
STATUTORY INSTRUMENTS

1998 No. 1759

Education (Northern Ireland) Order 1998

PART VII

FINANCING OF SCHOOLS

CHAPTER I

FINANCING OF SCHOOLS BY BOARDS

Provision by a scheme for determination of budget shares

Calculation of board's aggregated budget

49.—(1) The part of a board's general schools budget for a financial year which is available for allocation to individual schools under a scheme (and as such constitutes the board's "aggregated budget" for the year under the scheme) is the amount remaining after deducting from the amount of the board's general schools budget for the year the amount of any expenditure of the board in the year on excepted heads or items of expenditure.

(2) In paragraph (1) "amount" means an amount determined (and from time to time revised) in accordance with the scheme.

(3) In this Chapter "excepted heads or items of expenditure" means heads or items of expenditure which in accordance with the scheme fall to be left out of account in determining the board's aggregated budget for the year.

Application of the allocation formula

50.—(1) The provision to be included in a scheme for determining the budget share for a financial year of each school required to be covered by the scheme in that year shall require that share to be determined (and from time to time revised) by the application of the allocation formula under the scheme.

(2) For the purposes of this Chapter the "allocation formula" under a scheme is a formula laid down by the scheme for the purpose of dividing among all schools required to be covered by the scheme in any financial year the board's aggregated budget for the year.

(3) In paragraph (2) "formula" includes methods, principles and rules of any description, however expressed.

(4) The allocation formula under a scheme—

- (a) shall include provision for taking into account, in the case of each school required to be covered by the scheme in any financial year, the number and ages of pupils who are, or who the board expects to be, registered at the school on such date or dates (whether before or during that year) as may be determined by or under the scheme;
- (b) shall include provision for taking into account any factors affecting the particular needs of any class or description of school required to be covered by the scheme;

(c) may include provision for taking into account any other factors affecting the needs of individual schools which are subject to variation from school to school (including, in particular, the number of registered pupils at a school who have special educational needs and the nature of the special educational provision required to be made for them).

(5) Notwithstanding anything in any other statutory provision (including any provision of the Education Orders), the allocation formula under a scheme may, in relation to a grammar school having a preparatory department, make special provision for the determination of the budget share of that school in so far as it relates to the preparatory department.

(6) The special provision made by virtue of paragraph (5) may include provision the effect of which is that the budget share of the school, in so far as it relates to the preparatory department, is substantially less than it would have been but for that provision.

(7) In paragraphs (5) and (6) “preparatory department”, in relation to a grammar school, means that part of the school in which primary education is provided.

(8) A scheme shall provide for all amounts relevant to the determination of a school’s budget share under the scheme for a financial year to be determined initially before the beginning of that year.

Premature retirement compensation costs

51.—(1) This Article applies in any financial year if—

- (a) in the case of any board, the board’s financial provision for relevant schools is subject to regulation by a scheme; and
- (b) in accordance with that scheme, premature retirement compensation costs of the board in relation to members of the staff of relevant schools are not included in the board’s aggregated budget for that year.

(2) Premature retirement compensation costs of a board in relation to a member of the staff of a relevant school shall not be met from the budget share of that school, except in pursuance of, and in accordance with the terms of, a direction under paragraph (3).

(3) Where there appears to a board to be good reason to do so in relation to any school, the board may direct that—

- (a) a specified amount shall be deducted from the budget share of the school in any single specified financial year; or
- (b) a specified amount shall be deducted from the budget share of the school in each financial year for such period (not exceeding 10 years) as may be specified, in respect of premature retirement compensation costs of the board in relation to a member of the staff of the school; and in this paragraph “specified” means specified in a direction under this paragraph.

(4) Before giving a direction under paragraph (3) in relation to a Catholic maintained school, the board shall consult the Council for Catholic Maintained Schools.

(5) The amount or (in a case falling within sub-paragraph (b) of that paragraph) the total amount to be deducted from the budget share of a school in pursuance of a direction given under paragraph

(3) in relation to a member of the staff of a school shall not exceed such amount as appears to the board to represent the cost, capitalised as of the date on which the direction is given, of discharging the board’s liability to pay premature retirement compensation to, or in respect of, that member of staff.

(6) In relation to a controlled or maintained school, sub-paragraph (5) of paragraph 7 of Schedule 2 applies for the purposes of paragraph (3) of this Article as it applies for the purposes of sub-paragraph

- (4) of that paragraph.

(7) In this Article—

“member of staff” includes former member of staff;

“premature retirement compensation” means compensation under Parts III and IV of the Teachers' (Compensation for Redundancy and Premature Retirement) Regulations (Northern Ireland) 1991;

“premature retirement compensation costs of a board”, in relation to any person, means the costs incurred or to be incurred by the board in paying premature retirement compensation to, or in respect of, that person.