
STATUTORY INSTRUMENTS

2020 No. 83

The School and Early Years Finance
(England) Regulations 2020

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 the following provisions of this regulation and not later than 28th February 2020, a local authority must deduct from its schools budget such of the classes or descriptions of planned expenditure set out in Schedule 2 as it proposes to deduct in order to determine its individual schools budget.

(2) Under paragraph (1), a local authority—

- (a) must not deduct from its schools budget such of the classes or description of planned expenditure set out in Part 6 of Schedule 2; and
- (b) may only deduct from its schools budget such of the classes or descriptions of planned expenditure set out in Part 7 of Schedule 2 if that deduction is to be made under paragraph (13).

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

(4) In deducting the expenditure referred to in Part 1 (Historic Commitments) of Schedule 2, a local authority must not exceed the limits referred to in paragraph 3 of Schedule 2, unless it is authorised to do so under regulation 31(1)(a).

(5) A local authority must not deduct the expenditure referred to in paragraphs 4 to 6 of Schedule 2 unless the criteria for determining the expenditure have been authorised by its schools forum under regulation 12(1), or by the Secretary of State under regulation 12(3).

(6) Except as provided for in paragraphs (13) and (14), a local authority must not deduct the expenditure referred to in Schedule 2 (other than expenditure referred to in paragraph 8 (expenditure on licences) and Part 5 (Children and Young People With High Needs)) without authorisation from its schools forum under regulation 12(1), or from the Secretary of State under regulation 12(3).

(7) Where a local authority has expenditure falling within Part 8 of Schedule 2, it must—

- (a) deduct all of that expenditure from its schools budget;

- (b) deduct such part of that expenditure as the authority may determine and carry forward the remaining part to the next funding period; or
- (c) carry forward all of that expenditure to the next funding period.
- (8) A local authority may apply to the Secretary of State for authorisation under regulation 31(1) to disregard the requirements in paragraph (7).
- (9) Any amount of expenditure which was deducted under paragraphs 4 (growth fund), 5 (falling rolls), 6 (new schools), and 7 (extra infant classes) of Schedule 2 to the 2018 (No. 2) 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 4 to 7 of Schedule 2 to the 2018 (No. 2) Regulations that applied to such expenditure.
- (10) A local authority must deduct the expenditure referred to in paragraph 31 of Schedule 2.
- (11) Where a local authority treated any expenditure described in Part 6 of Schedule 2 to the 2018 (No. 2) Regulations (Items That May Be Removed From Maintained Schools' Budget Shares – Primary and Secondary Schools) as central expenditure for the previous funding period under regulation 11(5) of the 2018 (No. 2) Regulations 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 6 of Schedule 2 to the 2018 (No. 2) Regulations that applied to such expenditure.
- (12) A local authority may apply to the Secretary of State for authorisation under regulation 31(1) to—
- (a) deduct from its schools budget any expenditure falling outside the classes or descriptions of planned expenditure in Schedule 2, in order to determine its individual schools budget; and
- (b) alter the operation of regulation 11(3) (additional costs of pupils with special educational needs).
- (13) A local authority may deduct the expenditure specified in paragraph (14) from the schools budget without authorisation from its schools forum under regulation 12(1), or from the Secretary of State under regulation 12(3), in which case it shall be treated as if it were part of the non-schools education budget, prescribed in regulation 4.
- (14) The specified expenditure, for the purposes of paragraph (13) is the description of expenditure referred to in—
- (a) paragraphs 9 to 12 of Schedule 2;
- (b) Part 3 of Schedule 2; and
- (c) Part 7 of Schedule 2.
- (15) 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).
- (16) 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.

