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WELSH STATUTORY INSTRUMENTS

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**2004 No. 2507 (W.225)**

**EDUCATION, WALES**

**The Education (LEA Financial Schemes) (Wales) Regulations 2004**

*Made* - - - - 21 September 2004

*Coming into force* - - 30 September 2004

The National Assembly for Wales makes the following Regulations in exercise of the powers conferred upon the Secretary of State by sections 48(1) and (2) and 138(7) and (8) of, and paragraph 1(7) of Schedule 14 to, the School Standards and Framework Act 1998<sup>(1)</sup> and now vested in the National Assembly for Wales<sup>(2)</sup>.

**Name, commencement and application**

1.—(1) These Regulations are called the Education (LEA Financial Schemes) (Wales) Regulations 2004 and come into force on 30 September 2004.

(2) They apply only to financial years beginning after 31 March 2005.

(3) They apply only to Wales.

**Interpretation**

2.—(1) In these Regulations —

“the 1996 Act” (“*Deddf 1996*”) means the Education Act 1996<sup>(3)</sup>;

“the 1998 Act” (“*Deddf 1998*”) means the School Standards and Framework Act 1998;

“budget share” (“*cyfran o'r gyllideb*”) has the meaning given to it by section 47(1) of the 1998 Act;

“delegated budget” (“*cyllideb ddirprwyedig*”) is to be construed in accordance with section 49(7) of the 1998 Act;

“governing body” (“*corff llywodraethu*”) includes a temporary governing body and

“governor” (“*llywodraethwr*”) includes a member of a temporary governing body.

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(1) 1998 c. 31. Section 48(1) and (2) was amended by paragraph 2 of Schedule 3 to the Education Act 2002, c. 32.

(2) See the National Assembly for Wales (Transfer of Functions) Order 1999, S.I.1999/672 and section 211 of the Education Act 2002.

(3) 1996 c. 56.

(2) In these Regulations, references to schools maintained by a local education authority (however framed) include only community schools, foundation schools, voluntary schools, community special schools and foundation special schools, maintained by the authority (including a proposed such school to be maintained by the authority which has a temporary governing body the arrangements for the constitution of which were made by the authority in compliance with the duty imposed on them by section 44(1)(4) of the 1998 Act or section 34(1) of the 2002 Act(5)).

### **Revocation**

3. Regulations 25 to 28 of, and Schedule 5 to, the Financing of Maintained Schools Regulations 1999(6) are revoked on 1 April 2005.

### **Required content of schemes**

4. A scheme prepared by a local education authority under section 48(1) of the 1998 Act must deal with the matters connected with the financing of schools maintained by the authority set out in the Schedule to these Regulations.

### **Manner of publication**

5. For the purposes of paragraph 1(7) of Schedule 14 to the 1998 Act (prescribed manner of publication of schemes) a scheme must be published by the local education authority concerned on its coming into force and in the circumstances prescribed in regulation 6 by —

- (a) furnishing a copy to the governing body and head teacher of each school maintained by the authority; and
- (b) making a copy available for reference at all reasonable times and without charge —
  - (i) at the principal education office of the authority; and
  - (ii) at each school maintained by the authority or on a website which is maintained by the authority and accessible to the public.

### **Additional occasions when schemes require publication**

6. For the purposes of paragraph 1(7)(b) of Schedule 14 to the 1998 Act (prescribed occasions on which publication of schemes is required) a scheme must be published by the local education authority concerned on the coming into force of any revision of it.

Signed on behalf of the National Assembly for Wales under section 66(1) of the Government of Wales Act 1998(7)

21 September 2004

*D. Elis-Thomas*  
The Presiding Officer of the National Assembly  
for Wales.

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(4) Section 44(1) will be repealed by Schedule 22 to the Education Act 2002.

(5) Section 34(1) will be brought into force on a day to be appointed.

(6) S.I. 1999/101.

(7) 1998 c. 38.

## SCHEDULE

Regulation 4

### CONTENT OF SCHEMES

The matters referred to in regulation 4, being matters connected with the financing of schools maintained by a local education authority, required to be dealt with in the local education authority's scheme are as follows:

1. The carrying forward from one financial year to another of surpluses and deficits arising in relation to schools' budget shares.
2. Amounts which may be charged against schools' budget shares.
3. Amounts received by schools which may be retained by their governing bodies and the purposes for which such amounts may be used.
4. The imposition, by or under the scheme, of conditions which must be complied with by schools in relation to the management of their delegated budgets and of sums made available to governing bodies by the authority which do not form part of delegated budgets, including conditions prescribing financial controls and procedures.
5. Terms on which services and facilities are provided by the authority for schools maintained by them.
6. The payment of interest by or to the authority.
7. The times at which amounts equal in total to the school's budget share are to be made available to governing bodies and the proportion of the budget share to be made available at each such time.
8. The virement between budget heads within the delegated budget.
9. Circumstances in which the authority may delegate to the governing body the power to spend any part of the authority's LEA budget or schools budget in addition to those set out in section 49(4) (a) to (c)(8) of the 1998 Act.
10. The use of delegated budgets and of sums made available to the governing body by the authority which do not form part of delegated budgets.
11. Borrowing by governing bodies.
12. The banking arrangements that may be made by governing bodies.
13. A statement as to the personal liability of governors in respect of schools' budget shares having regard to section 50(7) of the 1998 Act.
14. A statement as to the allowances payable to governors of a school which does not have a delegated budget in accordance with the scheme made by the authority for the purposes of section 519 of the 1996 Act(9).
15. The keeping of a register of any business interests of the governors and the head teacher.
16. The provision of information by and to the governing body.
17. The maintenance of inventories of assets.
18. Plans of a governing body's expenditure.
19. A statement as to the use that a governing body proposes to make of a surplus in the school balance which exceeds 5% of the school budget share or £10,000, whichever is the greater.
20. A statement as to the taxation of sums paid or received by a governing body.

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(8) Section 49 is amended by paragraph 100(2) of Schedule 21 to the Education Act 2002.

(9) Section 519 was amended by paragraphs 57 and 139 of Schedule 30 to the 1998 Act.

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

21. Insurance.
  22. The use of delegated budgets by governing bodies so as to satisfy the authority's duties imposed by or under the Health and Safety at Work etc. Act 1974(10).
  23. The provision of legal advice to the governing body.
  24. Funding for child protection issues.
  25. School meals.
  26. To whom in the authority complaints should be made by persons working at the school or by school governors about financial management or financial propriety at the school and how such complaints will be dealt with.
  27. Expenditure incurred by a governing body in the exercise of the power conferred by section 27 of the Education Act 2002.
  28. Provision by governing bodies of returns and information for teacher pensions' purposes.
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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations (which replace corresponding provisions in the Financing of Maintained Schools Regulations 1999 which are revoked) make provision with respect to the schemes which local education authorities are required to prepare under section 48 of the School Standards and Framework Act 1998 dealing with matters connected with the financing of schools they maintain.

Apart from a new provision enabling local education authorities to publish their schemes on their websites instead of making them available at schools, the Regulations replicate the 1999 Regulations.

Regulation 4 and the Schedule specify the matters which must be dealt with in schemes. Regulation 5 specifies the manner in which schemes must be initially published and regulation 6 requires schemes to be published in the like manner if they are revised.

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(10) 1974 c. 37.