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## EXPLANATORY NOTE

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

These Regulations, which apply to grant-maintained schools situated in England, replace the provisions of the Education (Grant-maintained Schools) (Finance) Regulations 1992. The main changes are in regulation 8 (percentage addition); regulation 15 (relevant date); regulation 17 (adjustments to maintenance grant); and regulation 18 (information to be used in redetermining maintenance grant). The details of these and other changes are set out below.

Part 2 of the Regulations makes provision with respect to the determination of the amount of maintenance grant to be paid to the governing body of a school for any financial year. Under regulation 4, maintenance grant comprises 3 or 4 elements:

(1) an amount in respect of a comparable maintained school's budget share (regulations 5 and 7) or, alternatively, an amount calculated in accordance with regulation 6;

(2) an amount which is equal to a percentage of the amount referred to in paragraph (1) above (regulation 8) ("percentage addition");

(3) an amount in respect of the provision of school meals, and, where appropriate, amounts in respect of the provision of education to junior pupils who have not attained the age of five years and in respect of contingencies (regulation 10); and

(4) where applicable, an amount in respect of the school's budget share for any financial year in which it was maintained by a local education authority and had a delegated budget in respect of which either sums were not made available or were not spent by the governing body in exercise of their powers under section 36(5) of the Education Reform Act 1988 (regulation 11).

Regulation 6 applies to schools which become grant-maintained on a date preceding the commencement of the financial year in respect of which maintenance grant is to be determined. In such a case the Secretary of State may, instead of determining an amount under regulation 5, calculate an amount by taking the amount determined in respect of the school in the financial year in which the school's incorporation date fell, and adjusting it by such amount as appears to him to be fair and reasonable. The regulation requires the Secretary of State to consult the former maintaining authority and the governing body of the school before adopting this method of calculating maintenance grant. Consultation is not required where it appears to the Secretary of State that a comparable maintained school's budget share under regulation 5 would have been determined wholly or mainly by reference to expenditure for the purposes of that school in a previous financial year.

Regulation 8 requires the Secretary of State to determine as the percentage addition the "relevant percentage" of the amount determined in respect of the school under (as the case may be) regulation 5, 6 or 7. The "relevant percentage" is the greater of the percentages for the school determined in accordance with the table in paragraph 4 of Schedule 1 or by the Secretary of State in accordance with the provisions of paragraph 5 of that Schedule (which replicate regulation 10(3) and (4) of the 1992 Regulations).

Regulation 9 ensures that the amount determined as a percentage addition is not less than the amount determined under the 1992 Regulations.

Under regulation 12, the Secretary of State may determine as the maintenance grant for a school whose incorporation date falls in the financial year in respect of which the determination is made, an amount which is the sum of the amounts determined in accordance with regulations 13(1) and 14 rather than an amount determined in accordance with regulation 4. Before doing so, however,

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he is required to consult the former maintaining authority and the governing body or prospective governing body of the school.

Regulation 15 provides that any amount required to be determined by the Secretary of State under Part 2 of the Regulations is to be determined by him on the information available to him on the relevant date. Under regulation 15 the relevant date is either the 31st March immediately preceding the financial year in respect of which the determination of maintenance grant is made, or such other date as may be determined by the Secretary of State in the case in question.

Regulation 17 provides for the adjustment of maintenance grant in the light of subsequent changes or to correct errors. It also provides for the adjustment of maintenance grant where it appears to the Secretary of State that, by reason of any extraordinary circumstances, the amount of maintenance grant is insufficient to enable the governing body of the school adequately to carry out their functions with respect to the conduct of the school. Regulation 18 makes provision with respect to the information to be taken into account by the Secretary of State on making a redetermination of the amount of maintenance grant.