



Department  
for Education

# Condition grants spend guidance

March 2018

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## **Introduction**

This document sets out the purposes of and restrictions around the various types of condition grant. Responsible bodies (RBs) should consult the section below relevant to their RB type, as well as the frequently asked questions.

Unless responsible bodies notify the ESFA otherwise, in writing, by 13 April 2018, we will assume that grant recipients accept and will comply with the terms and conditions attached to the grants that they have been allocated.

## **Purpose of grants and spend period**

Please consult the next section, “Condition grants by type of responsible body”, for details.

## **Frequently asked questions**

### **What is condition funding and who gets it?**

Condition funding is the money we allocate each year to improve and maintain the condition of the school estate (buildings and grounds). We distribute condition funding through different routes.

### **What is the Healthy Pupils Capital Fund?**

£100m of revenue generated from the Soft Drinks Industry Levy has been used for the Healthy Pupils Capital Fund, which is intended to improve access to facilities such as kitchens, dining facilities, changing rooms, playgrounds and sports facilities. The Fund will operate for one financial year only, 2018–19. If you are eligible for School Condition Allocations, you will receive a direct allocation from the Healthy Pupils Capital Fund. This direct allocation is in addition to the normal SCA and will be paid alongside it. Guidance for responsible bodies receiving a direct allocation of the Healthy Pupils Capital Fund is available.

### **The grant is paid in financial years so how should I account for it in academic years?**

You should consult your auditors for advice.

### **Does my particular project fit the definition you've set out?**

We can't give advice on individual projects – you should seek local professional advice.

### **I have had an influx of pupils – will this change my payment?**

No. DFC and SCA are calculated on the basis of the pupil count in the previous January census and Individualised Learner Record (for post-16 institutions). Subsequent changes in the pupil count will not be reflected in the amount allocated. We update the allocations annually to reflect new or closing schools and where a school moves to a new responsible body.

## **My school has moved mid-year – will this change my payment?**

No. Once the allocations are published, we will not generally make further changes for that year unless there has been an error. We update the allocations annually to reflect new or closing schools and where a school moves to a new responsible body.

## **My school converted in the middle of the financial year so why am I not being paid for it?**

We do our best to take account of conversions that take place up to 1 April. For conversions after that point, the SCA will be paid to the school's local authority. There has to be a cut-off point after which funding amounts are fixed so that responsible bodies can have certainty about their budgets.

## **Our MAT is a relatively small one, which means that our SCA allocation is not sufficient. Can I opt out of SCA and apply to CIF?**

No. Enrolment in SCA is automatic.

## **What can I spend my DFC allocation on?**

DFC provides schools with capital funding to address their own priorities. DFC funding can be used for improvements to buildings and other facilities, including ICT, or capital repairs/refurbishment and minor works. If you have doubts about what constitutes capital expenditure for a particular item, you should seek local advice.

## **Can I use some of my DFC funding to enter into leases?**

It can be used for leases as long as those leases are within spending rules and count as capital expenditure. Please seek local advice if you are unsure whether a particular lease counts as capital expenditure.

## **Who makes the decisions on how the money is spent?**

This depends on the source of funds and the school. All schools can decide individually how to spend their DFC. CIF must be spent on the project detailed in the approved bid. Decisions on SCA break down as follows:

- Community, foundation, and voluntary controlled schools – the relevant local authority will decide.

- Voluntary aided schools – the relevant local authority will be responsible for coordinating a discussion of VA partners in the area, who will agree which projects should be taken forward.
- Academies that are members of larger multi academy trusts (MATs) – the MAT will make decisions on how to prioritise its funding

## **I don't think my allocations are acceptable. How can I appeal?**

We announced in February 2015 the methodology that we are using for the 4 years up to 2018–19. However, if you think there has been an error in your allocation, contact us through our [online form](#).

## **Can LAs vary the formula for each school's DFC allocation (e.g. to take account of cash balances)?**

No. LAs should distribute DFC to their schools in accordance with published formulae, as DFC is intended as a school-level allocation.

## **Can schools pool their DFC funding?**

With the agreement of the individual schools that attract the DFC, responsible bodies can pool it. Any pooling arrangements should take account of local circumstances.

## **How should DFC be handled for schools that convert to academies during the financial year?**

The LA should pass on the DFC payments in the normal way, regardless of conversion status. Payments will then be made directly to the academy from the following financial year.

## **How is DFC calculated?**

Please consult the methodology document at <https://www.gov.uk/government/publications/capital-allocations>.

## **Are LAs expected to pay for academies' capital maintenance?**

Academy trusts are funded separately for their maintenance needs, but local authorities and voluntary aided bodies are expected to treat fairly those schools considering conversion and to honour any commitments of capital funding that they have made, in respect of building projects at those schools. In all academy conversions, LAs are

expected to hand over schools in a safe condition, with no urgent health and safety needs.

## **If capital grant is not spent by the spending deadline, will this funding be at risk of clawback?**

Where funding for particular programmes have time limits for achieving expenditure, any grant left unspent is at risk of clawback.

## **Is VAT accounted for in the calculation of LCVAP?**

Yes. Please consult the methodology document.

## **How do academies account for their DFC spending?**

The Academies Accounts Direction sets out how academies should account for government grants. It details the arrangements for preparing audited accounts and the requirements for submitting the accounts to the ESFA. DFC spending will form part of academies' annual audited accounts. We do not require academies to provide separate spending information on DFC to ESFA.

## Condition grants by type of responsible body

### Local authorities (LAs)

Grant	Paid under	Payment	Purpose	Time limit	Assurance activity
School Condition Allocations	Local Government Act 2003, section 31	9 equal instalments May to January	Investment should be prioritised on keeping school buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency, and health and safety issues.	In line with general local government arrangements	As part of the annual capital grant monitoring exercise the S151 will need to confirm the funding has been used for capital purposes.
Devolved Formula Capital	Education Act 2002, section 14	Single payment in July	Funding for individual institutions to maintain their buildings and fund small capital projects, or can be pooled across the LA with the schools' agreement.	3 financial years with year one being the year payment is made	The local authority will need to report expenditure as part of ESFA's annual capital grant monitoring exercise.
Healthy Pupils Capital Fund	Local Government Act 2003, section 31	9 equal instalments May to January	Capital investment in facilities for physical activity, healthy eating, mental health, wellbeing and medical conditions.	In line with general local government arrangements	As part of the annual capital grant monitoring exercise the S151 will need to confirm the funding has been used for capital purposes.



## Academy trusts and chains

Grant	Paid under	Payment	Purpose	Time limit	Assurance activity
School Condition Allocations	Education Act 2002, section 14	4 equal instalments May to August	Investment should be prioritised on keeping school buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency, and health and safety issues.	Consult terms and conditions.	Consult terms and conditions.
Devolved Formula Capital	Education Act 2002, section 14	Single payment in July	Devolved formula capital (DFC) is direct funding for individual institutions to maintain their buildings and fund small-scale capital projects.	3 financial years with year one being the year payment is made	The Academies Accounts Direction sets out how academies should account for government grants. See FAQ section above for more details. We do not require academies to provide separate spending information on DFC to ESFA.
Healthy Pupils Capital Fund	Education Act 2002, section 14	4 equal instalments May to August	Capital investment in facilities for physical activity, healthy eating, mental health, wellbeing and medical conditions.	Consult terms and conditions.	Consult terms and conditions.

## Non-maintained special schools

Grant	Paid under	Payment	Purpose	Time limit	Assurance activity
School Condition Allocations	Education Act 2002, section 14	Single payment in May	Investment should be prioritised on keeping school buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency, and health and safety issues.	31 March of the FY the grant is paid	Recipients of grant are expected to comply with any requests from the ESFA requesting spend information for the grant.

Grant	Paid under	Payment	Purpose	Time limit	Assurance activity
Devolved Formula Capital	Education Act 2002, section 14	Single payment in July	Funding for individual institutions to maintain their buildings and fund small-scale capital projects.	3 financial years with year one being the year payment is made	Recipients of grant are expected to comply with any requests from the ESFA requesting spend information for the grant.
Healthy Pupils Capital Fund	Education Act 2002, section 14	Single payment in May	Capital investment in facilities for physical activity, healthy eating, mental health, wellbeing and medical conditions.	31 March of the FY the grant is paid	Recipients of grant are expected to comply with any requests from the ESFA requesting spend information for the grant.

### Special post-16 institutions

Grant	Paid under	Payment	Purpose	Time limit	Assurance activity
School Condition Allocations	Education Act 2002, section 14	Single payment in May	Investment should be prioritised on keeping school buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency, and health and safety issues.	31 March of the FY the grant is paid	Recipients of grant are expected to comply with any requests from the ESFA requesting spend information for the grant.
Devolved Formula Capital	Education Act 2002, section 14	Single payment in July	Funding for individual institutions to maintain their buildings and fund small-scale capital projects.	3 financial years with year one being the year payment is made	Recipients of grant are expected to comply with any requests from the ESFA requesting spend information for the grant.
Healthy Pupils Capital Fund	Education Act 2002, section 14	Single payment in May	Capital investment in facilities for physical activity, healthy eating, mental health, wellbeing and medical conditions.	31 March of the FY the grant is paid	Recipients of grant are expected to comply with any requests from the ESFA requesting spend information for the grant.

## Sixth-form colleges

Grant	Paid under	Payment	Purpose	Time limit	Assurance activity
Devolved Formula Capital	Education Act 2002, section 14	Single payment in July	Devolved formula capital (DFC) is direct funding for individual institutions to maintain their buildings and fund small-scale capital projects.	3 financial years with year one being the year payment is made	Recipients of grant are expected to comply with any requests from the ESFA requesting spend information for the grant.

## Voluntary aided (VA) bodies

Grant	Paid under	Payment	Purpose	Time limit	Assurance activity
Locally co-ordinated VA programme	School Standards and Framework Act 1998, schedule 3	Scheduled monthly payments to dioceses. Invoice-based claims for other VA schools.	Investment should be prioritised on keeping school buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency, and health and safety issues.	31 March of the FY the grant is paid unless agreed otherwise	Recipients of grant are expected to comply with any requests from the ESFA requesting spend information for the grant.
Devolved Formula Capital	School Standards and Framework Act 1998, schedule 3	Single payment in July	Funding for individual institutions to maintain their buildings and fund small-scale capital projects, or can be pooled across schools with the schools' agreement.	3 financial years with year one being the year payment is made	Recipients of grant are expected to comply with any requests from the ESFA requesting spend information for the grant.
Healthy Pupils Capital Fund	Education Act 2002, section 14	Scheduled monthly payments to dioceses. Invoice-based claims for other VA schools.	Capital investment in facilities for physical activity, healthy eating, mental health, wellbeing and medical conditions.	31 March of the FY the grant is paid unless agreed otherwise	Recipients of grant are expected to comply with any requests from the ESFA requesting spend information for the grant.



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Reference: DFE-00070-2018



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