

**EXPLANATORY MEMORANDUM TO
THE EDUCATION (OUTTURN STATEMENTS) (ENGLAND)
REGULATIONS 2007**

2007 No. 1720

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

Section 52 of the School Standards and Framework Act 1998 imposes an obligation upon Local Education Authorities (LEAs) to prepare outturn statements after the end of each financial year which set out information relating to the following matters-

- (a) the planned expenditure for that financial year which the LEA has specified in the budget statement it prepared before the beginning of the year;
- (b) expenditure actually incurred, or treated by the LEA as having been incurred by them in that financial year;
- (c) any other resources allocated by the LEA in the year to schools maintained by them during any part of that year; and
- (d) accountable resources held, received or expended in that year by any person in relation to a school maintained by the LEA. (Accountable resources means resources not provided by the LEA which governing bodies have an obligation to keep account of under section 44 of the Education Act 2002.)

Copies of outturn statements must be sent to the governing body and head teacher of each school maintained by the LEA. The Education (Outturn Statements) (England) Regulations 2007 prescribe the form of the statement and the manner of its publication. These regulations are made annually, and impose a requirement upon LEAs to supply a copy of their outturn statement to the Secretary of State.

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

None

4. Legislative Background

4.1. The Education (Outturn Statements) (England) Regulations 2007 are made under section 52(2), (2B), (3) and (4) and section 138(7) of the Schools Standards and Framework Act (SSFA) 1998. The annual updating of these instruments enables additions and changes to be made to the tables set out in the Schedules.

5. Extent

5.1. These regulations apply to England.

6. European Convention on Human Rights

6.1. As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1. The parent Act sets out the budgetary framework for schools maintained by local authorities. The policy objective in making these regulations is to ensure that LEAs provide particular information to maintained schools, the Secretary of State and the public about their expenditure during the previous financial year. The publishing of this statement enables a comparison to be made between actual expenditure and planned expenditure (a statement of which they are required to publish before the beginning of the financial year). The schedules to the regulations comprise tables which set out in detail the information required. Because this changes from year to year, the regulations are made annually.

7.2 None of the changes implemented by these regulations are politically or legally important. The changes include a revised table in Schedule 1 entitled 'Summary Table - Reconciliation of the Dedicated Schools Grant/Budget and Outturn Spend'. This table has been amended from the 2005-06 version to give greater prominence to capturing information relating to the spend of the Dedicated Schools Grant which was introduced during budget 2006-07. Changes made to s52 Budget Table 1 2006-07 in relation to the "Grants scored "gross" in the Schools Budget" have also been made to this Table.

The Table also maps between the s52 budget statement 2006-07 and the s52 outturn statement 2006-07.

7.3 Consultation on the proposed changes to the regulations and accompanying guidance was undertaken with Directors of Children's Services and their education finance officers. Included in the consultation were local government associations. There has been no media attention.

7.4 Two responses were received to the consultation. These consisted of :

i) one respondent asked for early confirmation that the proposed

changes were to go ahead;

- ii) the other respondent expressed concern that the reconciliation table should not take account of CFR data and should solely reconcile the expenditure funded specifically from DSG allocations as adjustments would need to be made to take account of movements in reserves.

7.5 In making the proposals for this Table, the Department considered very carefully whether it was possible to reconcile only the expenditure funded specifically from DSG allocations with the final DSG allocation in the reconciliation table. It is not possible to do this as the Department has no way of knowing if some expenditure items (ie the Consistent Financial Reporting framework categories) are funded by DSG allocations, grants, reserves or by other sources as these are just used as a means of getting the money into the school. It is up to the school how they spend their money. Consequently, the Department can only really look at a school's expenditure as a whole and reconcile it with the total of all the potential sources of funding. There is provision to make adjustments for reserves in section R5 on the reconciliation the reconciliation table.

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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