

SCHEDULE 1

Regulation 5

CLASSES OR DESCRIPTIONS OF PLANNED EXPENDITURE WHICH MAY BE DEDUCTED FROM THE LOCAL SCHOOLS BUDGET OF A LOCAL EDUCATION AUTHORITY

Expenditure of a class or description referred to in this Schedule includes expenditure on associated administrative costs and overheads.

Expenditure supported by specific grants

1. Expenditure offset by a grant made to the authority under conditions which impose restrictions on the particular purposes of the authority for which the grant may be used (other than where the restriction is that the grant form part of the local schools budget or the individual schools budget).
2. Expenditure, not falling within paragraph 1, but taken into account in determining the amount of that grant.

Special educational provision

3. Expenditure on services provided by educational psychologists.
4. Expenditure, not falling within paragraph 3, in connection with the authority's functions under sections 321 to 331 of the 1996 Act (which functions relate to the identification and assessment of children with special educational needs and the making, maintaining and reviewing of statements for such children).
5. Subject to paragraphs 6 and 7, expenditure in making the provision specified in a pupil's statement of special educational needs except where the pupil is—
 - (a) a registered pupil at a special school maintained by the authority; or
 - (b) a registered pupil at a primary or secondary school maintained by the authority who occupies one of a number of places at that school which are recognised by the authority as being reserved for children with special educational needs.
6. Where a pupil falls within paragraph 5(a) or (b) and the cost of the provision specified in the pupil's statement of special educational needs is significantly greater than that for the generality of pupils at the special school, or occupying the places at the primary or secondary school, in question, the amount by which the expenditure incurred in making the provision specified in his statement of special educational needs is greater than that incurred in making provision for a pupil who falls within such generality of pupils.
7. Expenditure in making the provision specified in a pupil's statement of special educational needs where the pupil falls within paragraph 5(b) but the places which are recognised by the authority as being reserved for children with special educational needs are for such pupils with visual, hearing, speech or language impairments or other communication disorder.
8. Expenditure in respect of specialist support provided to assist the governing bodies of schools in meeting the particular needs of pupils with statements of special educational needs or who are at Stage 3 or 4 as described in the Code of Practice⁽¹⁾ on the Identification and Assessment of Special Educational Needs issued, and from time to time revised, under section 313 of the 1996 Act (being expenditure that it would be inappropriate to expect to be met from the school's budget share).

(1) ISBN 0 85522 444 4. The Code of Practice originally issued under section 157 of the Education Act 1993 (c. 35) continues to have effect by virtue of the 1996 Act, Schedule 39, paragraph 1.

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9. Expenditure on monitoring the provision for pupils in schools (whether or not maintained by the authority) for the purposes of disseminating good practice in relation to, and improving the quality of educational provision for, children with special educational needs.

10. Expenditure for purposes connected with the encouragement of—

- (a) collaboration between special schools and primary and secondary schools to enable children with special educational needs to engage in activities at primary and secondary schools;
- (b) the education of children with special educational needs at primary and secondary schools; and
- (c) the engagement of children with special educational needs at primary and secondary schools in activities at the school with children who do not have special educational needs (being expenditure that it would be inappropriate to expect to be met from the school's budget share).

11. Expenditure in connection with—

- (a) the provision of guidance and information to the parents of pupils with special educational needs which, in relation to pupils at a school maintained by the authority, is in addition to the information usually provided by the governing bodies of such schools; or
- (b) arrangements made by the authority with a view to avoiding or resolving disagreements with the parents of children with special educational needs.

12. Expenditure in relation to education otherwise than at school under section 19 of the 1996 Act or in relation to a pupil referral unit as defined in that section.

13. Expenditure, not falling within any other paragraph of this Schedule, incurred in preparing and reviewing a plan which sets out the arrangements made, or proposed to be made, by the authority in connection with the education of children with behavioural difficulties under section 527A of the 1996 Act⁽²⁾ and such expenditure incurred on services required to implement the plan.

14. Expenditure on carrying out the authority's functions under the Children Act 1989⁽³⁾ and other functions relating to child protection.

15. Expenditure on the payment of fees in respect of pupils with special educational needs—

- (a) at independent schools or at special schools which are not maintained by a local education authority, under section 348 of the 1996 Act; or
- (b) at an institution outside England and Wales, under section 320 of the 1996 Act.

16. Expenditure incurred in entering into, or subsequently incurred pursuant to, an arrangement with a Health Authority, Primary Care Trust or NHS Trust under section 31 of the Health Act 1999⁽⁴⁾.

17. Expenditure in providing special medical support for individual pupils in so far as such expenditure is not met by a Health Authority, Primary Care Trust or NHS Trust.

School improvement

18. Expenditure, not falling within any other paragraph of this Schedule, incurred in preparing, reviewing and implementing the authority's education development plan under section 6 of the 1998 Act.

(2) Section 527A was inserted by section 9 of the Education Act 1997 (c. 44) and amended by paragraph 144 of Schedule 30 to the 1998 Act.

(3) 1989 c. 41.

(4) 1999 c. 8.

Access to education

19. Expenditure in relation to the following matters—

- (a) management of the authority's capital programme including preparation and review of an asset management plan and negotiation and management of private finance transactions as defined in regulation 16 of the Local Authorities (Capital Finance) Regulations 1997⁽⁵⁾;
- (b) planning and managing the supply of school places, including the authority's functions—
 - (i) in relation to school organisation plans pursuant to section 26 of the 1998 Act,
 - (ii) in relation to the establishment, alteration or discontinuance of schools pursuant to Chapter II of Part II of the 1998 Act;
- (c) administration of the system of admissions of pupils to schools including expenditure incurred in carrying out consultations under section 89(2) of the 1998 Act and in relation to appeals, provided that, except where the governing body have elected that this proviso should not apply to them or where the authority are satisfied that factors or criteria in their formula already make suitable provision, the authority shall—
 - (i) allocate to each governing body who are an admission authority, as defined in section 88(1) of the 1998 Act, an amount determined by the authority as that reasonably required by the governing body to meet expenditure incurred in connection with the system of admissions of pupils to the school and any appeals, taking into account any factors or criteria in their formula which relate to such arrangements, and
 - (ii) allow the governing body to determine how such amount should be spent for that purpose;
- (d) the authority's functions in relation to the exclusion of pupils from schools including advice to the parents of an excluded pupil;
- (e) school organisation committees;
- (f) the authority's functions under section 509 of the 1996 Act (home-to-school transport);
- (g) the authority's functions under sections 510, 514 and 518⁽⁶⁾ of the 1996 Act (provision and administration of clothing grants, boarding grants and educational maintenance allowances); and
- (h) the Education Welfare Service and other expenditure arising from the authority's functions under Chapter II of Part VI of the 1996 Act and section 10 of the Children and Young Persons Act 1933⁽⁷⁾ (school attendance).

20. Expenditure on milk, meals and other refreshment pursuant to section 512 or 513 of the 1996 Act falling within the following categories—

- (a) expenditure in respect of meals at any primary or special school which is not a former grant-maintained or grant-maintained special school, unless the governing body have elected to receive funding for meals as part of their school's budget share;
- (b) expenditure in respect of meals at any former grant-maintained primary or special school where the governing body have elected not to receive funding for meals as part of their school's budget share;
- (c) expenditure in respect of milk at any school which is not a former grant-maintained or grant-maintained special school;

⁽⁵⁾ S.I. 1997/319; amended by S.I. 1998/371 and 1999/1852.

⁽⁶⁾ Section 518 was substituted by section 129 of the 1998 Act. By virtue of regulations 3(1)(a) and 4(g) not all expenditure pursuant to section 518 will form part of the local schools budget.

⁽⁷⁾ 1933 c. 12.

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- (d) expenditure in respect of milk at any former grant-maintained or grant-maintained special school where the provision of that milk attracts a subsidy from the European Union.
21. Expenditure on the repair and maintenance of a school kitchen where expenditure on meals in relation to the school concerned is deducted from the authority's local schools budget pursuant to paragraph 20.
22. Expenditure on determining the eligibility of a pupil for free school meals.
23. Expenditure pursuant to section 18 of the 1996 Act in making any grant or other payment in respect of fees or expenses (of whatever nature) which are payable in connection with the attendance of pupils at a school which is not maintained by any local education authority.
24. Expenditure on the provision of tuition in music or on other activities which provide opportunities for pupils to enhance their experience of music.
25. Expenditure which enables pupils to enhance their experience of the visual and performing arts other than music.
26. Expenditure on outdoor education centres but not including centres wholly or mainly for the provision of organised games, swimming or athletics.

Strategic management

27. Expenditure in their capacity as a local education authority in relation to—
- (a) the Chief Education Officer and his personal staff;
 - (b) planning for the education service as a whole;
 - (c) functions of the authority under Part I of the Local Government Act 1999⁽⁸⁾ (Best Value) and also the provision of advice to assist governing bodies in procuring goods and services with a view to securing continuous improvement in the way the functions of those governing bodies are exercised, having regard to a combination of economy, efficiency and effectiveness;
 - (d) revenue budget preparation; the preparation of information on income and expenditure relating to education, for incorporation into the authority's annual statement of accounts; and the external audit of grant claims and returns relating to education;
 - (e) administration of grants to the authority (including preparation of applications), functions imposed by or under Chapter IV of Part II of the 1998 Act and, where it is the authority's duty to do so, ensuring payments are made in respect of taxation, national insurance and superannuation contributions;
 - (f) authorisation and monitoring of expenditure which is not met from schools' delegated budgets (including expenditure in respect of schools which do not have delegated budgets) and all financial administration relating thereto;
 - (g) internal audit and other tasks necessary for the discharge of the authority's chief finance officer's responsibilities under section 151 of the Local Government Act 1972⁽⁹⁾;
 - (h) recruitment, training and personnel management of staff who are funded by expenditure not met from schools' budget shares or who are employed in schools which do not have delegated budgets;
 - (i) investigations which the authority carry out of employees or potential employees of the authority or of governing bodies of schools;

⁽⁸⁾ 1999 c. 27.

⁽⁹⁾ 1972 c. 70.

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- (j) functions of the authority in relation to local government superannuation which it is not reasonably practicable for another person to carry out and functions of the authority in relation to the administration of teachers' pensions;
- (k) retrospective membership of pension schemes and retrospective elections made in respect of pensions where it would not be appropriate to expect the governing body of a school to meet the cost from the school's budget share;
- (l) advice, in accordance with the authority's statutory functions, to governing bodies in relation to staff employed, or to be employed, at a school;
- (m) determination of conditions of service for non-teaching staff and advice to schools on the grading of such staff;
- (n) the authority's functions regarding the appointment or dismissal of employees;
- (o) consultation with governing bodies and persons employed at schools or their representatives;
- (p) compliance with the authority's duties under the Health and Safety at Work etc. Act 1974⁽¹⁰⁾ and the relevant statutory provisions as defined in section 53(1) of that Act in so far as compliance cannot reasonably be achieved through functions delegated to the governing bodies of schools; but including expenditure incurred by the authority in monitoring the performance of such functions by governing bodies and where necessary the giving of advice to them;
- (q) the investigation and resolution of complaints;
- (r) legal services relating to the statutory functions of the authority;
- (s) the preparation and review of plans involving collaboration with other local authority services or with public or voluntary bodies;
- (t) the preparation, modification and revision of an early years development plan for their area under sections 120 and 121 of the 1998 Act; and
- (u) provision of information to or at the request of the Crown and the provision of other information which the authority are under a duty to make available.

28. Expenditure in connection with the authority's functions in relation to the standing advisory council on religious education constituted by the authority under section 390 of the 1996 Act or in the reconsideration and preparation of an agreed syllabus of religious education in accordance with Schedule 31 to the 1996 Act.

29. Expenditure in respect of the dismissal or premature retirement of, or for the purpose of securing the resignation of, or in respect of acts of discrimination against, any person which falls to be met by the authority except such expenditure which falls to be met from a school's budget share, by virtue of section 57 of the 1998 Act or the authority's scheme.

30. Expenditure in respect of a teacher's emoluments under section 19(9) of the Teaching and Higher Education Act 1998⁽¹¹⁾ except such expenditure which falls to be met from a school's budget share.

31. Expenditure without which the education of pupils at a school would be seriously prejudiced and which because of either—

- (a) its size and unexpectedness; or
- (b) its size and unavailability,

it would not be reasonable to expect the governing body to meet from the school's budget share.

⁽¹⁰⁾ 1974 c. 37.

⁽¹¹⁾ 1998 c. 30.

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32. Expenditure on increases to a school's budget share to which the school is entitled by virtue of the authority's formula under regulation 10 or arrangements under regulation 31 or expenditure on the correction of errors.

33. Expenditure on establishing and maintaining electronic computer systems, including data storage, in so far as they link, or facilitate the linkage of, the authority to schools which they maintain, such schools to each other or such schools to other persons or institutions.

34. Expenditure on insurance except to the extent that governing bodies have elected to receive funding for insurance as part of their schools' budget shares.

35. Expenditure in making payments to, or in providing a temporary replacement for, a woman on maternity leave.

36. Expenditure in making payments to, or in providing a temporary replacement for, persons—

- (a) carrying out trade union duties or undergoing training under section 168 of the Trade Union and Labour Relations (Consolidation) Act 1992**(12)**;
- (b) taking part in trade union activities under section 170 of the Trade Union and Labour Relations (Consolidation) Act 1992;
- (c) performing public duties under section 50 of the Employment Rights Act 1996**(13)**;
- (d) undertaking jury service;
- (e) who are safety representatives under the Safety Representatives and Safety Committee Regulations 1977**(14)**;
- (f) who are representatives of employee safety under the Health and Safety (Consultation with Employees) Regulations 1996**(15)**;
- (g) who are employee representatives for the purposes of Chapter II of Part IV of the Trade Union and Labour Relations (Consolidation) Act 1992 as defined in section 196 of that Act or regulations 10 and 11 of the Transfer of Undertakings (Protection of Employment) Regulations 1981 as defined in regulation 11A of those Regulations**(16)**;
- (h) taking time off for ante-natal care under section 55 of the Employment Rights Act 1996;
- (i) undertaking duties as members of the reserve forces as defined in section 1(2) of the Reserve Forces Act 1996**(17)**;
- (j) suspended from working at a school;
- (k) who are members of the General Teaching Council or a committee thereof.

37. Expenditure in making payments to, or in providing a temporary replacement for, a person who is seconded on a full-time basis for a period of three months or more other than to a local education authority or the governing body of a school.

38. Expenditure in making payments to, or in providing a temporary replacement for, persons who have been continuously absent from work because of illness for 21 days or more provided that the net expenditure under this paragraph does not amount to more than 0.1 per cent. of the authority's net local schools budget.

39. Expenditure on the appointment of governors, the making of instruments of government, the payment of expenses to which governors are entitled and which are not payable from a school's budget share and the provision of information to governors.

(12) 1992 c. 52.

(13) 1996 c. 18.

(14) S.I. 1977/500, amended by S.I. 1992/2051.

(15) S.I. 1996/1513.

(16) S.I. 1981/1794; regulation 11A was inserted by S.I. 1995/2587 and amended by S.I. 1999/1925.

(17) 1996 c. 14.

40. Expenditure on services to schools provided by museums and galleries.

41. Expenditure on library services for primary and special schools, other than for schools which received funding for library services as part of their budget shares for the financial year beginning on 1st April 1999 to the extent that their governing bodies have elected to receive funding for those same library services as part of their schools' budget shares for the financial year beginning on 1st April 2001, and

Provided that the authority—

- (a) notify the governing body of each school, which does not receive funding for library services in its budget share, of the share of the amount retained by the authority in respect of library services which is attributable to that school; and
- (b) allow the governing body to determine whether expenditure retained by the authority in respect of their school is to be spent by the authority in providing library services to the school themselves or in procuring that library services are provided to the school by another local authority.

42. Expenditure on licence fees or subscriptions paid on behalf of schools provided that the net expenditure does not amount in total to more than 0.1 per cent of the authority's net local schools budget.

43. Expenditure in pursuance of a binding agreement, where the other party is a local authority, or the other parties include one or more local authorities, in relation to the operation of a facility provided not solely for the use of schools.

44. Expenditure on monitoring National Curriculum assessment arrangements required by orders made under section 356 of the 1996 Act⁽¹⁸⁾.

45. Expenditure for purposes not falling within any other paragraph of this Schedule provided that the net expenditure does not amount in total to more than 0.1 per cent. of the authority's net local schools budget.

⁽¹⁸⁾ At the time these Regulations are made the relevant Orders are the Education (National Curriculum) (Key Stage 1 Assessment Arrangements) (England) Order 1999 (S.I. 1999/1236 amended by 1999/2187), the Education (National Curriculum) (Key Stage 2 Assessment Arrangements) (England) Order 1999 (S.I. 1999/2188) and the Education (National Curriculum) (Key Stage 3 Assessment Arrangements) (England) Order 1999 (S.I. 1999/2189).