

**EXPLANTORY MEMORANDUM TO THE  
LEA BUDGET, SCHOOLS BUDGET AND INDIVIDUAL SCHOOLS  
BUDGET (AMENDMENT) (ENGLAND) REGULATIONS 2005**

**2005 No.526**

**1.** This explanatory memorandum has been prepared by the Department for Education and Skills and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments and the House of Lords Merits Committee.

**2. Description**

2.1 The Regulations amend The LEA Budget, Schools Budget and Individual Schools Budget (England) Regulations 2004 (SI 3131), (The “Budget Regulations”).

2.2 In respect of a number of local education authorities, the Regulations amend Schedule 2 of the Budget Regulations to add a cash figure to the calculation required to be made in respect of the limit on the expenditure which may be deducted from the particular authority’s Schools Budget. The authorities and cash limits are set out in the Schedule to these Regulations and have been subject to some final discussions with some of the authorities involved.

**3. Matters of special interest to the Joint Committee on Statutory Instruments**

None

**4. Legislative Background**

4.1 The LEA Budget, Schools Budget and Individual Schools Budget (England) Regulations 2004 (SI 3131) are made under section 45A and section 138(7) of the School Standards and Framework Act (SSFA) 1998. They set out the regulatory framework within which LEA and school Budgets operate.

4.2 The LEA Budget, Schools Budget and Individual Schools Budget (Amendment) (England) Regulations 2005 No. XXXX are made under the same power.

**5. Extent**

5.1 These regulations apply to England

**6. European Convention on Human Rights**

Not applicable

**7. Policy background**

7.1 The Budget regulations require that the amount of expenditure an LEA can deduct from its Schools Budget cannot grow from one year to the next by a greater percentage than its Individual Schools Budget. There are instances, however, where this limitation places a pressure on the central expenditure of an LEA. Where this is the case LEAs are able to apply for an increase to their limit to the Secretary of State outlining the reasons for the application and the views of their Schools Forum. The amending regulations list those LEAs that have been granted an increase to their limit along with the amount of that increase. Similar amending regulations were laid for the 2004-05 financial year.

**8. Impact**

8.1 The impact on the public sector is minimal therefore no Regulatory Impact Assessment has been conducted.

**9. Contact**

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