



Education Act 2002

2002 CHAPTER 32

PART 3

MAINTAINED SCHOOLS

CHAPTER 2

FINANCING OF MAINTAINED SCHOOLS

Determination of budgets

42 Power of Secretary of State to set minimum schools budget

After section 45A of the School Standards and Framework Act 1998 (c. 31) there is inserted—

“45B Power of Secretary of State to set minimum schools budget for LEA

- (1) If it appears to the Secretary of State that, in all the circumstances, the amount proposed in a notice under section 45A(5) as a local education authority’s schools budget for a financial year is inadequate, the Secretary of State may, within the period of fourteen days beginning with the day on which the notice was given, give the authority a notice under subsection (4) or (5).
- (2) If at the end of January in any financial year a local education authority have failed to give the Secretary of State a notice under section 45A(5) in relation to their schools budget for the following financial year, the Secretary of State may, at any time after the end of that January, give the authority a notice under subsection (4) or (5).
- (3) In this section and section 45C “the year under consideration” means the financial year to which the notice under section 45A(5) relates or, in a case

Status: This is the original version (as it was originally enacted).

falling within subsection (2), the financial year in relation to which such a notice ought to have been given.

- (4) A notice under this subsection is a notice determining the minimum amount of the authority's schools budget for the year under consideration.
- (5) A notice under this subsection is a notice which—
 - (a) specifies the amount which the Secretary of State would have determined as the minimum amount of the authority's schools budget for the year under consideration if he had acted under subsection (4), and
 - (b) states the Secretary of State's intention to determine the minimum amount of the authority's schools budget for the following financial year.
- (6) A notice under subsection (4) or (5) must include a statement of the Secretary of State's reasons for giving the notice.
- (7) The Secretary of State may act under different subsections in relation to different authorities.

45C Effect of notice under section 45B(4)

- (1) The local education authority may, within the period of fourteen days beginning with the date of a notice under section 45B(4), give the Secretary of State notice of their objection to his determination, giving reasons for their objection.
- (2) Where the local education authority have given notice of their objection under subsection (1), the notice under section 45B(4) shall cease to have effect, but the Secretary of State may by order prescribe the minimum amount of the authority's schools budget for the year under consideration.
- (3) The amount prescribed under subsection (2) must not be greater than the amount specified in the notice under section 45B(4).
- (4) An order under subsection (2) may relate to two or more authorities.
- (5) No order under subsection (2) may be made in relation to one or more authorities in England unless a draft of the order has been laid before and approved by a resolution of the House of Commons.
- (6) Where—
 - (a) a notice under section 45B(4) has been given to a local education authority and no notice of objection has been given during the period specified in subsection (1), or
 - (b) an order has been made under subsection (2),
 the local education authority shall determine a schools budget for the year under consideration which is not less than the amount specified in relation to the authority in the notice or order.”