
STATUTORY INSTRUMENTS

2012 No. 2991

**The School and Early Years Finance
(England) Regulations 2012**

PART 2

Action to be Taken by a Local Authority

CHAPTER 2

Determination of Schools Budgets, Individual Schools Budgets, and Budget Shares

Determination of the individual schools budget for the funding period and limit on increase in central expenditure

8.—(1) Subject to paragraphs (2) to (8), not later than 15th March 2013, a local authority must deduct from their schools budget such of the classes or descriptions of planned expenditure set out in Schedule 2 (“the central expenditure”) as they propose to deduct, in order to determine their individual schools budget.

(2) Central expenditure referred to in paragraphs 3 and 4 of Part 1 (Central Services) of Schedule 2 may only be deducted by the local authority where the expenditure is to be incurred as a result of decisions taken in previous funding periods that commit the authority to incur expenditure in the funding period.

(3) In deducting the central expenditure referred to in Part 1 (Central Services) of Schedule 2, a local authority must not exceed the limits referred to in paragraph 5 of Schedule 2, unless they are authorised to do so under regulation 25.

(4) A local authority must not deduct the central expenditure referred to in paragraphs 8 or 9 of Schedule 2 without authorisation from their schools forum under regulation 12(1), or the Secretary of State under regulation 12(3), of the criteria for determining the expenditure.

(5) A local authority must not deduct the central expenditure referred to in Part 1 (Central Services), Part 2 (Central Schools Expenditure), Part 3 (Central Early Years Expenditure) or Part 5 (Items That May Be Removed From Maintained Schools’ Budget Shares) of Schedule 2 without authorisation from their schools forum under regulation 12(1), or the Secretary of State under regulation 12(3).

(6) Where a local authority carries forward a deficit in the central expenditure from the previous funding period to the funding period which reduces the amount of the schools budget available, the funding of this deficit from the schools budget must be authorised by their schools forum under regulation 12(1), or the Secretary of State under regulation 12(3).

(7) A local authority may apply to the Secretary of State for authorisation under regulation 25(1) to deduct from their schools budget any expenditure falling outside the classes or descriptions of planned expenditure set out in Schedule 2, in order to determine their individual schools budget.

(8) References to planned expenditure in this regulation and Schedule 2 are references to that expenditure net of—

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- (a) all related specific grants;
- (b) all related fees, charges and income; and
- (c) any funding received from the Secretary of State in respect of PFI scheme unitary payments,
and the expenditure referred to in Schedule 2 includes expenditure on associated administrative costs and overheads.