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STATUTORY INSTRUMENTS

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**1999 No. 274**

**EDUCATION, ENGLAND AND WALES**

**The Education Act 1996 (Special Purpose and Capital Grants) (Modification) Regulations 1999**

<i>Made</i>	- - - -	<i>8th February 1999</i>
<i>Laid before Parliament</i>		<i>8th February 1999</i>
<i>Coming into force</i>	- -	<i>1st March 1999</i>

In exercise of the powers conferred on the Secretary of State by section 144 of the School Standards and Framework Act 1998<sup>(1)</sup>, the Secretary of State for Education and Employment hereby makes the following Regulations:

**Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the Education Act 1996 (Special Purpose and Capital Grants) (Modification) Regulations 1999 and shall come into force on 1st March 1999.

(2) In these Regulations “the 1996 Act” means the Education Act 1996<sup>(2)</sup>.

**Payment of special purpose grants by the Secretary of State**

2. Section 245 of the 1996 Act (special purpose grants) shall apply in relation to the payment of special purpose grant in respect of financial years commencing on or after 1st April 1999 as if, in subsection (1)–

- (a) for references to “the funding authority” there were substituted references to “the Secretary of State”;
- (b) the reference to governing bodies of grant-maintained schools<sup>(3)</sup> included, in relation to the period commencing on 1st September 1999, a reference to schools which immediately before that date were grant-maintained or grant-maintained special schools; and
- (c) the reference in paragraph (c) to maintenance grant were a reference to schools' budget shares within the meaning of Part II of the School Standards and Framework Act 1998.

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(1) 1998 c. 31.

(2) 1996 c. 56.

(3) Sections 245, 247 and 248 apply to grant-maintained special schools and their governing bodies by virtue of regulation 23 of S.I. 1994/653, as substituted by regulation 11 of S.I. 1994/1231 and read with paragraph 1(4) of Schedule 39 to the 1996 Act.

3. Section 247 of the 1996 Act (imposition of requirements on governing body in receipt of grant) shall apply in relation to the payment of special purpose grant in respect of financial years commencing on or after 1st April 1999 as if—

- (a) in subsections (1), (2) and (6) for references to “the funding authority” there were substituted references to “the Secretary of State”;
- (b) for subsection (3)(b) there were substituted—
  - “(b) may at any time be waived or removed or, subject to subsection (4), varied by the Secretary of State.”;
- (c) for subsection (4) there were substituted—
  - “(4) 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.”;
- (d) subsections (5), (8) and (9) were omitted.

**Imposition of requirement on governing body in receipt of special purpose or capital grant**

4. Section 247 of the 1996 Act shall apply in relation to the payment of special purpose grant and capital grant as if there were inserted the following subsection—

- “(8A) 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 or have been 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 or have been made,

may, in cases where such grant has been paid on the basis of assumptions which have, in the opinion of the Secretary of State, proved to be incorrect, require the repayment to the Secretary of State of all or part of the payments made in respect of that grant.”.

5. Section 248(1) and (4) of the 1996 Act (further provisions about grants) shall apply in relation to the payment of special purpose grant<sup>(4)</sup> in respect of financial years commencing on or after 1st April 1999 as if—

- (a) for references to “the funding authority” there were substituted references to “the Secretary of State”; and
- (b) in subsection (4) for “them” there were substituted “him”.

8th February 1999

*Estelle Morris*  
Minister of State,  
Department for Education and Employment

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(4) See S.I. 1998/2670 for modifications of these provisions in relation to the payment of capital grant.

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations modify provisions of the Education Act 1996 so that, in respect of financial years commencing on or after 1st April 1999, the Secretary of State may pay special purpose grant under section 245 of that Act to the governing bodies of schools which are, or were immediately before 1st September 1999, grant-maintained or grant-maintained special schools.

In addition section 247 of the Education Act 1996 is modified so that the Secretary of State can recover payments made in respect of special purpose grant or capital grant in cases where assumptions on the basis of which such grant was paid have, in the opinion of the Secretary of State, proved to be incorrect.

Section 248 of the Education Act 1996 is modified in relation to the payment of special purpose grant by the Secretary of State in respect of financial years commencing on or after 1st April 1999.