

---

STATUTORY INSTRUMENTS

---

**1995 No. 178**

**EDUCATION, ENGLAND AND WALES**

**The Education (Financial Delegation to Schools)  
(Mandatory Exceptions) Regulations 1995**

<i>Made</i>	- - - -	<i>27th January 1995</i>
<i>Laid before Parliament</i>		<i>30th January 1995</i>
<i>Coming into force</i>	- -	<i>24th February 1995</i>

The Secretary of State, in exercise of the powers conferred by sections 38(4)(c) and (d) and 232(5) and (6) of the Education Reform Act 1988(1), hereby makes the following Regulations:

**Citation, commencement, application and interpretation**

1.—(1) These Regulations may be cited as the Education (Financial Delegation to Schools) (Mandatory Exceptions) Regulations 1995 and shall come into force on 24th February 1995.

(2) These Regulations apply for the purpose of determining the aggregated budget of a local education authority in England for a financial year beginning on or after 1st April 1995.

(3) In these Regulations—

“the Act” means the Education Reform Act 1988;

“the 1994 Regulations” means the Education (Financial Delegation to Schools) (Mandatory Exceptions) Regulations 1994(2);

“aggregated budget” has the meaning assigned to it by section 33(4)(b) of the Act;

“general schools budget” has the meaning assigned to it by section 33(4)(a) of the Act(3);

“special educational needs” has the meaning assigned to it by section 156 of the Education Act 1993(4);

“statement” in relation to a pupil with special educational needs means a statement made under section 168 of the Education Act 1993 or section 7 of the Education Act 1981(5) as it continues

---

(1) 1988 c. 40. For the definition of “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.

(2) S.I. 1994/277.

(3) Section 33(4)(a) was amended by the Further and Higher Education Act 1992 (c. 13), section 12(5).

(4) 1993 c. 35.

(5) 1981 c. 60; section 7 was amended by the Education Reform Act 1988, Schedule 12, paragraph 83 and repealed by the Education Act 1993, Schedule 21, Part I.

to have effect by virtue of Schedule 4 (transitional provisions) to the Education Act 1993 (Commencement No. 5 and Transitional Provisions) Order 1994(6).

### Revocation

2.—(1) The 1994 Regulations are revoked in so far as they apply to local education authorities in England.

(2) Notwithstanding paragraph (1) above, the 1994 Regulations shall continue to apply for the purpose of determining (or redetermining) the aggregated budget of a local education authority in England for the financial year beginning on 1st April 1994 and the Education (Financial Delegation to Schools) (Mandatory Exceptions) Regulations 1989(7) shall continue to apply for such a purpose for a financial year beginning on or before 1st April 1993.

### Prescribed Expenditure

3.—(1) The expenditure referred to in paragraph (2) below, so far as taken into account in determining the general schools budget of any local education authority in England for any financial year, is prescribed for the purposes of section 38(4)(c) and (d) of the Act (expenditure to be left out of account in determining a local education authority's aggregated budget for any financial year).

(2) That expenditure is—

- (a) expenditure falling to be taken into account in determining central government grants of the following descriptions—
  - (i) grants for education support and training under section 1 of the Education (Grants and Awards) Act 1984(8);
  - (ii) grants under section 11 of the Local Government Act 1966(9) (grants for certain expenditure due to ethnic minority population);
  - (iii) grants under section 210 of the Act(10) (grants for the education of travellers and displaced persons);
  - (iv) grants under section 2 of the Employment and Training Act 1973(11) (grants to assist persons to select, train for, obtain and retain employment etc.);
  - (v) grants under section 1 of the Local Government Grants (Social Need) Act 1969(12) (grants relating to special social need in urban areas);
  - (vi) grants under section 27 of the Housing and Planning Act 1986(13) (grants for regeneration of urban areas);
- (b) expenditure falling to be taken into account in determining specific grants from any of the European Communities which support activities in schools;
- (c) expenditure of the kind referred to in section 11 of the Local Government Act 1966 in respect of posts approved by the Secretary of State for the purpose of making grants in respect of such expenditure, being expenditure not falling to be taken into account in determining central government grants;

---

(6) S.I. 1994/2038 (C.39); amended by S.I. 1994/2248 (C.47).

(7) S.I. 1989/1352.

(8) 1984 c. 11; section 1 was amended by section 278 of the Education Act 1993.

(9) 1966 c. 42, as substituted by section 1(1) of the Local Government (Amendment) Act 1993 (c. 27) and extended by section 211 of the Education Reform Act 1988 to which there is an amendment not relevant to these Regulations.

(10) Section 210 of the Act has been amended in a way not relevant to these Regulations.

(11) 1973 c. 50, as substituted by section 25(1) of the Employment Act 1988 (c. 19).

(12) 1969 c. 2; section 1 was amended by paragraph 44 of Schedule 14 to the Local Government Act 1985 (c. 51) and the Education Reform Act 1988, Schedule 13, Part I.

(13) 1986 c. 63, as substituted by section 174 of the Leasehold Reform, Housing and Urban Development Act 1993 (c. 28).

- (d) expenditure in respect of the costs of compensation, redundancy and other payments for staff who are dismissed or who retire prematurely, or for the purpose of securing the resignation of members of staff;
- (e) expenditure on services provided by education welfare officers and education social workers and on associated administrative expenses;
- (f) expenditure on services provided by educational psychologists in observing, working with and assessing pupils with special educational needs, in advising such pupils, their parents and their teachers, and in providing training to teachers and on associated administrative expenses; and
- (g) expenditure, not falling within sub-paragraph (e) or (f) above, in connection with a local education authority's duties to make assessments of, and to make, maintain and review statements for, children with special educational needs, under sections 5, 7 and 8 of, and Schedule 1 to, the Education Act 1981<sup>(14)</sup> (as they continue to have effect by virtue of Schedule 4 (transitional provisions) to the Education Act 1993 (Commencement No. 5 and Transitional Provisions) Order 1994) or sections 167 to 170 and 172 to 174 of the Education Act 1993, including associated administrative expenses.

27th January 1995

*Gillian Shephard*  
Secretary of State for Education

---

<sup>(14)</sup> 1981 c. 60; section 7 was amended by the Education Reform Act 1988 (c. 40), Schedule 12, paragraph 83; section 8 was amended by Schedule 12, paragraph 84 of that Act and Schedule 1 was amended by Schedule 12, paragraph 85 of that Act. Sections 5, 7 and 8 and Schedule 1 were repealed by the Education Act 1993, Schedule 21 Part I.

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

---

## EXPLANATORY NOTE

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

These Regulations, which apply only to local education authorities in England, replace the provisions of the Education (Financial Delegation to Schools) (Mandatory Exceptions) Regulations 1994 as they apply to such local education authorities and those Regulations are to that extent revoked.

These Regulations prescribe expenditure to be left out of account (in addition to that expenditure already set out in section 38(4)(a) and (b) of the Education Reform Act 1988) in determining the part of the general schools budget of any local education authority in England for any financial year beginning on or after 1st April 1995 which is available for allocation to individual schools under a scheme under section 33 of the Education Reform Act 1988 (known as the authority's aggregated budget for the year). The main changes made by the Regulations are the prescription of expenditure on compensation, redundancy and other payments, expenditure on services provided by education welfare officers and education social workers, expenditure on services provided by educational psychologists and expenditure in connection with a local education authority's duties to make assessments of, and to make, maintain and review statements for, children with special educational needs. Except in the first case such expenditure includes expenditure on associated administrative expenses even if such expenditure would not otherwise fall within the description of prescribed expenditure in the relevant sub-paragraph.

The operation of the Education (Financial Delegation to Schools) (Mandatory Exceptions) Regulations 1994 in relation to local education authorities in Wales is not affected by these Regulations.