable VAT.

General terms and conditions:

7. The Department will make an allocation of grant available to the MAT or sponsor. Details of the methodology used to calculate the allocation are set out in an explanatory note at <https://www.gov.uk/government/publications/capital-allocations>.

Which academies the grant can be spent on:

8. The MAT or sponsor must ensure that any grant allocated to it is only used in respect of academies which (i) have entered into a Funding Agreement with the Secretary of State and (ii) have at least one planned year-group present at that academy.
9. Grant allocated to sponsors, in respect of their academies in different academy trusts, must only be used on those academies for which the allocation was made, specifically where:
 - a. The sponsor is listed as the 'principal sponsor', 'lead sponsor' or 'sponsor' in section 1 of the articles of association; or
 - b. The trust or company's name in section 2 of the articles is the name of the academy sponsor; or
 - c. The sponsor has majority influence on an academy trust either as a founding member of the trust or as appointed members in section 12 of the articles. Academies that are part of a dioceses' sponsor-led chain must be linked through either (a) or (b) and not only through (c).

How the grant can be used:

10. The MAT or sponsor can allocate the grant to projects across its academies in a manner of its own choosing and in accordance with its own priorities. We would expect MATs/sponsors to have sensible basis for using the grant provided. In accordance with good practice, this could include developing a capital management plan.
11. Where it has any concerns, the Department or its representatives reserve the right to request information on how the MAT or sponsor intends to use its grant, before considering whether any payments of the grant are made or whether any other conditions need to be imposed. For example, if the Department has concerns about the financial or operational management of the MAT/sponsor, it reserves the right to request information on the intended use of the grant funding before making any payments to the MAT/sponsor.
12. The Department or its representatives will be entitled to make representations to the MAT/ sponsor on their intended use of the capital grant. The representations may cover, for example only, the scope and the timing of works to be funded. After reviewing this information, the Department or its representatives reserve the right to stipulate alternative grant payment arrangements to the standard payment profile and/or additional terms and conditions. This could include, for example only, quarterly payments on submission of claims or further work on the plans.
13. The Department also reserves the right to recover or withhold any grant where it objects to the intended use of the capital grant by the MAT or sponsor, having considered all the relevant circumstances and taking into account any representations from the MAT or sponsor.

When the grant can be used:

14. The capital grant should be spent by the end of the financial year in which it has been paid (31 March). Any funding unspent at the end of the year may be subject

to recoupment by the Department. Any decision to recoup grant will be made at the sole discretion of the Secretary of State.

Other grant conditions:

15. The grant may be used alongside other sources of funding, as the MAT or sponsor deems appropriate, where this will support their priorities for using the grant and be within the purpose of this grant.
16. If any project is dependent on third party sources of funding, the MAT or sponsor must take appropriate action to ensure that such third party funding will be received and applied to the project, to allow this grant to be used in accordance with these terms and conditions. The Secretary of State or her representatives will not play any role in supporting the MAT or sponsor in securing such third party funds. If the project is not completed due to the shortage of third party funding, the whole of the School Condition Allocation grant spent, to date, on this project may be subject to recoupment (either in full or in part) at the sole discretion of the Secretary of State.
17. The payment of the grant or the Departmental review of plans for using it does not imply Secretary of State consent for any land transactions (including acquisitions, sales, leases, etc.) required to deliver, or contribute funds for, the proposed projects. The MAT or sponsor will be required to seek such consent separately, as necessary. The MAT or sponsor is also solely responsible for its compliance with its statutory obligations (such as the requirement to seek planning consent) and securing any necessary statutory approvals required to deliver the agreed capital projects.
18. The Department and/or its representatives will not provide additional funding to the MAT or sponsor to rectify substandard work, or to pay for the impact of late delivery or cost overruns howsoever due, relating to projects funded through the capital grant.

Accountability and Assurance:

19. The grant will normally be paid to the MAT or sponsor in nine equal instalments from May to January. Payments are scheduled to be in bank accounts on or around 20th of the month.
20. The MAT or sponsor agrees to respond to all requests for information from the Department or its representatives, within any period prescribed by the Department, and to supplying any documents or other information requested by the Department.
21. Following the financial year end, the Accounting Officer for MATs or, for sponsors, the designated 'accountable officer' who signed the grant conditions, will be required to complete an "End of Financial Year Outturn Certificate". This will confirm that the funds have been used for the purposes provided and spent in accordance with the terms and conditions of grant. The EFA will send the "End of Financial Year Outturn Certificate" following the end of the financial year, pre-

populated with grants made to the MAT or sponsor, with instructions for signature and return within the deadline stated in the certificate.

22. The EFA will also ask, through a data collection exercise, about how the grant has been used to support the MAT's or sponsor's plans for using their grant. These will require the MAT or sponsor to describe how the grant has been used and what projects have been funded. This collection is mandatory and the MATs and sponsors will be required to submit their responses by the deadlines stated in the collection.
23. If the MAT or sponsor does not comply with any of these grant conditions or requests, then the Secretary of State may, by notice in writing, decide to withdraw future eligibility for receiving a direct School Condition Allocation grant and/or may require the MAT or sponsor to repay all or any part of the grant paid.