

1990 No. 549

EDUCATION, ENGLAND AND WALES

**The Education (Grant-maintained Schools)
(Finance) Regulations 1990**

<i>Made</i> - - - -	<i>9th March 1990</i>
<i>Laid before Parliament</i>	<i>9th March 1990</i>
<i>Coming into force</i> -	<i>1st April 1990</i>

In exercise of the powers conferred on the Secretary of State by sections 79, 81 and 232(5) of the Education Reform Act 1988(a) the Secretary of State for Education and Science hereby makes the following Regulations:

**PART 1
GENERAL**

Citation, Commencement and Extent

1.—(1) These Regulations may be cited as the Education (Grant-maintained Schools) (Finance) Regulations 1990 and shall come into force on 1st April 1990.

(2) These Regulations extend to England only.

Interpretation

2.—(1) In these Regulations, except where the context otherwise requires—

“the Act” means the Education Reform Act 1988;

“the 1989 Regulations” means the Education (Grant-maintained Schools) (Finance) Regulations 1989(b); and

“school” means a grant-maintained school (within the meaning of the Act).

(2) The following table shows provisions defining or otherwise explaining expressions used in these Regulations (other than provisions defining or explaining an expression used only in the same regulation or Schedule), references in the second column thereof to sections and regulations being, respectively, references to sections of the Act and regulations of these Regulations—

aggregated budget	section 33(4)(b)
allocation formula	section 38(2)

(a) 1988 c.40.
(b) S.I. 1989/1287.

capital grant	section 79(3)(b)
change in the characteristics of the school	regulation 4(9)
financial year	section 235(1)
former maintaining authority	sections 74(8) and 104(1)(i) and (6)
general schools budget	section 33(4)(a)
incorporation date	section 104(3)
maintenance grant	section 79(1)
relevant expenditure	regulation 5(3)
scheme	section 51(2)(a)
school's budget share	section 51(2)(b)
special purpose grants	section 79(3)(a).

- (3) Unless the context otherwise requires, any reference in these Regulations to—
- (a) a numbered regulation or Schedule is a reference to the regulation or Schedule in these Regulations so numbered, and
 - (b) a numbered paragraph is a reference to the paragraph so numbered in the regulation or Schedule in which the reference appears.

Revocation and Transitional Provisions

3.—(1) The 1989 Regulations are hereby revoked.

(2) Notwithstanding paragraph (1), the 1989 Regulations shall continue to apply for the purposes of—

- (a) determining, apportioning and redetermining the amount of maintenance grant payable by the Secretary of State to the governing body of a school for the financial year ending on 31st March 1990, and
- (b) determining (and revising) the total amount of maintenance grant which the Secretary of State may recover from the former maintaining authority of a school in respect of the financial year ending on 31st March 1990.

(3) Paragraph (1) is without prejudice to the continued operation after 31st March 1990 of the requirements imposed by the Secretary of State on a governing body to whom payments in respect of maintenance grant, capital grant or special purpose grant have been made under the 1989 Regulations.

PART 2 GRANTS

Determination of amount of maintenance grant

4.—(1) This regulation applies for the purpose of determining the amount of maintenance grant payable by the Secretary of State to the governing body of a school for a financial year in respect of which the former maintaining authority are required to prepare a statement under section 42 of the Act, and is subject to regulations 6, 7 and 8.

(2) Subject to paragraphs (3) and (6), the Secretary of State shall determine in relation to the financial year in question an amount which he is satisfied (on the information available to him on a date determined by him and notified by him to the former maintaining authority) is or approximates to an amount which the former maintaining authority could have determined, by the application of their allocation formula in relation to a comparable maintained school covered by their scheme, as such a school's budget share.

(3) Where it appears to the Secretary of State that, in relation to the financial year in question, such a school's budget share so determined would have been determined wholly or mainly by reference to expenditure (whether actual, estimated, notional or

otherwise characterised) for the purposes of that school in a previous financial year, he may determine the amount referred to in paragraph (2)–

- (a) where the school was a grant-maintained school at any time in the previous financial year, by reference to its maintenance grant for that year, adjusted by such amount as the Secretary of State is satisfied is fair and reasonable having regard to, among other things–
 - (i) any increase or decrease in the actual or planned level of spending of the former maintaining authority in respect of the primary or secondary schools, as the case may be, maintained by them occurring during or since the end of the immediately preceding financial year, and
 - (ii) any significant change in the characteristics of the school occurring as aforesaid or which it appears to the Secretary of State will be likely to occur before the end of the financial year in relation to which grant is being determined; or
 - (b) where the school was not a grant-maintained school at any time in the previous financial year, in accordance with regulation 5(2) to (7), save that, in the definition of “relevant schools” in regulation 5(4)(c), for the reference to “section 50” there shall be substituted a reference to “section 42”, and paragraphs (4) to (6) below shall not apply.
- (4)(a) There shall be added to the amount determined in accordance with paragraphs (2) or (3)(a) above an amount which, in relation to that year, the Secretary of State is satisfied (on the information available to him on a date determined by him) represents that proportion of the amount described in sub-paragraph (b) below which corresponds to the proportion which the number of registered pupils at a comparable maintained primary or secondary school, as the case may be, bears to the number of registered pupils at all primary or secondary maintained schools required to be covered by the authority’s scheme, as the case may be.

For the purposes of this sub-paragraph “number of registered pupils” means, in relation to–

- (i) a comparable maintained primary or secondary school, the number determined by the Secretary of State as a number which appears to him to be or to approximate to a number of registered pupils at such a school which could under the authority’s scheme be used in applying the allocation formula under the scheme for initial determination of the school’s budget share for that year, and
 - (ii) all primary or secondary maintained schools required to be covered by the authority’s scheme, the number which appears to the Secretary of State to be or to approximate to the aggregate of the number of registered pupils at each such primary or secondary school, as the case may be, required under the authority’s scheme to be so used.
- (b) The amount referred to in sub-paragraph (a) is that part which the Secretary of State considers is attributable to primary schools (if the school is a primary school) or to secondary schools (if the school is a secondary school) of the amount remaining after deducting from the authority’s general schools budget for the year–
- (i) their aggregated budget for that year;
 - (ii) the authority’s planned expenditure on those heads or items specified in Schedule 3 (except to the extent that such expenditure falls within their aggregated budget);
 - (iii) the authority’s planned expenditure on the provision of school meals, and
 - (iv) any amount appropriated for meeting expenditure in respect of contingencies.
- (5)(a) The sum of the amounts determined in accordance with paragraphs (2) and (4) or (3)(a) and (4), as the case may be, together with such amount (if any) as appears to the Secretary of State to be an amount which the school, had it continued to be maintained by the authority, would have been eligible in accordance with the authority’s scheme to receive in respect of contingencies, and an amount in respect of the provision of school meals calculated by the

application of the formula in sub-paragraph (b) below shall be the amount of maintenance grant payable in respect of the school for the financial year in respect of which the determination under this regulation is made.

(b) The formula referred to in sub-paragraph (a) above is:

$$\frac{(M \times F)}{(P)} + \frac{(S \times G)}{(B)}, \text{ where}$$

M is the number of registered pupils in receipt of free school meals at the school;

F is the total of the authority's planned expenditure for the year in providing meals to pupils in receipt of free school meals at relevant schools;

P is the number of registered pupils in receipt of free school meals at relevant schools;

S is the number of registered pupils at the school who bought meals at the school on a date in the immediately preceding financial year determined by the Secretary of State;

G is the total of the authority's planned expenditure for the year on school meals, other than free school meals, at relevant schools and excluding expenditure to be met from any charges for such meals; and

B is the number of registered pupils at relevant schools who bought meals at those schools on a date in the immediately preceding financial year determined by the Secretary of State.

(c) In this paragraph—

“number of registered pupils” means the number of pupils on a school's register on a date determined by the Secretary of State;

“planned expenditure” means the initial amount appropriated by the authority for meeting expenditure at all relevant schools; and

“relevant schools” means all primary or all secondary schools maintained or formerly maintained by the authority required to be covered by a statement for the year under section 42 of the Act, according as to whether the school is a primary or secondary school.

(6) Where there is not available to the Secretary of State (on a date determined by him and notified by him to the former maintaining authority) sufficient information as will, in his opinion, allow him to determine the amounts referred to in paragraphs (2) to (5), or where precise calculation for the purpose of determining any of those amounts in his opinion would be impracticable, would not significantly affect the amount or would be disproportionately costly having regard to the complexity of the calculation and the likely effect on the amount, the Secretary of State may determine as the amount of maintenance grant payable in respect of the school for the financial year in question such amount as appears to him to be fair and reasonable in the light of the former maintaining authority's scheme having regard to any information which is available to him.

(7)(a) Subject to paragraph (8), references in this regulation to a maintained school are references to a school maintained by the former maintaining authority concerned, and references to a comparable maintained school are references to a maintained county school, any characteristics of which relevant for the purposes of any formula of a kind referred to in paragraph (2) are identical to any such characteristics of the grant-maintained school and are references (in particular) to a school—

(i) the number of registered pupils in each age group at which is identical to the number of such pupils in each age group at the grant-maintained school; and

(ii) any other factors affecting the needs of which (including in particular, the number of registered pupils at the school who have special educational needs and the nature of the special educational provision required to be made for them) are identical to any other factors affecting the needs of the grant-maintained school.

(b) For the purposes of sub-paragraph (a) above the number of registered pupils (and the number of such pupils who have special educational needs) at the

grant-maintained school is that number (in each case) determined by the Secretary of State as a number which appears to him to be or to approximate to a number of registered pupils which could under the authority's scheme have been used in applying the allocation formula under the scheme for initial determination of the school's budget share for the financial year in question, had the school continued to be maintained by the authority.

(8) For the purposes of this regulation, it is to be assumed that there is a comparable maintained school covered by the former maintaining authority's scheme whether or not there is in fact such a school.

(9) References in paragraph (3)(a), regulation 5(5), regulation 6(b) and regulation 8(1), to any change in the characteristics of the school include, in particular, references to any change in the number of registered pupils thereat.

5.—(1) This regulation applies for the purpose of determining the amount of maintenance grant payable by the Secretary of State to the governing body of a school for a financial year other than one in respect of which the former maintaining authority are required to prepare a statement under section 42 of the Act, and is subject to regulations 6, 7 and 8.

(2) The Secretary of State shall determine an amount which he is satisfied represents, in relation to the financial year ending last before the incorporation date, the amount of relevant expenditure incurred by the former maintaining authority in respect of the school.

(3) The reference in paragraph (2) to relevant expenditure is a reference to the amount of expenditure incurred by the authority in that year in respect of the school on the heads or items specified in Schedule 1, but does not include any expenditure on the heads or items specified in Schedule 3.

(4)(a) There shall be added to the amount so determined an amount in respect of the authority's planned expenditure on centrally provided services obtained by applying the formula in sub-paragraph (b) below.

(b) The formula referred to in sub-paragraph (a) above is:

$$\frac{(N \times E)}{(T)} + \frac{(M \times F)}{(P)} + \frac{(S \times G)}{(B)},$$

where

N is the number of registered pupils at the school;

E is the total of the authority's planned expenditure on centrally provided services for the year at relevant schools, other than planned expenditure on school meals;

T is the number of registered pupils at relevant schools; and

M, F, P, S, G and B represent the matters respectively denoted by those letters in regulation 4(5)(b).

(c) In this paragraph,

"expenditure on centrally provided services" means expenditure on the heads or items specified in Schedule 2 but excludes any expenditure on the heads or items specified in Schedule 3;

"number of registered pupils" means the number of pupils on a school's register on a date to be determined by the Secretary of State;

"planned expenditure" means the initial amount appropriated by the authority for meeting expenditure at all relevant schools; and

"relevant schools" means all primary or all secondary schools maintained or formerly maintained by the authority required to be covered by a statement for the year under section 50 of the Act, according as to whether the school is a primary or secondary school.

(5) The amount determined in accordance with paragraphs (2) and (4) may be adjusted by such amount as the Secretary of State is satisfied is fair and reasonable having regard to, among other things—

(i) any increase or decrease in the actual or planned level of spending of the former maintaining authority in respect of the primary or secondary

- schools, as the case may be, maintained by them occurring during or since the end of the financial year ending last before the incorporation date, and
- (ii) any significant change in the characteristics of the school occurring as aforesaid or which it appears to the Secretary of State will be likely to occur before the end of the financial year in relation to which grant is being determined.

(6) The sum of the amounts determined in accordance with paragraphs (2) and (4) shall, subject to any adjustment made in accordance with paragraph (5), be the amount of maintenance grant payable to the governing body of the school for the financial year in respect of which the determination under this regulation is made.

(7) Where there is not available to the Secretary of State (on a date determined by him and notified by him to the former maintaining authority) sufficient information as will, in his opinion, allow him accurately to determine the amounts referred to in paragraphs (2) or (4), or both, he may determine such amount or amounts as appears or appear to him to be fair and reasonable having regard to any information which is available to him, and his determination shall have effect as if determined under paragraph (2) or (4), as the case may be.

6. Notwithstanding the provisions of regulations 4 and 5 but subject to regulations 7 and 8, the Secretary of State may, after consulting the governing body or prospective governing body (as the case may be) of the school and the former maintaining authority, determine the amount of maintenance grant payable by the Secretary of State—

- (a) to the governing body of a school for a financial year in respect of which the former maintaining authority are required to prepare a statement under section 42 of the Act in accordance with the provisions of regulation 5(2) to (7), save that, in the definition of “relevant schools” in regulation 5(4)(c), for the reference to “section 50” there shall be substituted a reference to “section 42”; or
- (b) to the governing body of a school for any financial year, by reference to the school’s maintenance grant for the immediately preceding financial year adjusted by such amount as the Secretary of State is satisfied is fair and reasonable having regard to, among other things—
 - (i) any increase or decrease in the actual or planned level of spending of the former maintaining authority in respect of the primary or secondary schools, as the case may be, maintained by them occurring during or since the end of the immediately preceding financial year;
 - (ii) any significant change in the characteristics of the school occurring as aforesaid or which it appears to the Secretary of State is likely to occur before the end of the financial year in relation to which grant is being determined, and
 - (iii) any difference between the amount of grant in respect of school meals produced by the application of the formula in regulation 4(5)(b) and the amount of such grant which would have been produced in accordance with regulation 3(4)(b) of the 1989 Regulations had that provision applied for the purpose of determining maintenance grant for the financial year in question.

Apportionment of maintenance grant

7. In the case of any school which acquires grant-maintained status otherwise than at the beginning of a financial year, the annual amount of maintenance grant payable to the governing body of the school for the first such year shall be apportioned in accordance with the following formula—

$$\frac{A \times B \times F}{C}$$

where

- A is the number of days in the financial year falling on or after the incorporation date of the school;

- B is the amount of maintenance grant determined in accordance with (as the case may be) regulation 4, 5 or 6;
- C is 365; and
- F bears the value ascribed to it in the Table below according to the incorporation date of the school—

incorporation date 1 April–31 July	F=1.0
incorporation date 1 August–31 December	F=1.015
incorporation date 1 January–31 March	F=1.02.

Adjustments

8.—(1) Where—

- (a) after determining the amount of maintenance grant payable in respect of any school for any financial year (or any part of such a year) in accordance with these Regulations, it appears to the Secretary of State that, by reason of any change in the characteristics of the school or the level of spending by the former maintaining authority, or otherwise, the amount so payable should be revised, or
- (b) the Secretary of State is satisfied that his determination of the amount of maintenance grant in respect of any school for any financial year (or any part of such a year) was made in ignorance of, or was based on a mistake as to, some material fact, or was not in accordance with these Regulations,

he may redetermine the amount of such grant payable in respect of the school for that year (or any part of that year) in accordance with these Regulations and, if the amount so redetermined is different from the amount previously determined, revise his determination accordingly and give notice thereof to the governing body of the school and to the former maintaining authority.

(2) A determination which has been revised in accordance with paragraph (1) may be further revised in accordance with that paragraph and may be so further revised notwithstanding that the Secretary of State is satisfied that the revised determination was not made in accordance with these Regulations.

Requirements which may be attached to payment of maintenance grant

9.—(1) The requirement set out in paragraph 1 of Schedule 4 is specified as a requirement which may be imposed by the Secretary of State on governing bodies to whom payments of maintenance grant are or have been made.

(2) The Secretary of State may determine, for the purposes of the application of section 79(7) of the Act to such governing bodies, any requirement referred to in paragraphs 2 to 4 of Schedule 4.

Capital grants

10. The Secretary of State may pay capital grants in respect of expenditure of a capital nature of a class or description specified in Schedule 5 incurred or to be incurred by the governing body of a school.

Special purpose grants

11.—(1) The Secretary of State may pay special purpose grants in respect of expenditure of any class or description specified in Schedule 6 incurred or to be incurred by the governing body of a school—

- (a) for or in connection with the educational purposes so specified, or
- (b) in respect of any expenses so specified being expenses which it appears to the Secretary of State the governing bodies of schools cannot reasonably be expected to meet from maintenance grant.

(2) Special purpose grants may be paid on a regular basis in respect of expenditure of a recurrent kind or by reference to expenditure incurred or to be incurred on particular occasions or during any particular period.

Requirements which may be attached to payment of special purpose grants

12.—(1) The requirements set out in paragraph 1 of Schedule 4 and paragraph (2) below are specified as requirements which may be imposed by the Secretary of State on governing bodies to whom payments of special purpose grants are or have been made.

(2) The requirements referred to in paragraph (1) are—

- (a) a requirement that any such payment shall be applied for the purpose of defraying expenditure in respect of which it was made and for no other purpose; and
- (b) a requirement that such a payment shall be so applied before a date specified by the Secretary of State.

(3) The Secretary of State may determine for the purposes of the application of section 79(7) of the Act to such governing bodies as are referred to in paragraph (1)—

- (a) any requirement referred to in paragraphs 2 to 4 of Schedule 4;
- (b) any requirement formulated with a view to the Secretary of State satisfying himself that a requirement imposed in accordance with paragraph (2) is being, or has been, complied with including, in particular, requirements as to the furnishing by the governing body of audited statements relating to expenditure in respect of which the grant has been paid together with such accounts, receipts, invoices and other information as he may require in order to verify the same; and
- (c) any requirement as to the repayment, in whole or in part, of payments made to the governing body in respect of such grant if any other requirement imposed by him in accordance with this regulation subject to which the payments were made is not complied with.

PART 3

RECOVERY OF AMOUNTS IN RESPECT OF MAINTENANCE GRANT FROM FORMER MAINTAINING AUTHORITY

Determination of amount to be recovered

13.—(1) Subject to paragraph (2) below, the total amount which the Secretary of State may recover from the former maintaining authority of a school in respect of any financial year beginning on or after 1st April 1990 by virtue of section 81(1) of the Act is the amount determined in accordance with these Regulations as the amount of the maintenance grant payable in respect of the school and financial year in question (as from time to time revised).

(2) The amount which would otherwise fall to be determined in accordance with paragraph (1) above as the total amount recoverable from a former maintaining authority by virtue of section 81(1) of the Act in respect of any school for any financial year may be reduced by an amount not exceeding the amount outstanding in respect of any excess amount recovered from the authority under that section in respect of any previous financial year.

SCHEDULE 1

Regulation 5(3)

HEADS OR ITEMS OF EXPENDITURE FOR THE PURPOSE OF DETERMINING "RELEVANT EXPENDITURE"

The following heads or items of expenditure are to be included when determining "relevant expenditure" for the purposes of regulation 5 except to the extent that any such expenditure falls within any description of expenditure listed in Schedule 3:

- 1. Salaries of, and other costs attributable to, staff employed to work wholly or partly at the school other than staff employed in the provision of school meals.

2. Expenditure on books, stationery and other educational equipment for use at the school.
3. Expenditure on telephones and postage for the purposes of the school.
4. Examination fees incurred in relation to registered pupils at the school.
5. Expenditure relating to the school premises, including in particular--
 - (a) heating and lighting;
 - (b) caretaking and cleaning;
 - (c) rent, rates, non-domestic rates, water rates and charges for the supply of water or the provision of sewerage services;
 - (d) insurance; and
 - (e) repairs and maintenance.
6. Any other expenditure treated by the authority as forming part of the direct costs of the school.

SCHEDULE 2

Regulation 5(4)

HEADS OR ITEMS OF EXPENDITURE ON CENTRALLY PROVIDED SERVICES

Those heads or items of expenditure which constitute expenditure on centrally provided services are all heads or items of expenditure directly or indirectly attributable to primary or secondary schools maintained by the authority, as the case may be, including expenditure on:

- (a) provision of central administrative services, including in particular legal and audit services;
- (b) provision of inspection and advisory services;
- (c) provision of school meals and milk;
- (d) central provision for recurrent expenditure arising from unspecified contingencies;
- (e) provision to meet the costs of redundancy and compensation for premature retirement;
- (f) provision for insurance against losses arising from governors' liabilities, or in respect of the premises or equipment of schools;
- (g) repairs and maintenance costs;
- (h) provision of peripatetic and advisory teachers;
- (i) provision of a kind for which central government grant is payable,

except to the extent that any such expenditure is treated by the authority as expenditure falling within Schedule 1 or is expenditure falling within Schedule 3.

SCHEDULE 3

Regulations 4(4) and
5(3) and (4)

EXCLUDED HEADS OR ITEMS OF EXPENDITURE

The following heads or items of expenditure are excluded for the purpose of determining expenditure on centrally provided services:

- (a) expenditure treated by the former maintaining authority as expenditure of a capital nature;
- (b) expenditure in respect of the repayment of the principal of, the payment of interest on and the discharge of any financial obligation in connection with any loan raised to meet expenditure of a capital nature;
- (c) expenditure which is offset by income received as central government grant in support of specific expenditure;
- (d) expenditure on the following items and on any necessary administrative costs associated therewith:
 - (i) transport of pupils between home and school;
 - (ii) the provision of clothing for pupils;

- (iii) the granting of scholarships, exhibitions, bursaries or other allowances to pupils over compulsory school age, to enable pupils to take advantage of educational facilities without hardship to themselves or their parents;
- (iv) expenditure on education welfare officers and educational psychologists;
- (v) expenditure on additional support provided to schools specifically for pupils with statements of special educational needs in accordance with those statements.

SCHEDULE 4

Regulations 9 and 12

REQUIREMENTS WHICH MAY BE ATTACHED TO PAYMENT OF MAINTENANCE GRANTS AND SPECIAL PURPOSE GRANTS

1. A requirement that the governing body shall secure, so far as their powers extend, that the school is conducted in accordance with any requirements imposed by or under any enactment including, in particular, any imposed by or under the Act or the instrument or articles of government for the school.

2. Requirements with respect to the maintenance of proper accounts including, in particular, requirements as to—

- (a) the appointment by the governing body of a person who will be responsible to them for the administration of their financial affairs;
- (b) the accounting systems and methods to be adopted by the governing body and the form of their accounts and supporting records;
- (c) internal financial controls including, in particular, requirements as to the procedures to be adopted with respect to the receipt and disbursement of money by the governing body; and
- (d) the publication of the governing body's accounts.

3. Requirements as to audit and inspection of the governing body's accounts, including, in particular, requirements as to—

- (a) the procedure to be adopted in appointing and replacing auditors;
- (b) any qualifications the auditors are to possess;
- (c) the duration of auditors' appointments;
- (d) the frequency of audits;
- (e) the functions which are to be performed by the auditors in respect of the school;
- (f) the inspection of accounts and supporting records on request by any person authorised by the Secretary of State; and
- (g) examinations by persons authorised by the Secretary of State or the Comptroller and Auditor General into the economy, efficiency and effectiveness with which the governing body of the school have used their resources in discharging their functions.

4. Such further requirements relating to the conduct of the school's financial affairs as the Secretary of State thinks fit.

SCHEDULE 5

Regulation 10

EXPENDITURE OF A CAPITAL NATURE

1. Expenditure of a capital nature is expenditure on, or in connection with—

- (a) the acquisition, reclamation, improvement or laying out of any land;
- (b) the acquisition, construction, enlargement, improvement, repair or demolition of any building, wall, fence or other structure, or any playground or other hard-standing;
- (c) the laying out of playing fields and other facilities for social activities and physical recreation; or
- (d) the provision of any furniture, plant, machinery, apparatus, vehicles, vessels and equipment;

used or intended to be used for the purposes of a school.

2. In paragraph 1 above "building" includes any fixtures and fittings affixed to a building.

**EXPENDITURE IN RESPECT OF WHICH SPECIAL PURPOSE GRANTS
MAY BE PAID**

1. In this Schedule—

“eligible training” means—

- (a) the training or further training as teachers of persons other than qualified teachers who are employed by the governing body of a school; and
- (b) the further training of any qualified teacher who is employed by the governing body of a school; and

“trainee” means a person undergoing eligible training in respect of whom special purpose grant is being paid under these Regulations.

2. The expenditure in respect of which special purpose grants may be paid is—

- (a) expenditure for or in connection with any of the purposes relevant to schools for which education support grants are for the time being payable by virtue of regulations made under section 1 of the Education (Grants and Awards) Act 1984(a);
- (b) expenditure for or in connection with the training of any teacher or other member of the staff of a school including, in particular, expenditure on—
 - (i) tuition fees, examination fees and residential and other charges payable in respect of eligible training;
 - (ii) travelling, subsistence and other incidental expenses of a trainee;
 - (iii) that part of the remuneration of persons whose employment is necessary to free the trainee for training which relates to the period during which their employment is so necessary; and
 - (iv) the cost of providing (including the provision of premises), planning, co-ordinating, monitoring and evaluating eligible training;

provided that where such costs are incurred for such purposes and for other purposes special purpose grant shall be payable only in respect of such proportion of those costs as is attributable to the provision, planning, co-ordinating, monitoring or evaluation of eligible training;

- (c) expenditure in respect of expenses which it appears to the Secretary of State the governing bodies of schools cannot reasonably be expected to meet from maintenance grant being expenses incurred or to be incurred for or in connection with—
 - (i) any structural survey which the Secretary of State has required to be carried out in respect of any building used for the purposes of the school;
 - (ii) the dismissal (whether by reason of redundancy or otherwise) or for the purpose of securing the resignation of any person who is or was a member of the staff of the school, and the premature retirement of such a person;
 - (iii) any liability of the school in respect of Value Added Tax;
 - (iv) insurance of the school premises; and
 - (v) meeting any urgent need of the school occasioned by circumstances outside the control of the governing body; and
- (d) expenditure of a class or description relevant to schools and for or in connection with the purpose for which grants are for the time being payable by virtue of regulations made under section 210 of the Act(b).

9th March 1990

John MacGregor
Secretary of State for Education and Science

(a) 1984 c.11; see the Education Support Grant Regulations 1984 (S.I. 1984/1098), amended by S.I. 1987/1960 and 1989/2446.

(b) See the Education (Grants) (Travellers and Displaced Persons) Regulations 1990 (S.I. 1990/306).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations revoke and, with modifications, replace the provisions of the Education (Grant-maintained Schools) (Finance) Regulations 1989. The principal changes are to Regulation 4 of the 1989 Regulations.

The Regulations provide for the calculation of the amount of maintenance grant to be paid, and the kinds of capital and special purpose grants which may be paid, by the Secretary of State to the governing bodies of grant-maintained schools established under the provisions of the Education Reform Act 1988.

Maintenance grant is paid to meet expenditure on the normal running costs of the school; capital grant, to meet capital expenditure; and special purpose grant, to meet expenditure incurred on particular educational purposes or expenditure which the governing body could not reasonably be expected to meet out of maintenance grant.

Regulation 4 and Schedule 3 provide for the calculation of a grant-maintained school's maintenance grant where the financial provision made for schools maintained by its former maintaining local education authority is regulated by a financing scheme under section 33 of the 1988 Act. In such cases the amount of maintenance grant comprises 3 elements:

- (1) an amount which the Secretary of State is satisfied is or approximates to an amount which the school could have received under the former maintaining authority's financing scheme had the school continued to be maintained by the authority;
- (2) a proportion determined on a per capita basis of expenditure centrally administered by the former maintaining authority, subject to specified exclusions, and
- (3) amounts in respect of school meals and, where appropriate, contingencies.

Where under the authority's financing scheme amount (1) above would have been determined wholly or mainly by reference to previous expenditure on the school, maintenance grant may be determined by reference to previous expenditure on the school adjusted to take account of relevant changes in circumstances.

Provision is made for the Secretary of State to determine as the amount of grant an amount which appears to him to be fair and reasonable in the light of the former maintaining authority's financing scheme and any information available to him:

- (a) where he has insufficient information to allow him to calculate amounts in accordance with regulation 4 or
- (b) where precise calculation would, in his opinion, be impracticable, would not significantly affect the amount or would be disproportionately costly having regard to the complexity of the calculation and the likely effect on the amount.

Regulation 5 and Schedules 1 to 3 provide for the calculation of maintenance grant for financial years before those to which regulation 4 applies. In such cases maintenance grant comprises an amount which the Secretary of State is satisfied represents the amount of expenditure by the former maintaining authority directly on the school in the last financial year before the school acquired grant-maintained status, plus an amount in respect of planned expenditure centrally administered by the former maintaining authority. These amounts may be adjusted to take account of relevant changes in circumstances. Provision is also made for the Secretary of State to determine as the amount of grant an amount which appears to him to be fair and reasonable having regard to any information which is available to him.

Regulation 6 permits the Secretary of State, after consulting the governing body (or prospective governing body) of the school and the relevant local education authority, to determine maintenance grant for a school, (a) where regulation 4 applies, in accordance with regulation 5, or (b) where the school received maintenance grant in the preceding year, by reference to the previous year's maintenance grant adjusted to take account of relevant changes in circumstances.

Regulation 7 provides for the apportionment of maintenance grant for schools which attain grant-maintained status other than at the beginning of a financial year. Regulation 8 provides for the adjustment of maintenance grant in the light of subsequent changes or to correct errors.

Regulation 10 and Schedule 5 provide for the payment of capital grants. Regulation 11 provides for the payment of special purpose grants for the kinds of expenditure specified in Schedule 6.

Regulations 9 and 12 and Schedule 4 specify requirements, and empower the Secretary of State to determine other requirements, with which governing bodies to whom payments of maintenance grant or special purpose grant are made are to comply.

Section 81(1) of the 1988 Act empowers the Secretary of State to recover from the former maintaining authority sums in respect of the maintenance grant payable for any financial year to the governing body of a grant-maintained school. Regulation 13 specifies as the total amount which may be so recovered the amount of maintenance grant determined in accordance with the Regulations. This amount is subject to adjustment to reflect any excess paid by that authority in previous financial years.