STATUTORY INSTRUMENTS

1989 No. 370

EDUCATION, ENGLAND AND WALES

The Education (Pre-Scheme Financial Statements) Regulations 1989

Made - - - -	*8th March 1989*
Laid before Parliament	*8th March 1989*
Coming into force	*29th March 1989*

In exercise of the powers conferred on the Secretary of State by section 50(5) to (7) of the Education Reform Act 1988(a), the Secretary of State for Education and Science, as respects England, and the Secretary of State for Wales, as respects Wales hereby make the following Regulations:

1. These Regulations may be cited as the Education (Pre-Scheme Financial Statements) Regulations 1989 and shall come into force on 29th March 1989.

2. In these Regulations:

"the Act" means the Education Reform Act 1988;

"authority" means local education authority and, in relation to such an authority, "the offices" means the education offices;

"expenditure of a capital nature" has the meaning given to it by section 51 of the Act;

"general expenditure amount" has the meaning given to it by section 50(5)(b) of the Act;

"LMS Unit" means the Local Management of Schools Unit, whose address for authorities in England is the Department of Education and Science, Elizabeth House, York Road, London SE1 7PH, and for authorities in Wales is the Welsh Office, Cathays Park, Cardiff CF1 3NQ;

references to the Annual Schools Census are references to the returns made by authorities to the Secretary of State under section 92 of the Education Act 1944(b) containing information as to the number of registered pupils at schools which they maintain;

references to the budget statement and to the outturn statement are references to the statements required to be provided by virtue of section 50(1) and (6) respectively of the Act;

references to relevant schools are references to schools required to be covered by a financial statement under section 50(4) of the Act; and

(a) 1988 c.40. For matters to be prescribed, *see* section 235(7) of this Act and section 114(1) of the Education Act 1944 (c.31), and for the transfer of functions to the Secretary of State *see* S.I. 1964/490, 1970/1536 and 1978/274.
(b) 1944 c.31.

references to specific grant are references to grants made by the Secretary of State or the European Economic Community to authorities in respect of the provision by them of specified services related to education in relevant schools.

3. Expenditure of the following descriptions is prescribed for the purposes of section 50(5)(b)(iii) of the Act (other amounts to be deducted from the initial amount appropriated for meeting expenditure in respect of relevant schools, so as to arrive at the general expenditure amount) –

(a) expenditure on –

(i) central administration;

(ii) inspectors and advisers;

(iii) transport for pupils between home and school;

(iv) school meals and milk;

(v) costs to be incurred by the authority in respect of the dismissal or premature retirement, or for the purpose of securing the resignation, of any member of staff;

(vi) peripatetic and advisory teachers (where not falling within subparagraphs (a) (ii) above or (b) below); and

(vii) pupil support;

(b) expenditure falling to be taken into account in determining specific grant; and

(c) all other expenditure (other than expenditure of a capital nature) treated by the authority as not forming part of the direct costs of relevant schools.

4.—(1) The budget statement shall give particulars of the proportion of the amount referred to in section 50(5)(a) of the Act (the initial amount appropriated by the authority for meeting expenditure in the financial year in respect of all relevant schools) which is respectively attributable to primary, secondary and special schools.

(2) The budget statement shall give the following particulars of the amounts deducted under section 50(5)(b):

(a) the amount attributable to expenditure of a capital nature; and

(b) the amounts respectively attributable to expenditure of each description set out in regulation 3(a) and (b) above;

such particulars being given in such a way as to show both the total of such amounts and such proportion of those amounts as is respectively attributable to primary, secondary and special schools.

(3) The budget statement shall give a brief description of the basis on which the authority determine the share of the general expenditure amount for each relevant school and shall give particulars of the amount for each such school obtained by dividing that school's share of the general expenditure amount by the number of full time equivalent pupils recorded in the Annual Schools Census for the January immediately preceding the financial year to which the statement relates (or by an estimate of the number of full time equivalent pupils in that month if the Annual Schools Census for that year is not available).

5. If the particulars required to be given in the budget statement are not expressed in terms of the estimated actual expenditure which the authority consider is likely to be incurred, that statement shall also give the totals of –

(a) the general expenditure amount; and

(b) the initial amount appropriated for meeting expenditure in that year in respect of relevant schools

in such terms.

6. The outturn statement shall give particulars of the amount of expenditure actually incurred by the authority in the financial year to which it relates on all those matters on which particulars are required to be given in the budget statement (whether by virtue of the Act or of these Regulations).

7.—(1) Each authority shall make a copy of the budget statement available from 1st April in the financial year to which the statement relates for inspection at their offices at all reasonable times by the governing body and head teacher of any relevant school which they maintain and shall send a copy to the governing bodies of all such schools and to the LMS Unit by 30th April in the financial year to which it relates.

(2) Each authority shall send a copy of the outturn statement to the governing bodies of all relevant schools which they maintain and to the LMS Unit by 31st October in the year immediately following the financial year to which it relates.

Kenneth Baker
3rd March 1989 — Secretary of State for Education and Science

Peter Walker
8th March 1989 — Secretary of State for Wales

EXPLANATORY NOTE

(This note is not part of the Order)

Section 33 of the Education Reform Act 1988 requires local education authorities to prepare schemes providing for the delegation by the authority to the governing bodies of county and voluntary schools maintained by it of the management of each school's share of that part of the authority's general schools budget which is available for allocation to individual schools.

Section 50 of the Act requires local education authorities to prepare financial statements in respect of any financial year before the authority's financial provision for county and voluntary schools is subject to regulation by such a scheme and for special schools until such time as they are covered by schemes. Section 50(5) requires a statement to be prepared giving details of proposed expenditure in the current financial year, and section 50(6) requires such a statement to be prepared after the end of each financial year giving details of expenditure actually incurred. These Regulations prescribe further particulars, in addition to those set out in section 50(5) and (6), which are to be included in such statements.

Regulation 3 prescribes a list of services expenditure on which is to be deducted under section 50(5)(b)(iii) of the Act from the initial amount appropriated for meeting expenditure in respect of relevant schools, so as to arrive at the general expenditure amount.

Regulation 4(1) requires the budget statement to give particulars of the proportion of the initial amount appropriated by the authority for meeting expenditure in the financial year in respect of all relevant schools which is respectively attributable to primary, secondary and special schools.

Regulation 4(2) requires it to give particulars of amounts deducted under section 50(5)(b), setting out (both as totals and so as to show the proportion respectively attributable to primary, secondary and special schools) the amount attributable to expenditure of a capital nature and the amounts respectively attributable to expenditure on each of the matters prescribed by regulation 3(a) and (b).

Regulation 4(3) requires the budget statement to give particulars of the basis on which the authority determines the share of the general expenditure for each relevant school and of the amount for each such school obtained by dividing that school's share of the general expenditure amount by the number of full-time equivalent pupils recorded in the Annual School Census for the January immediately preceding the financial year to which the statement relates (or by an estimate of that, if the census is not available).

Regulation 5 requires the budget statement, where it would not already do so, to give the totals of the general expenditure amount and the initial amount appropriated for meeting expenditure in the year in respect of all relevant schools at estimated outturn prices, that is to say, on an estimated actual cost basis.

Regulation 6 requires the outturn statement to give particulars of the amount of expenditure actually incurred by the authority in the immediately preceding financial year on all those matters on which particulars are required to be given in the budget statement (whether by virtue of section 50 of the Act or of the earlier provisions of these Regulations).

Regulation 7(1) requires each authority to make a copy of the budget statement available from 1st April in the year to which the statement relates for inspection at its offices by the governing body and head teacher of any county, voluntary or special school which it maintains and further requires a copy to be sent to the governing bodies of all such schools and to the Local Management of Schools Unit of the Department of Education and Science or the Welsh Office, as the case may be, by 30th April in that year.

Regulation 7(2) requires copies of the outturn statement to be sent to the governing bodies of all such schools and to the Local Management of Schools Unit by 31st October in the year immediately following the financial year to which it relates.

85p net

ISBN 0 11 096370 9

Printed in the United Kingdom for Her Majesty's Stationery Office

860 WO455 C21 3/89 452 7102 O/N46294