
STATUTORY INSTRUMENTS

2013 No. 3104

**The School and Early Years Finance
(England) Regulations 2013**

PART 2

Action to be Taken by a Local Authority

CHAPTER 1

**Determination of the Non-Schools Education Budget, Schools
Budget, Individual Schools Budget, and Budget Shares**

Determination of the individual schools budget for the funding period and limit on increase in central expenditure

8.—(1) Subject to paragraphs (2) to (10), not later than 28th February 2014, a local authority must deduct from their schools budget such of the classes or descriptions of planned expenditure set out in Schedule 2 as they propose to deduct, in order to determine their individual schools budget.

(2) Expenditure referred to in paragraphs 3 and 4 of Part 1 (Central Services) of Schedule 2 may only be deducted by the local authority where the expenditure is to be incurred as a result of decisions taken prior to 1st April 2013 that commit the authority to incur expenditure in the funding period.

(3) In deducting the expenditure referred to in Part 1 (Central Services) of Schedule 2, a local authority must not exceed the limits referred to in paragraph 5 of Schedule 2, unless they are authorised to do so under regulation 25(1)(a).

(4) A local authority must not deduct the expenditure referred to in paragraphs 8 to 10 of Schedule 2 without authorisation of the criteria for determining the expenditure from their schools forum under regulation 12(1), or from the Secretary of State under regulation 12(3).

(5) A local authority must not deduct the expenditure referred to in Part 1 (Central Services), Part 2 (Central Schools Expenditure), Part 3 (Central Early Years Expenditure) or Part 5 (Items That May Be Removed From Maintained Schools' Budget Shares) of Schedule 2 without authorisation from their schools forum under regulation 12(1), or from the Secretary of State under regulation 12(3).

(6) Where a local authority carries forward a deficit from the previous funding period to the funding period which reduces the amount of the schools budget available, the funding of this deficit from the schools budget must be authorised by their schools forum under regulation 12(1), or the Secretary of State under regulation 12(3).

(7) Any amount of expenditure which was deducted under paragraphs 8 (growth fund) and 10 (extra infant classes) of Schedule 2 to the 2012 Regulations for the previous funding period and which remains unspent may be used by the local authority in the funding period for the purposes listed in paragraphs 8 and 10 of Schedule 2 of the 2012 Regulations that applied to such expenditure.

(8) Where a local authority treated any expenditure described in Part 5 of Schedule 2 to the 2012 Regulations (Items That May Be Removed From Maintained Schools' Budget Shares) as central expenditure under regulation 11(3) of the 2012 Regulations for the previous funding period and

any such amounts remain unspent, such amounts may be used by the local authority in the funding period for the purposes listed in Part 5 of Schedule 2 to the 2012 Regulations that applied to such expenditure.

(9) A local authority may apply to the Secretary of State for authorisation under regulation 25(1) to—

- (a) deduct from their schools budget any expenditure falling outside the classes or descriptions of planned expenditure set out in Schedule 2, in order to determine their individual schools budget; and
- (b) alter the operation of regulation 11(3) (additional costs of pupils with special educational needs);

(10) References to planned expenditure in this regulation and Schedule 2 are references to that expenditure net of—

- (a) all related specific grants;
- (b) all related fees, charges and income; and
- (c) any funding received from the Secretary of State in respect of a charge payable by a local authority under a private finance transaction, as defined in regulation 16 of the Local Authorities (Capital Finance) Regulations 1997⁽¹⁾;

(11) The expenditure referred to in Schedule 2 includes expenditure on associated administrative costs and overheads.

⁽¹⁾ [S.I. 1997/319](#). These Regulations have lapsed but article 11 of the Local Authorities (Capital Finance) (Consequential, Transitional and Savings Provisions) Order 2004 ([S.I. 2004/533](#)) contains a savings provision for regulation 16 of the 1997 Regulations.