

**EXPLANATORY MEMORANDUM TO  
THE EDUCATION (OUTTURN STATEMENTS) (ENGLAND)  
REGULATIONS 2006**

**2006 No. 1760**

**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 outturn statements after the end of each financial year which set out information relating to the following matters-

- (a) the planned expenditure for that financial year which the LEA has specified in the budget statement it prepared before the beginning of the year;
- (b) expenditure actually incurred, or treated by the LEA as having been incurred by them in that financial year;
- (c) any other resources allocated by the LEA in the year to schools maintained by them during any part of that year; and
- (d) accountable resources held, received or expended in that year by any person in relation to a school maintained by the LEA. (Accountable resources means resources not provided by the LEA which governing bodies have an obligation to keep account of under section 44 of the Education Act 2002.)

Copies of outturn statements must be sent to the governing body and head teacher of each school maintained by the LEA. The Education (Outturn Statements) (England) Regulations 2006 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 outturn statement to the Secretary of State.

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

None

**4. Legislative Background**

4.1. The Education (Outturn Statements) (England) Regulations 2006 are made under section 52(2), (2B), (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. As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

## **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 expenditure during the previous financial year. The publishing of this statement enables a comparison to be made between actual expenditure and planned expenditure (a statement of which they are required to publish before the beginning of the 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 include a new table in Schedule 1 entitled 'Summary Table - Reconciliation of Budget and Outturn'. This is intended to provide a mapping between the s52 budget statement 2005-06 and the s52 outturn statement 2005-06. As a result of the new table, there are new references defined in regulation 2(1). This regulation has also been amended to reflect changes in terminology in relation to standard fund and other specific grants.

7.3 Consultation on the proposed changes to the regulations and accompanying guidance was undertaken with Chief Education Officers, Directors of Children's Services and their education finance officers. Included in the consultation were local government associations. There has been no media attention.

7.4 Twelve responses were received to the consultation. These consisted of requests for some minor changes to the outturn framework for 2005-06:

- Two LA respondents complained about the change in submission date. The date has been changed from 10 October to 25 August. This is to bring it into closer alignment with the

Department's changed collection date for Consistent Financial Reporting data (21<sup>st</sup> July), and the Department for Communities and Local Government collection of Revenue Outturn data (14 July). Albeit the Department received a very small number of complaints, it was surprising to receive them. The overwhelming push from LEAs over the past four years or so has been for an earlier submission date.

- All twelve respondents indicated that the s52 budget and outturn data collection forms should be in an identical format. As substantial changes are to be made to the 2008-09 formats of both budget and outturn returns, it was felt that only minor changes should be made to the 2005-06 collection. The introduction of the Summary Table – 'Reconciliation of Budget and Outturn' goes some way to meeting the request for full alignment. An added benefit is that the completion of this table will require minimal direct input by LEAs as the electronic system will insert information into this table automatically as it is inserted into the other tables.

## **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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