

**EXPLANATORY MEMORANDUM TO THE
EDUCATION (BUDGET STATEMENTS) (ENGLAND) REGULATIONS
2005**

2005 No. 345

1. This explanatory memorandum has been prepared by the Department for Education and Skills and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments and the House of Lords Merits Committee

2. Description

Section 52 of the School Standards and Framework Act 1998 imposes an obligation upon Local Education Authorities (LEAs) to prepare budget statements before the beginning of each financial year which set out information relating to their planned expenditure for that year. Copies of budget statements must be sent to the governing body and head teacher of each school maintained by the LEA. The Education (Budget Statements) (England) Regulations 2005 prescribe the form of the statement and the manner of its publication. These regulations are made annually, and impose a requirement upon LEAs to supply a copy of their budget statement to the Secretary of State.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative Background

4.1. The Education (Budget Statements) (England) Regulations 2005 are made under section 52(1), (3) and (4) and section 138(7) of the Schools Standards and Framework Act (SSFA) 1998. The annual updating of these instruments enables additions and changes to be made to the tables set out in the Schedules.

5. Extent

5.1. These regulations apply to England.

6. European Convention on Human Rights

6.1. Not applicable.

7. Policy background

- 7.1. The parent Act sets out the budgetary framework for schools maintained by local authorities. The policy objective in making these regulations is to ensure that LEAs provide particular information to maintained schools, the Secretary of State and the public about their planned expenditure for the forthcoming financial year. The schedules to the regulations comprise tables which set out in detail the information required. Because this changes from year to year, the regulations are made annually.
- 7.2. None of the changes implemented by these regulations are politically or legally important. The changes are relatively minor ones. Some reflect changes made to the LEA Budget, Schools Budget and Individual Schools Budget (England) Regulations 2004. The changes reflect those relating to the recording of the calculation of the central expenditure limit. As well as changes to the recording of home to school and home to college transport in relation to special educational needs: these changes will expand on the level of detail recorded. These regulations also require information about costs incurred through prudential borrowing. In addition, there are minor additions which will provide extra information about budgeting for Academies. These regulations also reflect changes made to the Financing of Maintained Schools Regulations 2004 on recording how the minimum funding guarantee for schools operates.
- 7.3. Consultation on the proposed changes to the regulations has been undertaken with LEAs, and other partners including relevant local government associations and unions. Drafts of the regulations and guidance for preparing budget statements for the financial year 2005-6 were circulated to these bodies on the 1st December 2004. The Department received 17 responses to the consultation. Those who responded welcomed the minimal changes that were being proposed. There were a number of queries on how to complete various lines on some of the tables. There has been no media attention.

8. Impact

- 8.1. The impact on the public sector is minimal therefore no Regulatory Impact assessment has been conducted

9. Contact

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