

**EXPLANATORY MEMORANDUM TO
THE CONSISTENT FINANCIAL REPORTING (ENGLAND) (AMENDMENT)
REGULATIONS 2007**

2007 No. 599

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

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. **Description**

In order to assist schools to report accurately on their extended school income and expenditure, we propose a small number of amendments to the Consistent Financial Reporting (England) Regulations 2003, to apply from 1 April 2007. The amendments make a distinction between extended school activities that are undertaken for the purposes of the school under section 50 of the School Standards and Framework Act 1998 (pupil-focused activities) and those community-focused activities that are undertaken under section 27 of the Education Act 2002.

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

3.1 None.

4. **Legislative Background**

- 4.1 The Regulations are made under section 44 of the Education Act 2002.

5. **Territorial Extent and Application**

5.1 This instrument applies to all of England.

6. **European Convention on Human Rights**

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

7. **Policy background**

7.1 Consistent Financial Reporting requires all schools to report their expenditure according to a common framework. This enables schools to benchmark their expenditure against that of similar schools. The framework needs to be updated from time to time in the light of changing context, in this case the increasing use by schools of the powers to provide community facilities under section 27 of the Education Act 2002.

7.2 In October 2005 we consulted on proposals to make small amendments to the CFR framework in order to distinguish more clearly between community-focused

extended schools activities and activities that are treated as for the purposes of the school (pupil-focused). Responses to the consultation generally supported the proposals, so we are now implementing the additional fields in the CFR Framework for 2006-07 as set out in Annex A.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies

8.2 The impact on the public sector is that schools will need to comply with the new framework in completing the annual CFR return. This should not be problematic for them as they will anyway need to make a distinction between pupil-focused and community-focused activities for accounting purposes.

9. Contact

Kent Hadley at the Department for Education & skills Tel: 0207 925 6561 or e-mail: kent.hadley@dfes.gsi.gov.uk can answer any queries regarding the instrument.