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STATUTORY INSTRUMENTS

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**2000 No. 478**

**The Financing of Maintained  
Schools (England) Regulations 2000**

**PART II**

**LOCAL AND INDIVIDUAL SCHOOLS BUDGET**

**Local schools budget**

**3.—**(1) The classes or descriptions of local education authority expenditure specified in sub-paragraphs (a) and (b) below are hereby prescribed for the purposes of section 46(1) of the 1998 Act and the determination of a local education authority's local schools budget subject to the exceptions in regulation 4—

- (a) expenditure incurred in connection with the authority's functions in relation to the provision of primary and secondary education; and
- (b) expenditure on items listed in paragraph 27(a) to (d) and (r) to (t) of Schedule 1 in so far as such expenditure does not fall within sub-paragraph (a) above.

(2) For the purposes of this Part expenditure does not include expenditure defrayed by fees and charges collected by the governing body of a maintained school which are—

- (a) specifically required or permitted to be collected by any provision of the Education Acts; or
- (b) in respect of the use of school premises or equipment.

**Exceptions**

**4.** A local education authority's local schools budget shall not include the following classes or descriptions of expenditure—

- (a) expenditure in connection with nursery schools;
- (b) expenditure in connection with any provision made for children who have not attained the age of five except where such provision is made at a maintained school or the expenditure is by way of fees paid under section 320 or 348 of the 1996 Act (special provision for children with special educational needs);
- (c) expenditure in making payments to another local education authority pursuant to section 492, 493 or 494(1) of the 1996 Act (recoupment between authorities);
- (d) expenditure which the authority capitalise in their accounts in accordance with proper practices being those accounting practices—
  - (i) which the authority are required to follow by virtue of any enactment, or
  - (ii) which, whether by reference to any generally recognised published code or otherwise, are regarded as proper accounting practices to be followed in the keeping of the accounts of local authorities, either generally or of the description concerned,

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(1) Section 494 was substituted by paragraph 128 of Schedule 30 to the 1998 Act.

but in the event of any conflict in any respect between the practices falling within sub-paragraph (i) above and those falling within sub-paragraph (ii) above, only those falling within sub-paragraph (i) above are to be regarded as proper practices<sup>(2)</sup>;

- (e) expenditure offset by income received from Her Majesty's Chief Inspector of Schools in England or Her Majesty's Chief Inspector of Schools in Wales; and
- (f) expenditure for the purposes of section 26 of the Road Traffic Regulation Act 1984<sup>(3)</sup> (arrangements for patrolling school crossings).

### **Individual schools budget**

5.—(1) A local education authority may deduct from their local schools budget any or all of the classes or descriptions of planned expenditure set out in Schedule 1, in whole or in part, in order to arrive at their individual schools budget for the financial year.

(2) Where proposals to discontinue a school have been published and it is proposed that those proposals should be implemented in the financial year, a local education authority may deduct from their local schools budget for that year the same classes or descriptions of planned expenditure in respect of that school which they deducted from their local schools budget for the financial year beginning on 1st April 1999 even if such deduction is not permitted by paragraph (1) above.

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(2) These are the proper practices as referred to in section 66(4) of the Local Government and Housing Act 1989 (c. 42) and, at the date that these Regulations are made, they include the Code of Practice on Local Authority Accounting in Great Britain 1999 (ISBN 0 85299 877 5).

(3) 1984 c. 27, amended by the Local Government Act 1985 (c. 51), Schedule 5, paragraph 4(10).