



Department  
for Education

# Condition grants spend guidance

March 2023

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## Introduction

The Department for Education allocates funding each year to help maintain and improve the condition of school buildings and grounds. This document sets out the purposes of and restrictions around the various types of condition grant.

In any given financial year, eligible schools can access funding through one of:

- school condition allocations (SCA), with funds paid to eligible bodies responsible for maintaining school buildings
- the condition improvement fund (CIF), a bidding round with funds paid directly to single academy trusts, small multi-academy trusts (MATs), small voluntary aided (VA) bodies and sixth-form colleges

In addition, devolved formula capital (DFC) is allocated for individual schools and other eligible institutions to spend on capital projects that meet their own priorities.

In the 2022-23 financial year we provided a one-off additional £447 million of capital funding to improve buildings and facilities, prioritising energy efficiency. Schools and sixth form colleges that were eligible to receive DFC in 2022-23 were eligible to receive an allocation from this funding.

Individual allocations and details about how allocations have been calculated are published on <https://www.gov.uk/guidance/school-capital-funding>.

## Purpose of grants and spend period

These grants are intended to be used to improve the condition of school buildings. There are different spending restrictions depending on the type of body that the funding is paid to. Please consult the section, 'Condition grants by type of responsible body', for details.

## Grant conditions and assurance

Unless you notify us otherwise, in writing, we will assume that grant recipients accept and will comply with the terms and conditions attached to the grants that they have been allocated. Academy trusts, VA bodies, non-maintained special schools (NMSSs) and special post-16 institutions (SPIs) receiving SCA must sign and return the terms and conditions they have been sent before we will pay funding.

The condition funding grant determination sets out the conditions of grant for payments to local authorities in the 2023 to 2024 financial year. The Secretary of State for Education makes grant determinations under section 31 of the [Local Government Act 2003](#).

Details of assurance activity are set out in the 'Condition grants by type of responsible body' section at the end of this document.

## Guidance on good estate management

The Department has published [guidance on good estate management](#), which sets out the policies, processes and documents that schools, academy trusts and other responsible bodies should consider when managing their estates effectively. You should review the [fundamentals of good estate management](#) and use the [self-assessment tool](#) provided to assess your organisation's approach. Further tools are also available to help you make sure you have the right skills, processes and policies in place.

To manage the estate strategically, you should:

- Develop and agree with its Board an estate vision, strategy and asset management plan;
- Have clear, documented roles and responsibilities, processes and procedures covering: governance, budget and finance, performance management and other data related to the estate, procurement and delivery of projects, and emergency planning;
- Develop policies and procedures that ensure buildings support the provision of a safe environment for children and staff, and comply with all relevant regulations, including, but not limited to, those related to health and safety, fire safety and the control and management of asbestos;
- Understand the estate and maintain it through a prioritised programme of maintenance and building works informed by up to date and costed condition data;
- Ensure a robust and value for money approach to prioritising, planning, procuring and delivering and monitoring projects.

You should also follow the guidance in Managing Asbestos in Schools, which can be found here: <https://www.gov.uk/guidance/asbestos-management-in-schools>.

The department has produced guidance on the identification and management of reinforced autoclaved aerated concrete (RAAC), which is available here: [Reinforced autoclaved aerated concrete: estates guidance - GOV.UK \(www.gov.uk\)](#)

We provide a list of quality-checked, approved buying frameworks that can help responsible bodies get value for money and comply with buying procedures and procurement law. The *Find a Framework* tool along with buying guidance can be found here: <https://www.gov.uk/guidance/buying-for-schools>.

We strongly encourage MATs, in developing their capital plans, to refer to the sustainability and design standards within Annex 2J of the updated School Output Specification 2022 (OS) for guidance. This can be found here: [Technical Annex 2J: Sustainability \(publishing.service.gov.uk\)](#)

## Frequently asked questions

### What sorts of institution are eligible for funding?

School condition funding includes capital allocations for:

- local authorities and local-authority-maintained schools, including maintained nursery schools
- local voluntary-aided bodies and voluntary-aided schools
- academies and large multi-academy trusts (MATs) and sponsors
- sixth-form colleges
- special schools not maintained by the local authority
- special post-16 institutions with eligible students

### What can we spend our school condition allocation on?

These allocations must be spent on capital expenditure. If you are unsure whether a particular cost can be classified as expenditure, you should seek local professional advice. The department cannot provide advice on what counts as capital expenditure.

Allocations are intended to support the condition of school buildings. For SCA, please consult terms and conditions (MATs, VA bodies, NMSSs and SPIs) or your grant determination letter (local authorities) for further detail. We cannot give advice on individual projects – you should seek local professional advice if you need further direction.

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

This depends on the source of funds and the type of institution.

- DFC (and the additional capital allocation provided in 2022-23) – all schools can decide individually
- CIF – must be spent on the project detailed in the approved bid
- SCA – this depends on the type of institution:
  - Community, foundation, and voluntary controlled – the local authority
  - VA school – the relevant VA body
  - Academies in SCA MATs – the MAT
  - NMSSs and SPIs – the proprietor

## **My school has moved between responsible bodies mid-year – will this change the allocation?**

No. Once the final allocations are published, we will not generally make further changes for that year unless we have made an error. Initial notification of SCA allocation is provisional; final SCA will reflect the schools in a responsible body at the start of April 2023. The only exception to this is schools that were eligible to bid into the Condition Improvement Fund (CIF). We notified schools of their eligibility for FY 2023-24 CIF in October 2022. Once a school is CIF eligible, we will not normally change its eligibility for that financial year; this is to avoid schools working on CIF bids that are then not considered. If a school has converted into a CIF-eligible trust but was not invited to bid to CIF, the funding that it attracts will instead be allocated to its previous responsible body.

## **A school academised in the middle of the financial year, will we receive SCA for it?**

Final SCA for 2023-24 will reflect the eligible schools in a responsible body at the start of April 2023. The only exception to this is schools that were eligible to bid into the Condition Improvement Fund (CIF). We notified schools of their eligibility for FY 2023-24 CIF in October 2022. Once a school is CIF eligible, we will not normally change its eligibility for that financial year; this is to avoid schools working on CIF bids that are then not considered. If a school has converted into a CIF-eligible trust but was not invited to bid to CIF, the funding that it attracts will instead be allocated to its previous responsible body.

We do not adjust allocations after the final allocations have been published to reflect schools that have academised or moved between responsible bodies. Any schools that join a responsible body after the start of April 2023 will not be captured within the responsible body's SCA calculation for the 2023-24 financial year.

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

No. Enrolment in SCA is based on a size threshold and is automatic.

## **What can we spend our DFC allocation on?**

DFC provides schools with capital funding to address their own priorities, such as 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 professional advice.

## **Can we use some of our DFC funding to enter into leases?**

Leases may not count as capital expenditure. Please seek local professional advice if you are unsure whether a particular lease counts as capital expenditure and/or is within spending rules.

## **Our school has converted to become an academy– why has the DFC gone to the LA?**

Since DFC is a school-level allocation, DFC payments are made using the latest payment details we have on record for each institution. Sometimes payment details can't be updated in time, but LAs should pass DFC on to schools regardless of conversion status.

## **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 the published allocations, 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.

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

Academy trusts are funded separately for their maintenance needs, but local authorities and VA 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 capital projects at those schools. In all academy conversions, responsible bodies are, at a minimum, expected to hand over schools in a safe condition, with no urgent health and safety needs.

## **What are the rules for carrying spend forward?**

Capital funding is based on financial years (April to March), not academic years. You must spend DFC within 3 financial years, with year one being the financial year payment is made. For SCA, please consult the relevant table, below. MATs, VA bodies, NMSSs and SPIs should also consult their terms and conditions.

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

Where funding for particular programmes has time limits for achieving expenditure, any grant left unspent is at risk of clawback. You must contact the department if you have carried forward SCA in excess of the permitted amount.

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

You should consult your auditors for advice.

## **Is VAT accounted for in the calculation of SCA for VA schools?**

Yes. Please consult the methodology document.

## **How should 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.

## **What if I have a school in the School Rebuilding programme (SRP)?**

Responsible bodies remain responsible for ensuring their buildings are safe and operational and should continue to effectively manage their school estates.

If a school you are responsible for has already been selected for the School Rebuilding Programme, you should consider any investment in buildings due to be replaced or refurbished carefully to minimise nugatory spend, but should ensure buildings remain safe and operational at all times. You should also speak to your SRP contact about any



proposed works on buildings due to be replaced, not least because if SRP works are underway, access to the school site by contractors may need to be co-ordinated by the SRP lead to avoid any health and safety issues arising. If you don't yet have an SRP contact, please email [school.rebuilding@education.gov.uk](mailto:school.rebuilding@education.gov.uk) to discuss.

## Condition grants by type of responsible body (2023-24)

### Local authorities (LAs)

Grant	Paid under	Expected payments	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 June	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 DfE's annual capital grant monitoring exercise.

A condition funding grant determination sets out the conditions of grant for payments to local authorities in the 2023 to 2024 financial year. The Secretary of State for Education makes grant determinations under section 31 of the [Local Government Act 2003](#).

## Academy trusts

Grant	Paid under	Expected payments	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.	A MAT may carry over up to an amount equivalent to 100% of its 2023-24 allocation into 2024-25.	Consult terms and conditions.
Devolved Formula Capital	Education Act 2002, section 14	Single payment in June	Funding for individual institutions to maintain their buildings and fund small-scale capital projects, or can be pooled across academies with the academies' agreement.	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.

## Non-maintained special schools

Grant	Paid under	Expected payments	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	Consult terms and conditions.

Grant	Paid under	Expected payments	Purpose	Time limit	Assurance activity
Devolved Formula Capital	Education Act 2002, section 14	Single payment in June	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 DfE requesting spend information for the grant.

### Special post-16 institutions

Grant	Paid under	Expected payments	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	Consult terms and conditions.
Devolved Formula Capital	Education Act 2002, section 14	Single payment in June	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 DfE requesting spend information for the grant.

## Sixth-form colleges

Grant	Paid under	Expected payments	Purpose	Time limit	Assurance activity
Devolved Formula Capital	Education Act 2002, section 14	Single payment in June	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 DfE requesting spend information for the grant.

## Voluntary aided (VA) bodies<sup>1</sup>

Grant	Paid under	Expected payments	Purpose	Time limit	Assurance activity
School Condition Allocations	School Standards and Framework Act 1998, schedule 3	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.	A VA group may carry over up to an amount equivalent to 100% of its 2023-24 allocation into 2024-25.	Consult terms and conditions.
Devolved Formula Capital	School Standards and Framework Act 1998, schedule 3	Single payment in June	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 DfE requesting spend information for the grant.

<sup>1</sup> Where the body is anything other than the school's governing body, they are acting on the governing body's behalf.



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