

*These notes refer to the Education Act 2005 (c.18)
which received Royal Assent on 7 April 2005*

EDUCATION ACT 2005

EXPLANATORY NOTES

COMMENTARY

Part 4: Miscellaneous

Maintained schools

Section 101: Funding of maintained schools

178. This section introduces Schedule 16, which contains provisions relating to the funding of local education authorities and schools. Currently, local education authorities set a 'schools budget' and a 'LEA budget' annually for the forthcoming financial year, using mainly resources paid under the Local Government Finance Acts, and also calculate the budget shares of schools on an annual basis. The budget shares are shares of the individual schools budget, which is the total sum left in the schools budget after certain items of central expenditure have been deducted. Schools forums have only an advisory role in relation to authorities' school funding arrangements.
179. Subsections (1) to (3) of section 45A of SSFA 1998 define the schools budget, LEA budget and individual schools budget. These subsections provide that particular descriptions and classes of expenditure which fall within each of the different budgets, and the purposes for which the monies can be used, may be prescribed in regulations. Various sets of regulations have been made under these subsections.
180. Section 47 of SSFA 1998 deals with the calculation of individual schools' budget shares and provides that regulations may prescribe a variety of matters in relation to the calculation of such budget shares.
181. Section 47A of SSFA 1998 imposes an obligation upon local education authorities to establish schools forums and provides for the constitution and functions of schools forums to be set out in regulations.
182. New arrangements for local authorities and schools in England will be based on a ring-fenced grant made available by the Secretary of State, budgets set for a number of funding periods more than a year ahead and an enhanced role for schools forums. The enabling provisions in Schedule 16 cover both England and Wales except where otherwise specified below. Arrangements for local education authorities and schools in Wales will continue to be based on funding through the local government revenue settlement but the enabling provisions will allow for funding through ring-fenced grant, budgets set for more than a year ahead and an enhanced role for schools forums should circumstances make this appropriate.