

Chapter V

FINANCE

THE present system of educational finance dates from 1917, and derives from the Report of the Departmental Committee on Local Taxation, set up by the Treasury, with Sir John Kempe, the Comptroller and Auditor-General, as Chairman, which sat from 1911 to 1914.

The service of education was adopted very late into the regular family of Local Government services, and lay for many years outside the field in which the principles of financial adjustment between central and local burdens, between rates and taxes, were debated. It was not in any degree a recognised Local Government "burden" till 1870, and the right of either a Central or Local Authority to concern itself with education was disputed on principle. Indeed, it was not possible till 1902 to treat it as a service for which Local Authorities had an organic responsibility. There was a system of grants, but no system of finance. Since then the service of education, by its inherent capacity for growth and its faculty of sharpening the appetite for itself, has attained, both from the administrative and financial points of view, a conspicuous if not a dominant position among Local Government services.* The importance of the

* See H. of C. Return 135 of 1926.