

SCHEDULE 1

Regulation 3

CLASSES OR DESCRIPTIONS OF PLANNED EXPENDITURE PRESCRIBED FOR THE PURPOSES OF THE LEA BUDGET OF A LOCAL EDUCATION AUTHORITY

Expenditure of a class or description referred to in this Schedule includes expenditure on associated administrative costs and overheads.

Special educational provision

1. Expenditure on services provided by educational psychologists.
2. Expenditure in connection with the authority's functions under sections 321 to 331 of the 1996 Act (which functions relate to the identification and assessment of children with special educational needs and the making, maintaining and reviewing of statements for such children)(1).
3. Expenditure on monitoring the provision for pupils in schools (whether or not maintained by the authority) for the purposes of disseminating good practice in relation to, and improving the quality of educational provision for, children with special educational needs.
4. Expenditure on collaboration with other statutory and voluntary bodies to provide support for children with special educational needs.
5. Expenditure in connection with—
 - (a) the provision of parent partnership services (that is services provided under section 332A of the 1996 Act to give advice and information to parents of children with special educational needs), or other guidance and information to such parents which, in relation to pupils at a school maintained by the authority, are in addition to the information usually provided by the governing bodies of such schools; or
 - (b) arrangements made by the authority with a view to avoiding or resolving disagreements with the parents of children with special educational needs.
6. Expenditure on carrying out the authority's child protection functions under the Children Act 1989(2), functions under section 175 of the 2002 Act, and other functions relating to child protection.
7. Expenditure incurred in entering into, or subsequently incurred pursuant to, an arrangement under section 31 of the Health Act 1999 or regulations made under section 75 of the National Health Service Act 2006(3).

(1) Section 321 was amended by section 140(1) of, and paragraph 76 of Schedule 30 to, the 1998 Act; and section 215(1) of, and paragraph 42 of Schedule 21 to, the 2002 Act. Section 323 was amended by section 42 of, and paragraphs 1 and 11(1) of Part 1 of Schedule 8 to, the Special Educational Needs and Disability Act 2001 (c.10). Section 324 was amended by section 9 of the Special Educational Needs and Disability Act 2001; section 215(1) of, and paragraph 43 of Schedule 21 to, the 2002 Act; and section 140(1) of, and paragraph 77 of Schedule 30 to, the 1998 Act. Section 325 was amended by section 42(1) and (6) of, and paragraphs 1 and 6 of Part 1 of Schedule 8 and Schedule 9 to, the Special Educational Needs and Disability Act 2001. Section 326 was amended by section 10 of and paragraphs 18-20 of Part 2 of Schedule 1 to the Special Educational Needs and Disability Act 2001. Section 326A was inserted by section 5 of the Special Educational Needs and Disability Act 2001 and was amended by section 195 of, and paragraphs 1 and 3 of Schedule 18 to, the 2002 Act. Section 327 was amended by section 140(1) of, and paragraph 78 of Schedule 30 to, the 1998 Act; and section 173 of the 2002 Act. Section 328 was amended by section 42(1) of, and paragraphs 1 and 7 of Part 1 of Schedule 8 to, the Special Educational Needs and Disability Act 2001. Section 329 was amended by section 42(1) and paragraphs 1 and 8 of Part 1 of Schedule 8 to the Special Educational Needs and Disability Act 2001. Section 329A was inserted by section 8 of the Special Educational Needs and Disability Act 2001, and amended by paragraph 44 of Schedule 21 to and part 3 of Schedule 22 to the 2002 Act and section 103(1) of, and paragraph 22 of Schedule 2 to, the Childcare Act 2006 (c.21). Section 330 was repealed by section 140(1) and (3) of, and paragraph 79 of Schedule 30 to and Schedule 31 to, the 1998 Act.

(2) 1989 c.41.

(3) 2006 c.41. Section 31 was repealed by Schedule 6 of the National Health Service (Consequential Provisions) Act 2006 (c.43).

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8. Expenditure in providing special medical support for individual pupils insofar as such expenditure is not met by a Primary Care Trust(4), National Health Service Trust(5), NHS foundation trust(6) or Local Health Board(7).

School improvement

9. Expenditure incurred by a local education authority in respect of action to support the improvement of standards in the authority's schools, in particular—

- (a) expenditure incurred in connection with functions under the following sections of the 2006 Act: sections 63 (power to require governing bodies of schools eligible for intervention to enter into arrangements), 64 (power to appoint additional governors), 65 and Schedule 6 (power to provide for governing bodies to consist of interim executive boards), and 66 (power to suspend right to delegated budget); and
- (b) expenditure on school improvement partners(8).

Access to education

10. Expenditure in relation to the following matters—

- (a) management of the authority's capital programme including preparation and review of an asset management plan and negotiation and management of private finance transactions;
- (b) planning and managing the supply of school places, including the authority's functions in relation to the establishment, alteration or discontinuance of schools pursuant to Part 2 of, and Schedule 2 to, the 2006 Act;
- (c) the authority's functions in relation to the exclusion of pupils from schools, excluding any provision of education to such pupils, but including advice to the parents of such pupils;
- (d) the authority's functions under sections 508A, 508E and 509 (school travel) of the 1996 Act(9); and
- (e) the authority's functions under sections 510 and 514 of the 1996 Act (Provision and administration of clothing grants and boarding grants), and pursuant to regulations made under section 518(2) of the 1996 Act(10).

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- (4) Primary Care Trusts were established under section 16A of the National Health Service Act 1977 (c.49). Section 16A was inserted by section 2 of the Health Act 1999 (c.8), and has been repealed subsequently by Schedule 6 to the National Health Service (Consequential Provisions) Act 2006 (c.43). Section 18 of the National Health Service Act 2006 provides that Primary Care Trusts established by the Secretary of State continue in existence and that the Secretary of State may create or abolish Primary Care Trusts.
 - (5) National Health Service Trusts (NHS Trusts) were created by order made under section 5 of the National Health Service and Community Care Act 1990 (c.19). This section has been repealed subsequently by Schedule 6 to the National Health Service (Consequential Provisions) Act 2006. NHS Trusts are now created by order made under section 25 of the National Health Service Act 2006.
 - (6) NHS foundation trusts were established under the Health and Social Care (Community Health and Standards) Act 2003 (c.43). These provisions were repealed subsequently by Schedule 6 to the National Health Service (Consequential Provisions) Act 2006. NHS foundation trusts are now defined in section 30 of the National Health Service Act 2006 and established under Chapter 5 of that Act.
 - (7) Local Health Boards were established by order made by the National Assembly for Wales under section 16BA of the National Health Service Act 1977 as inserted by section 6(1) of the National Health Service Reform and Health Care Professions Act 2002 (c.17). Section 16BA has been repealed subsequently by Schedule 6 to the National Health Service (Consequential Provisions) Act 2006. Local Health Boards are now established under regulations made under section 13 of the National Health Service (Wales) Act 2006 (c.42).
 - (8) "School improvement partner" has the meaning in section 5(1) of the 2006 Act, namely a person appointed to provide advice to the governing body and head teacher of a maintained school with a view to improving standards at that school.
 - (9) Part 6 of the 2006 Act inserts new sections 508A and 508E. Section 509 was substituted by paragraphs 57 and 33 of Schedule 30 to the 1998 Act.
 - (10) Section 518 was substituted by section 129 of the 1998 Act. Regulations currently in force under section 518 are the Local Education Authority (Payment of School Expenses) Regulations 1999 (S.I. 1999/1727) and the Local Education Authority (Post Compulsory Education Awards) Regulations (S.I. 1999/229 as amended by 2000/2057).

11. Expenditure on the Education Welfare Service(11) and other expenditure arising from the authority's functions under Chapter 2 of Part 6 of the 1996 Act (School attendance).

12. Expenditure on the provision of support for students under regulations made under section 1(1) of the Education Act 1962(12) and under section 22 of the Teaching and Higher Education Act 1998.

13. Expenditure on discretionary grants under section 1(6) or 2 of the Education Act 1962 (Awards for designated and other courses).

14. Expenditure on the payment to persons over compulsory school age of education maintenance allowances(13).

15. Expenditure on the provision of tuition in music, or on other activities which provide opportunities for pupils to enhance their experience of music.

16. Expenditure incurred in enabling pupils to enhance their experience of the visual, creative and performing arts other than music.

17. Expenditure on outdoor education centres, but not including centres wholly or mainly for the provision of organised games, swimming or athletics.

Further education and training for young persons and adults

18. Expenditure on the provision of education and training and of organised leisure time occupation, and other provision under sections 15A and 15B of the 1996 Act(14).

19. Expenditure on the provision by the local education authority under sections 15A and 507A and 507B(15) of the 1996 Act of recreation and social and physical training, and on the authority's provision of services under section 116 of the 2000 Act to encourage and enable the participation by young people in education and training.

Strategic management

20. Expenditure in their capacity as a local education authority in relation to—

- (a) functions of the director of children's services and his personal staff;
- (b) planning for the education service as a whole;
- (c) functions of the authority under Part I of the Local Government Act 1999(16) (Best Value) and the provision of advice to assist governing bodies in procuring goods and services with a view to securing continuous improvement in the way the functions of those governing bodies are exercised, having regard to a combination of economy, efficiency and effectiveness;

(11) The functions and role of the Education Welfare Service are set out in a DfES Circular entitled "Advice and Guidance to Schools and Local Authorities on Managing Pupil Attendance", which can be found on www.dcsf.schoolattendance/publications/index.cfm.

(12) 1962 c.12. The 1962 Act was repealed by the Teaching and Higher Education Act 1998 (c.30) with transitional savings provisions. The repeal does not affect the continued operation of the provisions that relate to the making of subordinate legislation. Relevant regulations made under section 1(1) of the 1962 Act are: the Education (Mandatory Awards) Regulations 2003 (S.I. 2003/1994), the Education (Mandatory Awards) (Amendment) Regulations 2004 (S.I. 2004/1038), and the Education (Mandatory Awards) (Amendment) (No.2) Regulations 2004 (S.I. 2004/1792). These regulations describe the designated courses and methodology for calculating grants.

(13) Education maintenance allowances are defined in section 108(8)(a) of the 2005 Act as financial assistance under section 14 of the 2002 Act paid to, or in respect of, a person who is over compulsory school age in connection with his undertaking any course of education or training.

(14) Section 15A was inserted by section 140(1) of, and paragraph 63 of Schedule 30 to, the 1998 Act, and has been amended by section 149 of, and paragraphs 1 and 54 of Schedule 9 to the 2000 Act. Section 15B was inserted by section 149 of, and paragraphs 1 and 55 of Schedule 9 to, the 2000 Act.

(15) Sections 507A and B were inserted by section 6(1) of the 2006 Act.

(16) 1999 c. 27.

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- (d) revenue budget preparation, preparation of information on income and expenditure relating to education for incorporation into the authority's annual statement of accounts, and the external audit of grant claims and returns relating to education;
- (e) administration of grants to the authority (including preparation of applications), functions imposed by or under Chapter 4 of Part 2 of the 1998 Act and, where it is the authority's duty to do so, ensuring payments are made in respect of taxation, national insurance and superannuation contributions;
- (f) authorisation and monitoring of—
 - (i) expenditure which is not met from schools' budget shares, and
 - (ii) expenditure in respect of schools which do not have delegated budgets,
 and all financial administration relating thereto;
- (g) the authority's monitoring of compliance with the requirements of their financial scheme prepared under section 48 of the 1998 Act⁽¹⁷⁾, and any other requirements in relation to the provision of community facilities by governing bodies under section 27 of the 2002 Act;
- (h) internal audit and other tasks necessary for the discharge of the authority's chief finance officer's responsibilities under section 151 of the Local Government Act 1972⁽¹⁸⁾;
- (i) the authority's functions under regulations made under section 44 of the 2002 Act⁽¹⁹⁾;
- (j) recruitment, training, continuing professional development, performance management and personnel management of staff who are funded by expenditure not met from schools' budget shares and who are paid for services carried out in relation to those of the authority's functions and services which are referred to in other paragraphs of this Schedule;
- (k) investigations which the authority carry out of employees, or potential employees, of the authority, or of governing bodies of schools, or of persons otherwise engaged, or to be engaged, with or without remuneration to work at or for schools;
- (l) functions of the authority in relation to local government superannuation which it is not reasonably practicable for another person to carry out, and functions of the authority in relation to the administration of teachers' pensions;
- (m) retrospective membership of pension schemes and retrospective elections made in respect of pensions where it would not be appropriate to expect the governing body of a school to meet the cost from the school's budget share;
- (n) advice, in accordance with the authority's statutory functions, to governing bodies in relation to staff paid, or to be paid, to work at a school, and advice in relation to the management of all such staff collectively at any individual school ("the school workforce"), including in particular advice with reference to alterations in remuneration, conditions of service and the collective composition and organisation of such school workforce;
- (o) determination of conditions of service for non-teaching staff, and advice to schools on the grading of such staff;
- (p) the authority's functions regarding the appointment or dismissal of employees;

⁽¹⁷⁾ Section 48 has been amended by section 40 of, and paragraph 2 of Schedule 3 to, the 2002 Act, section 117 of, and paragraph 7 of Schedule 18 to, the 2005 Act, and section 57 of, and paragraph 3 of Schedule 5 to, the 2006 Act.

⁽¹⁸⁾ 1972 c.70.

⁽¹⁹⁾ The regulations made under this section are the Consistent Financial Reporting (England) Regulations 2003, (S.I. 2003/373, as amended by 2004/393, 2006/437, 2007/599 and 2008/46).

- (q) consultation and functions preparatory to consultation with or by governing bodies, pupils and persons employed at schools or their representatives, or with other interested bodies;
- (r) compliance with the authority's duties under the Health and Safety at Work etc. Act 1974⁽²⁰⁾ and the relevant statutory provisions as defined in section 53(1) of that Act, insofar as compliance cannot reasonably be achieved through tasks delegated to the governing bodies of schools; but including expenditure incurred by the authority in monitoring the performance of such tasks by governing bodies and, where necessary, the giving of advice to them;
- (s) the investigation and resolution of complaints;
- (t) legal services relating to the statutory functions of the authority;
- (u) the preparation and review of plans involving collaboration with other local authority services or with public or voluntary bodies;
- (v) the preparation, publication, consultation upon and review of a children and young people's plan under the Children and Young People's Plan (England) Regulations 2005;
- (w) provision of information to or at the request of the Crown and the provision of other information which the authority are under a duty to make available;
- (x) the authority's duties under article 4(2) and (5) of the Race Relations Act 1976 (Statutory Duties) Order 2001⁽²¹⁾;
- (y) the remittance of fees payable to the General Teaching Council for England by virtue of section 4(4) and 4(4A) of the Teaching and Higher Education Act 1998⁽²²⁾ and the provision of information required by the Council pursuant to regulations⁽²³⁾ made under section 12 of that Act;
- (z) the authority's functions pursuant to regulations made under section 12 of the 2002 Act (supervising authorities of companies formed by governing bodies); and
- (aa) the authority's functions under the Disability Discrimination Act 1995⁽²⁴⁾ insofar as compliance cannot reasonably be achieved through tasks delegated to the governing bodies of schools; but including expenditure incurred by the authority in monitoring the performance of such tasks by governing bodies and, where necessary, the giving of advice to them.

21. Expenditure in pursuance of a binding agreement, where the other party is a local authority, or the other parties include one or more local authorities, in relation to the operation of a facility provided partly, but not solely, for the use of schools.

22. Expenditure on establishing and maintaining those electronic computer systems, including data storage, which are intended primarily to maintain linkage between local education authorities and their schools.

23. Expenditure on monitoring National Curriculum assessment arrangements required by orders made under section 87 of the 2002 Act.

24. Expenditure in connection with the authority's functions in relation to the standing advisory council on religious education constituted by the authority under section 390 of the 1996 Act or in

(20) 1974 c.37.

(21) S.I. 2001/3458.

(22) 1998 c.30. Subsection (4A) is inserted by section 148 of, and paragraphs 1 and 4 of Part 1 of Schedule 12 to, the 2002 Act.

(23) The regulations currently in force under this provision are the General Teaching Council for England (Deduction of Fees) Regulations 2001 (S.I. 2001/3993, as amended by S.I.2003/985).

(24) 1995 c.50.

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the reconsideration and preparation of an agreed syllabus of religious education in accordance with Schedule 31 to the 1996 Act**(25)**.

25. Expenditure in respect of the dismissal or premature retirement of, or for the purpose of securing the resignation of, or in respect of acts of discrimination against, any person except to the extent that these costs are chargeable to schools' budget shares or fall within paragraph 36(b) of Schedule 2.

26. Expenditure in respect of a teacher's emoluments under section 19(9) of the Teaching and Higher Education Act 1998.

27. Expenditure in respect of the functions of an appropriate body under regulations pursuant to section 19(2)(g) of the Teaching and Higher Education Act 1998**(26)**.

28. Expenditure on the appointment of governors, the making of instruments of government, the payment of expenses to which governors are entitled and which are not payable from a school's budget share, and the provision of information to governors.

29. Expenditure on making pension payments, other than in respect of staff employed in schools.

30. Expenditure on insurance, other than for liability arising in connection with schools or school premises.

31. Expenditure in connection with powers and duties performed under Part 2 of the Children and Young Persons Act 1933 (Enforcement of, and power to make byelaws in relation to, restrictions on the employment of children**(27)**).

(25) Section 390 is amended by section 140(1) of, and paragraph 93 of Schedule 20 to, the 1998 Act.

(26) The regulations currently in force under this provision are the Education (Induction Arrangements for School Teachers) (Consolidation) (England) Regulations 2001 (S.I. 2001/2897, as amended by S.I.2001/3938, S.I. 2002/2063, S.I. 2003/106 and S.I. 2003/2148, S.I. 2005/1740 and S.I. 2007/172).

(27) 1933 (c.12).