

**1990 No. 353**

**EDUCATION, ENGLAND AND WALES**

**The Education (School Financial Statements) (Prescribed Particulars etc.) Regulations 1990**

<i>Made</i>	<i>26th February 1990</i>
<i>Laid before Parliament</i>	<i>28th February 1990</i>
<i>Coming into force</i>	<i>21st March 1990</i>

In exercise of the powers conferred by sections 42(4), (6) and (7) and 232(5) of the Education Reform Act 1988(a), the Secretary of State for Education and Science, as respects England, and the Secretary of State for Wales, as respects Wales, hereby make the following Regulations:

**Citation, Commencement and Interpretation**

1.—(1) These Regulations may be cited as the Education (School Financial Statements) (Prescribed Particulars etc.) Regulations 1990 and shall come into force on 21st March 1990.

(2) In these Regulations—

“the Act” means the Education Reform Act 1988;

“authority” means a local education authority;

“budget statement” means the statement referred to in section 42(3) of the Act;

“factor” in relation to the allocation formula under an authority’s scheme means any circumstance, fact or matter affecting the needs of individual schools and subject to variation from school to school which is to be taken into account in accordance with the allocation formula under the authority’s scheme;

“outturn statement” means the statement referred to in section 42(6) of the Act;

“relevant” in relation to “age” and “age group” means an age or age group separately treated in the allocation formula under an authority’s scheme for the purposes of determining that part of each school’s budget share which is to be determined by reference to numbers of registered pupils, and

“school” means a school required by section 42(3) or (6) of the Act to be covered by a budget statement or an outturn statement as the context may require.

(3) The following table shows provisions of the Act defining or otherwise explaining expressions used in these Regulations—

aggregated budget	section 33(4)(b)
allocation formula	section 38(2)
excepted heads or items of expenditure	section 33(4)(b)(i)
excluded expenditure under an authority’s scheme	section 33(6)(c)
financial year	section 235(1)
general schools budget scheme	section 33(4)(a) section 51(2)(a)
school’s budget share	section 51(2)(b).

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(a) 1988 c. 40. For the expression “prescribed” see section 235(7) of the Education Reform Act 1988 and section 114(1) of the Education Act 1944 (c. 31) and for the transfer of functions to the Secretary of State see S.I. 1964/490, 1970/1536 and 1978/274.

- (4) Unless the context otherwise requires, any reference in these Regulations to—
- (a) a numbered regulation or Schedule is a reference to the regulation or Schedule in these Regulations so numbered, and
  - (b) a numbered paragraph is a reference to the paragraph so numbered in the regulation or Schedule in which the reference appears.

#### **Prescribed Forms of Statements**

2. A budget statement shall be prepared in the four parts specified below—
- (a) Part 1, which shall contain the particulars of and the information with respect to the authority's planned financial provision for all schools for the financial year to which the statement relates specified in section 42(4)(a) and (b) of the Act and regulation 4;
  - (b) Part 2, which shall contain the particulars of and the information with respect to the authority's planned financial provision for each school for the financial year to which the statement relates specified in section 42(4)(e), (f), (g) and (h) and regulation 5;
  - (c) Part 3, which shall contain the particulars of and the information with respect to the allocation formula under the authority's scheme prescribed in regulation 6; and
  - (d) Part 4, which shall contain the information with respect to the budget share of each school for the financial year to which the statement relates prescribed in regulation 7.
3. An outturn statement shall be prepared in the two parts specified below—
- (a) Part 1, which shall contain the information with respect to expenditure actually incurred by the authority for the purposes of all schools in the financial year to which the statement relates prescribed in regulation 8(1), and
  - (b) Part 2, which shall contain the information with respect to expenditure so incurred, or treated by the authority as having been incurred, for the purposes of each school in the financial year to which the statement relates prescribed in regulation 8(2).

#### **Prescribed Particulars and Information for Budget Statements**

4.—(1) There is prescribed for the purposes of section 42(4)(c) of the Act the particulars of amounts deducted from the general schools budget of the authority for the financial year to which the statement relates in arriving at the amount of its aggregated budget for that year set out in Part I of Schedule 1.

(2) There is prescribed for the purposes of section 42(4)(j) of the Act (in addition to the information prescribed in regulations 5(2), 6(2) and 7) the information with respect to the amounts referred to in paragraph (1) and the amount of the authority's aggregated budget for that year set out in Part II of Schedule 1.

5.—(1) There is prescribed for the purposes of section 42(4)(i) of the Act the principal elements of the basis on which the authority determine in the case of each school the amounts referred to in sub-paragraphs (i) and (ii) of that paragraph for the financial year in question.

(2) There is prescribed for the purposes of section 42(4)(j) of the Act the information set out in sub-paragraphs (a) and (b) below with respect to the authority's planned financial provision for each school for the financial year in question—

- (a) each school's budget share;
- (b) the aggregate of the amounts of expenditure referred to in section 42(4)(h) of the Act; and
- (c) in the case of a school required to be covered by a budget statement for part only of the financial year to which the statement relates, the methods used by the authority to apportion that school's budget share for the period for which the school is required to be covered by the statement.

6.—(1) There is prescribed for the purposes of section 42(4)(d) of the Act a statement of each factor included in the allocation formula under the authority's scheme as that scheme applies in respect of the financial year in question.

(2) There is prescribed for the purposes of section 42(4)(j) of the Act the information with respect to the application in the financial year in question of the allocation formula under the authority's scheme specified in Schedule 2.

7. There is prescribed for the purposes of section 42(4)(j) of the Act the information with respect to the budget share of each school for the financial year in question specified in Schedule 3.

#### **Prescribed Particulars for Outturn Statements**

8.—(1) There is prescribed for the purposes of section 42(6)(a) of the Act a statement of the amount of expenditure actually incurred by the authority in that year for the purposes of all schools expressed (as cash sums or percentages, as the case may be) by reference to categories corresponding to each of the matters required by regulation 2(a) to be contained in Part 1 of a budget statement.

(2) There is prescribed for the purposes of section 42(6)(b) of the Act the following information in respect of each school—

- (a) the total amount of expenditure actually incurred in that year for the purposes of the school, net of any amount treated by the authority as income attributed to the school;
- (b) the amount (if any) of excluded expenditure under the authority's scheme in respect of contingencies occurring during the year;
- (c) the aggregate of the amounts of expenditure on excepted heads or items of expenditure and excluded expenditure under the authority's scheme other than the amount referred to in sub-paragraph (b) above;
- (d) the amount of any increase or decrease in the course of the financial year in the school's budget share resulting from an increase or decrease in the course of that year in the amount of the authority's general schools budget;
- (e) the amount to be carried forward to the following financial year of any surplus or deficit in the school's budget share for that or any previous financial year, and
- (f) the amount brought forward from the previous financial year of any surplus or deficit in the school's budget share in any previous financial year.

#### **Prescribed Manner and Time of Publication of Budget and Outturn Statements**

9. For the purposes of section 42(7) of the Act, every budget statement and every outturn statement shall be published by—

- (a) furnishing a copy to the Secretary of State for Education and Science, and
- (b) making a copy available for reference by parents and other persons at all reasonable times and without charge at—
  - (i) each education office of the authority, and
  - (ii) each public library in the area of the authority.

10.—(1) A budget statement shall be published before the beginning of the financial year to which it relates, save that a budget statement for the financial year beginning on 1st April 1990 shall be published before 1st May 1990.

(2) An outturn statement shall be published before 1st November next following the end of the financial year to which the statement relates.

## PART I

The following are the particulars of amounts deducted from the general schools budget of the authority in arriving at its aggregated budget prescribed by regulation 4(1):

1. The amount of planned expenditure on each excepted head or item of expenditure.
2. The amount of planned expenditure on each head or item of excluded expenditure under the authority's scheme, the amount of which (together with the amount of any other such head or item) is not subject to a limit in accordance with the authority's scheme or any condition imposed by the Secretary of State in approving its scheme.
3. The aggregate of the planned expenditure referred to in paragraphs 1 and 2.
4. The amount of planned expenditure on each head or item of excluded expenditure under the authority's scheme the amount of which (together with the amount of any other such head or item) is subject to a limit in accordance with the authority's scheme or any condition imposed by the Secretary of State in approving its scheme.
5. The aggregate of the planned expenditure referred to in paragraph 4.
6. The aggregate of the sums referred to in paragraphs 3 and 5.

## PART II

The information prescribed by regulation 4(2) with respect to the amounts referred to in Part I above and the amount of the authority's aggregated budget is:

7. The amount of the authority's aggregated budget expressed as a percentage of its general schools budget.
8. The amount referred to in paragraph 3 expressed as a percentage of the authority's general schools budget.
9. The amount referred to in paragraph 5 expressed as a percentage of the authority's general schools budget.
10. The amount referred to in paragraph 6 expressed as a percentage of the authority's general schools budget.
11. The amounts deducted from the authority's general schools budget in arriving at its aggregated budget which correspond to the following descriptions of expenditure (including in the case of each such amount any administrative costs or overheads attributable to that description of expenditure)—
  - (a) expenditure treated by the authority as expenditure of a capital nature;
  - (b) expenditure, so far as taken into account in determining the authority's general schools budget, in respect of the repayment of the principal of, the payment of interest on and the discharge of any other financial obligation in connection with any loan raised to meet expenditure of a capital nature;
  - (c) expenditure on the provision of transport for pupils between home and school;
  - (d) expenditure in respect of the costs directly or indirectly attributable to schools of compensation and redundancy payments for staff who retire prematurely;
  - (e) expenditure on additional support provided to schools specifically for pupils with statements of special educational needs in accordance with those statements;
  - (f) expenditure on services provided by educational psychologists;
  - (g) expenditure on services provided by education welfare officers;
  - (h) expenditure on the provision of clothing for pupils;
  - (i) expenditure on the granting of scholarships, exhibitions, bursaries or other allowances to pupils over compulsory school age, to enable pupils to take advantage of educational facilities without hardship to themselves or their parents;
  - (j) expenditure which is offset by income received as central government grant in support of specific expenditure;
  - (k) that part of the expenditure on heads or items not offset by such grant where part of the expenditure on those heads or items is so offset;
  - (l) expenditure on the provision of school meals and milk which is offset by income received in respect of such provision;
  - (m) expenditure on the provision of school meals and milk which is not so offset;
  - (n) expenditure in respect of contingencies occurring during the year, and
  - (o) expenditure on all other items deducted from the authority's general schools budget in arriving at its aggregated budget.

## SCHEDULE 2

### Regulation 6

The information prescribed by regulation 6(2) with respect to the application in the financial year in question of the allocation formula under the authority's scheme is:

1. In respect of that part of the amount of each school's budget share to be determined in accordance with the authority's scheme by reference to the numbers and ages of registered pupils at the school—
  - (a) the amount of expenditure attributed to each registered pupil of each relevant age or falling within each relevant age group;
  - (b) the number of pupils treated in accordance with the authority's scheme for the purposes of applying the allocation formula under its scheme as the total number of pupils of each relevant age or falling within each relevant age group;
  - (c) the amounts of expenditure produced by multiplying each of the amounts referred to in sub-paragraph (a) above by the respective number referred to in sub-paragraph (b) above;
  - (d) the aggregate of the amounts referred to in sub-paragraph (c) above, and
  - (e) the amount referred to in sub-paragraph (d) above expressed as a percentage of the authority's aggregated budget.
2. In respect of that part of the amount of each school's budget share to be so determined otherwise than as mentioned in paragraph 1 above—
  - (a) where the allocation formula so provides—
    - (i) the amount or amounts (as the case may be) of expenditure attributable to each unit of measurement adopted for each factor included in the allocation formula;
    - (ii) the number of such units in respect of each such factor in all schools;
    - (iii) the amounts of expenditure produced by multiplying each of the amounts referred to in sub-paragraph (i) above by the respective number referred to in sub-paragraph (ii) above;
  - (b) where the allocation formula does not so provide, the amount of expenditure in respect of each such factor for the purposes of all schools, and
  - (c) the aggregate of the amounts referred to in sub-paragraph (a) or (b) above.

## SCHEDULE 3

### Regulation 7

The information prescribed by regulation 7 with respect to each school's budget share is:

1. In respect of that part of the amount of the school's budget share to be determined in accordance with the authority's scheme by reference to the numbers and ages of registered pupils at the school—
  - (a) the amount of expenditure attributed to each registered pupil of each relevant age or falling within each relevant age group;
  - (b) the number of registered pupils at the school of each relevant age or falling within each relevant age group;
  - (c) the amounts of expenditure produced by multiplying each of the amounts referred to in sub-paragraph (a) above by the respective number of registered pupils referred to in sub-paragraph (b) above, and
  - (d) the aggregate of the amounts referred to in sub-paragraph (c) above.
2. In respect of that part of the amount of the school's budget share to be so determined otherwise than as mentioned in paragraph 1 above—
  - (a) where the allocation formula so provides—
    - (i) the amount or amounts (as the case may be) of expenditure attributable to each unit of measurement adopted for each factor included in the allocation formula;
    - (ii) the number of such units in respect of each such factor in the school;
    - (iii) the amounts of expenditure produced by multiplying the amounts referred to in sub-paragraph (i) above by the respective number referred to in sub-paragraph (ii) above;
  - (b) where the allocation formula does not so provide, the amount of expenditure in respect of each such factor for the purposes of the school together with a brief statement of the basis on which the authority have determined each such amount, and
  - (c) the aggregate of the amounts referred to in sub-paragraph (a) or (b) above.

26th February 1990

*John MacGregor*  
Secretary of State for Education and Science

26th February 1990

*Peter Walker*  
Secretary of State for Wales

## EXPLANATORY NOTE

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

Section 42 of the Education Reform Act 1988 requires local education authorities whose financial provision for county and voluntary schools maintained by them is subject to regulation by a scheme made under section 33 of that Act to prepare before the beginning of each financial year a statement of the financial provision they plan to make for those schools in that year (a "budget statement") and after the end of each financial year a statement of the expenditure actually incurred for the purposes of those schools in that year (an "outturn statement").

Subsection (4) of section 42 specifies certain particulars of the amount appropriated for such schools to be included in a budget statement and requires the inclusion of such other particulars and information as are prescribed by regulations. Subsection (6) of that section requires an outturn statement to contain such information as is prescribed by regulations. Subsection (7) of that section requires a statement to be prepared in such form, and to be published in such manner and at such times as are prescribed by regulations.

These Regulations prescribe the form in which budget and outturn statements are to be prepared (regulation 2); the particulars and information additional to that specified by section 42 which are to be contained in budget statements (regulations 4 to 7 and Schedules 1 to 3); the information to be contained in outturn statements (regulation 8); the manner in which budget and outturn statements are to be published (regulation 9) and the times by which such statements are to be so published (regulation 10).

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