
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations revoke and replace the LEA Budget, Schools Budget and Individual Schools Budget (Wales) Regulations 2003, the Schools Budget Shares (Wales) Regulations 2004 and the Education (LEA Financial Schemes) (Wales) Regulations 2004 in relation to financial years that commence on or after 1 April 2011. They make provision for the funding of maintained schools in Wales for those financial years.

Part 1 contains the introductory, interpretation and revocation provisions.

Part 2 deals with the LEA budget, the schools budget and the individual schools budget.

Regulation 4 and Schedule 1 set out the expenditure that constitutes the LEA budget.

Regulation 5 requires the local authority to make an initial determination of the schools budget before 14 February preceding a funding period. Regulation 6 defines the schools budget. Regulation 7 requires the individual schools budget to be determined before 14 February immediately preceding a funding period. A funding period is a financial year. The individual schools budget is defined in regulation 7 and Schedule 2.

Part 3 deals with schools' budget shares. Regulation 8 requires the individual schools budget to be allocated as budget shares to schools. Regulation 9 requires an initial determination of the amount of a school's budget share to be made by the end of the March preceding a funding period and for the authority to notify schools' governing bodies of the amount of their budget shares together with information about how the budget share was calculated and estimates of the budget shares for the following two funding periods.

Regulation 10 requires an authority to determine a formula for the budget shares. Regulation 11 requires consultation on any changes made to the formula since the preceding funding period.

Regulation 12 makes provision for the delegated budget of a new school.

Regulations 13 to 23 and Schedule 3 set out the factors and criteria to be taken into account in determining budget shares.

Regulation 24 allows a local authority to redetermine a school's budget share in order to correct errors, and regulation 25 allows the Welsh Ministers to approve alternative arrangements to determine budget shares.

Part 4 deals with local authorities' financial schemes. Regulation 26 and Schedule 4 specify the matters that must be dealt with in schemes. These include a new provision which will allow local authorities to direct governing bodies how to spend a surplus of £50,000 or more in the case of a primary school and £100,000 or more in the case of a secondary school or a special school, and if they fail to do so, to recover those surpluses and apply them as part of their schools budget.

Regulation 27 sets out how revised schemes are to be publicised and regulation 28 requires any revisions to be approved by the schools forum or the Welsh Ministers.