



TERMS AND CONDITIONS OF GRANT FUNDING FOR MULTI-ACADEMY TRUSTS AND SPONSORS IN RECEIPT OF A SCHOOL CONDITION ALLOCATION IN 2017-18

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 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 a Funding Agreement with the Secretary of State and (ii) have at least one planned year-group present at that academy.
9. Where grant is allocated to a sponsor of academies in different academy trusts (sometimes referred to as “chains”) the allocation of grant to each academy must:
 - (i) be to an academy the funding of which is aggregated among the chain and managed by a single accounting officer, and
 - (ii) be to academies in trusts whose accounting officers have agreed with the Department that grant in respect of their trust can be allocated to the sponsor.

Grant so allocated will only be used in accordance with the allocation.

How the grant can be used

10. Subject to paragraphs 8 and 9 above 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 should 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 change the amount of, recover or withhold any grant for any reason at its sole and absolute discretion, for example, but without prejudice to the generality, where there has been a change in the circumstances or structure of the trust, or where it objects to the intended use of the capital grant by the

MAT or sponsor. Before taking such action the Department will consider the relevant circumstances and take into account any representations from the MAT or sponsor.

When the grant can be used

14. The MAT or sponsor may carry over an amount equivalent to 100% of its 2017–18 allocation into the next financial year, 2018–19, but any funding (i) carried over in excess of that amount, or (ii) carried over beyond, or unspent at, the end of 2018–19 will be repaid to the Department unless the Secretary of State decides to the contrary at her sole and absolute discretion.

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 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.



20. 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.
21. 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.
22. 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.

SCHOOL CONDITION ALLOCATION ANNUAL DECLARATION

Multi-academy trust or sponsor or chain name:	
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By accepting this document, the multi-academy trust / sponsor / chain:

- Agrees to use the allocated funding for the purposes of delivering capital projects at those academies described in clauses 8 and 9 and in accordance with these grant conditions for the school condition allocation; and
- Agrees that the grant conditions for the school condition allocation, the relevant provisions of the Funding Agreement(s) and the responsibilities and requirements in the Academies Financial Handbook, constitute the entire agreement between the trust or sponsor and the Secretary of State, relating to the payment of this capital grant; and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral.

The Department will not pay school condition allocation grant if we have not received a signed declaration.

I accept the terms and conditions of the 2017–18 school condition allocation grant	
Signature <i>For MATs, this should be their Accounting Officer. For sponsors/chains, this should be the person designated to be accountable for this grant funding and ensuring compliance with these grant conditions.</i>	
Name <i>(please print)</i>	
Organisation	
Position in organisation	
Date	

Declaration and Signatures

Please print, sign, scan and return this document via the [EFA Enquiry Form](#) by 21 April.