

From: **Rory Love, Cabinet Member for Education and Skills**  
**Sarah Hammond, Corporate Director of Children, Young People and Education**

To: **Children's and Young People's Cabinet Committee – 12 September 2023**

Subject: **23-00073 - School Maintenance – Landlord: Tenant Financial Thresholds**

Key - the decision is **Key**, as it:

- *It affects more than 2 Electoral Divisions; and*
- *It involves expenditure or savings of maximum £1m*

Classification: **Unrestricted**

**Past Pathway of report:** None

**Future Pathway of report:** Schools' Funding Forum

**Electoral Division:** All

**Summary:** The Scheme for Financing Schools in Kent applies to all schools maintained by the Council. Section 13 of this sets out the responsibilities for repairs and maintenance. The financial limits to assigning initial responsibility for meeting the costs of repairs and maintenance are agreed with the Schools' Funding Forum and are set out in the Scheme. These limits have remained unaltered for a number of years. It is proposed these are increased in line with inflation.

**Recommendation(s):**

The Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Education and Skills on the proposed decision to propose to the Schools' Funding Forum that the financial limits for the costs of repairs and maintenance of schools are increased as set out in paragraphs 2.5, 2.6 and 2.7 of this report.

## **1. Introduction**

- 1.1 Legislation provides for maintained schools to receive a delegated budget from the Local Authority. The Scheme for Financing Schools sets out the financial relationship between the Authority and the maintained schools that it funds. It contains requirements relating to financial management and associated issues,

which are binding on both the Authority and on the schools. Section 13 of the Scheme sets out the responsibilities for repairs and maintenance of school building and grounds. Please note Section 13 does not apply to voluntary aided schools, as their aiding bodies are responsible for their upkeep.

- 1.2 The Authority delegates all funding for repairs and maintenance to schools through the schools' budget. The Authority has a duty to ensure that schools are maintaining buildings and fixtures in line with best practice and ensuring health and safety requirements are met. The Authority undertakes condition surveys to support these efforts.
- 1.3 The Authority, with agreement from the Schools' Funding Forum, set the following limits to assigning initial responsibility for meeting the costs of repairs and maintenance.

Phase	£
Primary	7,500
Secondary	20,000
Special schools and PRU's	7,500

- 1.4 Schools are responsible for the funding all of their repairs and maintenance where the costs are below the relevant limits (excluding VAT). Where the costs of repairs and maintenance exceed the limits, the LA prioritises available funding based on the condition grading of the works. The limits apply to each individual maintenance task or scheme, not the cumulative cost of all repairs and maintenance in a particular year.
- 1.5 Capital funding is retained by the Authority, with the exception of Devolved Formula Capital. Expenditure may be treated as capital only if it fits the definition of capital used by the local authority for financial accounting purposes which is in line with the CIPFA Code of Practice on Local Authority Accounting. The de-minimus amount for any capital project expenditure is £10k for authorities, whilst in schools is £2k (expenditure below this should be made from the revenue budget).

## 2. Proposed Changes to the Financial Limits

- 2.1 The financial limits set out in 1.3 above were set in excess of 10 years ago. These have not been increased in line with inflation, and do not align with the capital threshold for local authorities, which is £10k. This means there is a disconnect between the Authority having delegated all revenue maintenance funding to schools, but retaining responsibility for some elements which fall below the threshold for capital funding. In 2022/23 just over £485k was charged to the Authority's revenue budget.
- 2.2 When inflation rates between Qtr 4 2012 and Qtr 4 2022 are applied to the current thresholds, the following figures result:

<b>Phase</b>	<b>£</b>
Primary	12,422
Secondary	33,125
Special schools and PRU's	12,422

- 2.3 The Regulations regarding schools' funding and the role of the Schools' Funding Forum require the Authority propose amendments to the Scheme for Financing Schools to the Forum, and it is for the Forum to make a decision. In light of this, the Cabinet Member for Education and Skills is being asked to agree the Authority's proposal to be put to the Forum. If the Forum agrees, the Scheme will be amended accordingly for 2024-25. If the Forum rejects the proposal, or accepts a modified version that is not acceptable to the Authority, the Authority would have the right to appeal to the Secretary of State for Education.
- 2.4 To help inform the decision making process, the School's Funding Forum was informed in May 2023 that the Authority intended to consult schools on the proposed changes. A consultation ran between 21 June and 20 July 2023. Area Education Officers sent the consultation documents to all community, foundation and voluntary schools (including special) and pupil referral units and invited them to respond. In addition, the consultation was raised and discussed at the Summer Term headteacher briefings.
- 2.5 It was proposed that the financial limits be adjusted to reflect inflation, but moderated to round figures as follows:

<b>Phase / Size of School</b>		<b>Current Threshold (£)</b>	<b>Proposed New Threshold (£)</b>	<b>Increase (£)</b>
Primary	Under 2FE	7,500	10,000	2,500
	2FE and above	7,500	12,500	5,000
Secondary	Under 6 FE	20,000	25,000	5,000
	6FE and above	20,000	30,000	10,000
Junior	Under 420 pupils	7,500	10,000	2,500
	420 pupils and above	7,500	12,500	5,000
Infant		7,500	10,000	2,500
All Through		27,500	30,000	2,500
Special		7,500	10,000	2,500
PRU		7,500	10,000	2,500

- 2.6 The consultation also proposed to increase the rates annually following their introduction, in line with the prevailing inflation rate at that time. Any further changes, over and above the inflationary rate, in future years would be subject to a further consultation.
- 2.7 It proposed that the size of a school be determined using the roll numbers recorded on the October census preceding the relevant financial year, with a 2FE primary school defined as 370 pupils or more, and a 6FE secondary school with 800 pupils or more. This recognised that if we classify a 2FE

primary as 420 pupils and a 6FE secondary as 900 pupils, it would create a scenario of a significant number of such schools falling into the lower thresholds even if they are holding only one vacant place.

2.8 The full consultation document can be viewed at Appendix 1.

### 3. Consultation Outcomes

3.1 A summary of the consultation outcomes is set out below. The Cabinet Member has been provided with a spreadsheet containing the full responses provided.

3.2 Despite this consultation affecting c260 LA maintained Schools only 39 schools responded. In total 40 responses were received but 2 were from one Secondary school. Therefore, the recommendations contained within this report have taken into consideration the fact that 85% of the affected schools elected to not respond and/or raise specific concerns in respect of the proposals. Consultees were asked to respond to six questions. Some chose not to respond to all or responded “do not know”.

3.3 The first question asked **“As the threshold rates have not been reviewed and amended for in excess of 10 years, do you agree they should be updated to be more in line with current costs?”**

All 40 respondents answered this question with 24 agreeing and 16 disagreeing. Those disagreeing, explained that they felt school budgets were already stretched due to other external pressures, such as energy and staffing and therefore felt these proposals would simply place additional pressure onto schools. It was also clear that some schools felt that both revenue and capital income levels had not kept pace with increasing pressures on expenditure. A small number of schools expressed the view that there should be more recognition of school sizes, with one respondent requesting that the threshold be lowered for schools deemed to be small schools. In Kent that is schools with less than 150 pupils.

3.4 The second question asked **“If you agree that the threshold rates should be updated, do you agree that they should be updated broadly with inflation (using the Building Costs Information Service (BCIS) All-in Tender Price Index) over the last 10 years?”**

Of the 40 respondents only 11 agreed and 22 disagreed. 7 respondents either stated that they did not know or chose not to respond. Of those disagreeing, a number of schools reiterated their responses to the first question, highlighting that budgets are already stretched and income has not kept pace with expenditure. A number of primary schools that disagreed stated they felt the rates should not increase at all, with others suggesting the rise from £7,500 to £12,500 was too high. It was also highlighted by a secondary school that they

have struggled to even access funding from the LA when the threshold was set at £20,000.

3.5 *Based on the responses, it is KCC officers' view that there should be no change to the proposals included in the consultation. KCC's limited capital resources from Central Government are already insufficient and this has been exacerbated by significant cost increases within the construction industry. By leaving the thresholds at the current levels or not increasing them up to and beyond £10,000 will mean greater pressure on both central revenue and capital budgets.*

3.6 The third question asked **"Do you agree that the updated threshold rates should be moderated to differentiate between different size and phases of schools as outlined?"**

Of the 40 respondents, 20 agreed and 16 disagreed. 4 respondents either stated that they did not know or chose not to respond. In the Primary sector, the reasons for disagreeing were split between smaller schools and larger schools. From the smaller, rural schools, concerns were raised over the grouping of schools with comments that the smaller schools could not afford the threshold being increased up to £10,000. Some of the larger primaries highlighted that their revenue costs were far greater primarily due to staffing, so argued the increase for schools over 2FE was too high.

3.7 *Based on the responses, it is KCC officers' view that there should be no change to the proposals included in the consultation. Whilst it is recognised that the proposed thresholds represent a considerable increase, if thresholds are kept below £10,000 for some schools, pressure will remain on KCC's revenue budget due to the capital de-minimus applied to LAs by the CIFA accounting code of practice. The proposal already recognises the need to support small schools by making a below inflation increase to the threshold for these. However, where schools reach a certain size, that should be recognised due to the increase in costs of undertaking remedial works on a larger site.*

3.8 The fourth question asked **"Do you agree that the threshold rates being updated to represent current market costs, that the rates should subsequently be updated on an annual basis in line with the prevailing rate of inflation?"**

Of the 40 respondents only 10 agreed and 25 disagreed. 5 respondents either stated that they did not know or chose not to respond. The main views expressed by those disagreeing were that we should only continue to uplift the rates in line with increases in income, while others expressed views that the increase should perhaps not be made annually but over a period of three years, so it facilitates school budget setting and does not mean constant increases throughout a budget period.

3.9 *Based on the responses, it is KCC officers' view that there should be no change to the proposals included in the consultation. Whilst there is a recognition that schools plan their budgets for a period of three years, the process is still an annual one with all budgets being reviewed and updated in*

*line with the current position at the beginning of each financial year. Therefore, it makes more sense to avoid further “cliff edges” and ensure that rates are updated on an annual basis.*

**3.10 The fifth question asked “Do you agree with the proposed method for classifying schools as 2FE and above for Primary Schools and 6FE and above for Secondary Schools?”**

Of the 40 respondents, 24 agreed and 10 disagreed. 5 respondents either stated that they did not know or chose not to respond. Of the few schools that disagreed, the main themes of the responses were that registered PAN should be used, other respondents preferred if total roll was used, one school highlighted that the rate change for primary compared to secondary wasn't proportional. One secondary school requested that only years 7 to 11 be used for calculating the size of the school. However, there was not one consensus on an alternative approach to that proposed.

**3.11** *For this reason, no change is proposed to the methodology outlined in the consultation. However, one point still needs to be clarified. In the consultation it was not explicit as to whether the roll numbers used would only include years R to 6 for primary and years 7 to 11 for secondary, or if the whole school roll would be used. The recommendation is that the whole school roll is used. The reason for this is because the Local Authority's School Condition Allocation Grant is calculated using nursery, statutory school age and post 16 pupil numbers.*

*In relation to the query on the numbers used for Secondary, it is worth noting the new proposals will still have minimal impact on either secondary schools or KCC's budgetary position in supporting the few remaining LA maintained schools. Over the last three years only one LA funded project costing up to £25k has been delivered, from a total expenditure of £2,624,000 on carrying out landlord maintenance work. Most projects undertaken by the LA significantly exceeded the proposed threshold.*

**3.12 The final question asked “Do you have any specific comments to make on the proposals contained within this consultation?”**

Full transcripts of the comments made are contained in the Appendix 2. The summaries contained in the paragraphs above capture the majority of sentiments shared. However, of particular note:

Against: Many understood the rationale for the changes, but felt as budgets in schools were under pressure it was difficult to agree the proposals; this passported costs without a corresponding increase in funding; devolved capital had not increased at the same rate; this would take funding from children; buildings conditions would deteriorate; the increases were unacceptable and a result of KCC's previous inaction; budgets were already top-sliced meaning schools were not receiving their full allocation.

For: Thresholds should increase and continue to be regularly reviewed, but in addition KCC should review and increase other financial thresholds for example when three quotes and tenders are required, as these too have been eroded by inflation; clearer guidance on replacement and repairs and quicker approval processes within KCC would be helpful.

#### **4. Financial Implications**

- 4.1 The consultation on this matter has been dealt with separately to other potential changes to schools funding for 2024-25, because the proposals would amend the Scheme for Financing Schools and affect schools' capital budgets.
- 4.2 The current pattern of expenditure against the School Maintenance Budget suggests the proposals would make schools responsible for c£540k per annum. If the thresholds had maintained pace with inflation since these were set, schools would already be responsible for these costs. It is recognised that the proposals increase the pressure on schools' budgets, but the proposal reinstates the position whereby all revenue funding for building maintenance and repairs has been delegated to schools, with the Authority retaining responsibility and funding for capital works only. It should be noted that this change does not alter the size of the Authority's capital budget. The proposals would result in small savings against the authority's capital expenditure but more importantly remove the currently unbudgeted revenue pressure (£485k in 2022/23) the Education Service faces each year.
- 4.3 The Authority's Medium Term Financial Plan requires the Education Service to make savings of £900k in 2024-25 and £300k in 2025-26. Therefore, it is recognised that as the Authority moves to greater parity of funding between maintained and non-maintained schools, some maintained schools will find the need to not only cover more of the costs of maintenance but also other services for which they are funded through the dedicated schools grant, than they have had to cover to date.

#### **5. Legal implications**

- 5.1 Regulations require the Authority to consult all maintained schools on changes to the Scheme, and to make proposals to the Forum, which is the decision maker. These requirements are being complied with.

#### **6. Equalities implications**

- 6.1 An Equalities Impact Assessment was undertaken and available for comment during the consultation period. This did not identify any equalities implications with no negative and no positive impacts noted. No comments on the Assessment were received.

#### **7. Risk and Other Factors**

- 7.1 The risk currently exists that some works are not undertaken in a timely and diligent manner by some schools because of financial pressures, leading to the

condition deteriorating further such that the costs exceed the threshold and become the responsibility of the Authority. Increasing the financial threshold, to return it to the equivalence of 2012, does not introduce a new risk, but could exacerbate the current one.

- 7.2 This proposal, alongside financial pressures may result in a greater number of schools falling into a deficit budget position. The Authority works hard with maintained schools to prevent deficit budgets, with 1.65% in deficit, compared to the national 8.8%. This work will continue.

## **8. Governance**

- 8.1 The Cabinet Member for Education and Skills is asked to make the Executive decision to propose the changes to the Schools' Funding Forum. If the forum agree, the Corporate Director Finance will implement the changes in accordance with the general scheme of delegation. If the Forum reject the proposal, the Corporate Director Finance, in consultation with the Corporate Director Children, Young People and Education, and the Cabinet Member for Education and Skills, will determine whether to appeal to the Secretary of State for Education.

## **9. Alternatives considered**

- 9.1 The alternative to retain the current thresholds has been considered. It has been rejected as its relative devaluation is placing pressure on the Authority's budgets, when these costs should rightly sit with schools in accordance with the approved Scheme. This simply reduces the funds the Authority has to undertake its responsibilities to maintain school buildings and grounds, while the delegated funding may be used to fund other school activity.
- 9.2 Different scenarios were considered, for example all primary schools being required to pay the same rate increased by inflation. The proposal balanced the desire to rebase the thresholds to return the financial responsibilities to equal those when the thresholds were last set, against the overarching financial climate faced by the Authority and its schools.

## **10. Conclusions**

- 10.1 It is disappointing that c85% of schools that could have responded chose not to do so. While this cannot be taken as a sign that those who did not respond support the proposals, it can be seen as they were not so strongly opposed and therefore did not prioritise providing a response.
- 10.2 The majority of respondents agreed the thresholds should be increased with current costs, with the majority who answered question three agreeing these should be moderated to differentiate different sizes of schools.
- 10.3 The majority of respondents disagreed the increase should be linked to inflation now or moving forward. The underlying issue seemed to be that income levels were not similarly linked.



10.4 The majority of respondents agreed with the proposal in respect of how we define the size of schools for this purpose.

10.5 In line with comments in Section 3 above, it is recommended the proposals remain unaltered.

## **11. Recommendation(s):**

The Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Education and Skills on the proposed decision to propose to the Schools' Funding Forum that the financial limits for the costs of repairs and maintenance of schools are increased as set out in paragraphs 2.5, 2.6 and 2.7 of this report.

## **12. Background Documents**

12.1 Scheme for Financing Schools

## **13. Contact details**

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# School Maintenance Thresholds Consultation

For Community, Voluntary Controlled and Foundation Schools and PRUs

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## **Introduction**

Under the terms of the School Standards and Framework Act 1998, Local Authorities (LAs) are required to produce and maintain a scheme for financing schools.

The Scheme for Financing Schools sets out the financial relationship between the LA and the maintained schools that it funds. Section 13 of the Scheme sets out the responsibilities for repairs and maintenance of school building and grounds. This consultation sets out proposals to uplift the current threshold values, which determine whether the cost of maintenance work should be met by the schools or the LA, in line with inflation and current market rates.

The Scheme applies to all nursery, community (inc. community special), foundation (inc. foundation special), voluntary controlled and voluntary aided schools and pupil referral units (PRUs) in Kent. Academies are not covered by the Scheme.

A copy of the Scheme is available to all schools electronically via Kelsi and any approved revisions will be notified to each school covered by the Scheme, via an e-bulletin. The current Kent Scheme for Financing Schools can be found [here](#).

Any proposed revisions to the Scheme must be submitted to the Schools' Funding Forum for approval by members of the Forum representing maintained schools. Where the Forum does not approve them or approves them subject to modifications that are not acceptable to the LA, the LA may apply to the Secretary of State for approval. It is also possible for the Secretary of State to make directed revisions to the Scheme after consultation. Such revisions become part of the Scheme from the date of the direction.

## Background

The LA delegates **all** funding for repairs and maintenance to schools through the schools' budget. The LA has a duty to ensure that schools are maintaining buildings and fixtures in line with best practice, and ensuring health and safety requirements are met. The LA undertakes condition surveys to support these efforts.

The LA, with agreement from the Schools' Funding Forum, set the following limits to assigning initial responsibility for meeting the costs of repairs and maintenance.

Phase	£
Primary	7,500
Secondary	20,000
Special schools and PRUs	7,500

These limits were set, in excess of ten years ago and have not been reviewed since.

Even though the Scheme for Financing Schools sets out the financial requirements for all Kent maintained schools, these specific rates only apply to Community, Voluntary Controlled and Foundation Schools. Voluntary Aided Schools are covered by the DfE's School Capital Allocation for more significant maintenance work and are not the responsibility nor expected to be funded by the Local Authority.

The affected schools are responsible for the funding of all their repairs and maintenance where the costs (for individual repairs or maintenance works) are below the relevant limits (excluding VAT). Where the costs of individual repairs or maintenance work exceed the limits, the LA prioritises available funding based on the priority grading of the work required.

Capital funding for school maintenance, repairs and other related works is provided to the LA by the Department of Education (DfE), with the exception of Devolved Formula Capital which is paid to schools to fund their priorities in respect of building improvements, facilities improvements (including ICT), capital repairs and refurbishment, and minor works. Expenditure may be treated as capital only if it fits the definition of capital used by the CIPFA Code of Practice on Local Authority Accounting. The de-minimus amount for any capital project expenditure by schools is £2k, while for LAs it is £10k. Expenditure below this should be made with revenue funding.

Due to the de-minimus levels for capital expenditure being different for schools and the LA, a considerable amount of schools' maintenance work that is deemed to be the LA's responsibility under the Scheme has to be charged to the LA's revenue budget, where there is no specific central government grant funding to cover the costs (unlike Capital expenditure). In 2022/23 just over £485k was charged to the LA's revenue budget. Moving the minimum threshold to £10k would ensure the revenue budget is not impacted in the future. Other changes, set out below, will also secure some small savings to the capital budget for maintenance, meaning more funding would be available to target the most pressing work.

The ongoing challenge is for the LA to ensure all schools remain warm, safe and dry. Due to increasing costs in the construction industry and limited increases in central government funding, that task has become increasingly difficult. The LA allocates c£8m from the Schools Condition Allocation Grant to support the maintenance of maintained schools, from which c£3m is allocated to emergency day to day repairs, c£4.25m for planned maintenance and c£0.75m for Schools Access Initiative. In the interests of transparency, it has been agreed by the LA to increase the overall

allocation to c£13.5m for the next two years, by prudential borrowing, but there are no guarantees that this uplifted provision can be maintained beyond that period.

Following the recent round of condition assessments carried out by the LA, it was identified that, should the LA meet the cost of all planned maintenance works required in maintained schools (excluding Aided), regardless of their priority grading, it would cost c£25m per annum. Therefore, the LA only has the ability to focus on the most urgent work categorised as D1, other required work cannot be undertaken.

The fact the thresholds have not been reviewed in such a long time also serves to reduce the funding available to the LA, as inflation has devalued these compared to today's market prices.

For this reason, the Schools Funding Forum will be asked to agree proposed changes to the thresholds, so they are more in line with current costs.

In determining these proposals, we sought information from other local authorities in respect of how they determine the LA/School responsibilities.

### **Pre-consultation and Engagement**

Maintained schools were made aware of the challenges being faced by the LA when the letter shown in Appendix 1 of this consultation was issued.

The Schools Funding Forum have previously discussed the various pressures being realised against the LA's revenue budgets. The Forum was informed of the LA's intention to consult maintained schools about the maintenance thresholds at its meeting in May 2023.

### **Consultation Details**

This part of the document provides proposals for changing the school maintenance thresholds contained within the Kent Scheme for Financing Schools.

We invite all community, voluntary controlled and foundation schools and PRUs to participate in this consultation and, separate to this document, a consultation response form is available. To submit a response to this consultation, click [here to complete the online response form](#).

The financial limits set out earlier in this document under "background" were set in excess of 10 years ago. As has already been indicated, these have not been increased in line with inflation, and do not align with the capital threshold for local authorities, which is £10k. This means there is a disconnect between the LA having delegated all revenue maintenance funding to schools, but retaining responsibility for some elements which fall below the threshold for capital funding.

When inflation rates between the time of Qtr 4 2012 and Qtr 4 2022 are applied to the thresholds, the following figures result:

<b>Phase</b>	<b>£</b>
Primary	12,422
Secondary	33,125
Special schools and PRUs	12,422

It is proposed that the financial limits be adjusted to reflect a significant inflationary increase but moderated to round figures and also to recognise different sizes of schools. This is because it is acknowledged that, with no changes to the rates for so many years, such increases will place additional pressure on school budgets, particularly for smaller schools, even with some advance notice to enable realignment of budget plans. Therefore, the new proposed rates for 2024-25 (from 1<sup>st</sup> April 2024) are as follows:

Phase / Size of School		Current Threshold (£)	Proposed New Threshold (£)	Increase (£)
Primary	Under 2FE	7,500	10,000	2,500
	2FE and above	7,500	12,500	5,000
Secondary	Under 6FE	20,000	25,000	5,000
	6FE and above	20,000	30,000	10,000
Junior	Under 420 pupils	7,500	10,000	2,500
	420 pupils and above	7,500	12,500	5,000
Infant		7,500	10,000	2,500
All Through		27,500	30,000	2,500
Special		7,500	10,000	2,500
PRU		7,500	10,000	2,500

As a minimum, it is proposed to inflate the rates annually following their introduction, in line with the prevailing inflation rate at that time. Any further changes, over and above the inflationary rate, in future years would be subject to a further consultation.

It is also proposed that the size of a school will be determined using the roll numbers recorded on the October Census preceding the relevant financial year.

However, if roll numbers are to be used, if we classify a 2FE Primary as 420 pupils and a 6FE Secondary as 900 pupils, it would create a scenario of a significant number of 2FE Primaries and 6FE Secondaries falling into the lower thresholds even if they are holding only one vacant place.

It is therefore proposed that we classify any primary with 370 pupils or more as 2FE and above and any secondary school with 800 pupils or more as 6FE and above.

We acknowledge that there are other potential changes to school revenue funding for 2024-25, but as these proposals would specifically amend the Scheme for Financing Schools and affect schools' capital budgets, they are being consulted on separately. Consulting on this ahead of other changes will help to inform school's responses to the revenue consultation whilst also being aware of any potential change to the maintenance thresholds well in advance of the budget setting process for 2024/25.

### **Other Authority Approaches**

The approach to determining tenant/landlord responsibility for maintenance differs greatly from one authority to another. Below are brief explanations of the approaches taken by two large local authorities in the South/Southeast area.

Example LA 1: all revenue repair and maintenance work is the responsibility of the school. Schools can bid for capital funding for significant works that exceed a formula based de-minimus. Schools that subscribe to their property service level agreement do not need to contribute any further funding as their contribution to the service level agreement is deemed to be that required for any capital works. Any school not taking out the SLA has to contribute towards the capital costs, a bit like

an insurance excess. The LA therefore does not have a single de-minimus capital level for all schools, it uses a formula based on number of pupils, floor area, and whether or not the school has a swimming pool.

Example LA 2: The LA lists a series of works and sets the differentiation between revenue and capital. Revenue works are projects up to £10,000 in value, and capital all items valued over £10,000. This is similar to KCC's class care system.

Example LA 3: The LA will delegate all funding for repairs and maintenance to schools and Governing Bodies are expected to finance all costs for repairs and maintenance from their budgets, except that which is defined as being 'for capital purposes'. The LA currently deems work of a capital nature to be when costs are greater than £20,000 (subject to LA review).

Example LA 4: a prescriptive list of all types of maintenance and repairs categorised into whether they are deemed the schools, or LA responsibility is given.

### **How to get Involved and Find Other Information**

You can share your views on the consultation through the online consultation response form. Click [here to complete the online response form](#).

If you have any questions about the consultation, these should be sent via email to the following address: [ann.drury@kent.gov.uk](mailto:ann.drury@kent.gov.uk). Responses should be completed by Thursday 20<sup>th</sup> July 2023.

### **Consultation Timeline and Decision-making Process**

The consultation opens on Wednesday 21<sup>st</sup> June 2023 and closes on Thursday 20<sup>th</sup> July 2023. The table below provides details of all known key dates:

<b>Date</b>	<b>Event</b>
<b>21<sup>st</sup> June 2023</b>	<b>Consultation Launched</b>
<b>20<sup>th</sup> July 2023</b>	<b>Consultation Closes</b>
<b>12 September 2023</b>	<b>Update presented to Children's, Young People and Education Cabinet Committee</b>
<b>By end September 2023</b>	<b>Cabinet Member for Education and Skills Makes the Decision to Proceed</b>
<b>24th November 2023</b>	<b>Schools' Funding Forum receives a report on the consultation responses and is asked to make formal decision to agree the proposed changes to the Scheme for Financing Schools</b>

### **Equality Analysis**

An equality impact assessment (EqIA) has been undertaken and the EqIA document can be viewed below.

We invite comments on this assessment during the consultation period and we will review this assessment to ensure it reflects the views of schools.



## EQIA Submission – ID Number Section A

EQIA Title

[Title]

Responsible Officer

Lee Round - CY EPA

### Type of Activity

Service Change

No

Service Redesign

No

Project/Programme

No

Commissioning/Procurement

No

Strategy/Policy

Strategy/Policy

Details of other Service Activity

No

### Accountability and Responsibility

Directorate

Children Young People and Education

Responsible Service

Schools Financial Services

Responsible Head of Service

Ian Watts - CY EPA

Responsible Director

Christine McInnes - CY EPA

### Aims and Objectives

The LA delegates all funding for repairs and maintenance to schools through the schools' budget. The LA has a duty to ensure that schools are maintaining buildings and fixtures in line with best practice, and ensuring health and safety requirements are met. The LA undertakes condition surveys to support these efforts.

The LA, with agreement from the Schools' Funding Forum, set the following limits to assigning initial responsibility for meeting the costs of repairs and maintenance.

Primary Schools (including Infant and Junior Schools): £7,500

Secondary Schools: £20,000

Special schools and Pupil Referral Units: £7,500

Even though the Scheme for Financing Schools sets out the financial requirements for all Kent maintained schools, these specific rates only apply to Community, Voluntary Controlled and Foundation Schools, as Voluntary Aided Schools would be covered by the DfE's School Capital Allocation for more significant maintenance work.

The financial limits set out above were set well in excess of 10 years ago and have not been increased in line with inflation. Neither do they align with the capital threshold for local authorities, which is £10k. The fact the thresholds have not been reviewed in such a long time serves to reduce the funding available to the LA to address both emergency works and planned maintenance works, as inflation has

devalued these compared to today's market prices.

It is proposed that the financial limits be adjusted to reflect a significant inflationary increase, but moderated to round figures and also to recognise different sizes of schools. It is acknowledged that, with no changes to the rates for so many years, such increases will place additional pressure on school budgets, particularly for smaller schools.

It is proposed that the thresholds increase as follows:

Primary Under 2FE	Currently £7,500	Proposed £10,000	Increase of £2,500
Primary 2FE and above	Currently £7,500	Proposed £12,500	Increase of £5,000
Secondary under 6FE	Currently £20,000	Proposed £25,000	Increase of £5,000
Secondary 6FE and above	Currently £20,000	Proposed £30,000	Increase of £10,000
Junior under 420 pupils	Currently £7,500	Proposed £10,000	Increase of £2,500
Junior 420 pupils and above	Currently £7,500	Proposed £12,500	Increase of £5,000
Infant	Currently £7,500	Proposed £10,000	Increase of £2,500
All Through school	Currently £27,500	Proposed £30,000	Increase of £2,500
Special	Currently £7,500	Proposed £10,000	Increase of £2,500
Pupil Referral Unit	Currently £7,500	Proposed £10,000	Increase of £2,500

No negative impacts on protected groups have been identified at this point in time.

A consultation is planned with all Community, Voluntary Controlled and Foundation schools. The results of the consultation will be shared with the School's Funding Forum.

## Section B – Evidence

Do you have data related to the protected groups of the people impacted by this activity?

Yes

It is possible to get the data in a timely and cost effective way?

Yes

Is there national evidence/data that you can use?

Yes

Have you consulted with stakeholders?

No

Who have you involved, consulted and engaged with?

All KCC Community, Voluntary Controlled and Foundation Schools.

The School's Funding Forum

Has there been a previous Equality Analysis (EQIA) in the last 3 years?

No

Do you have evidence that can help you understand the potential impact of your activity?

Yes

## Section C – Impact

<b>Who may be impacted by the activity?</b>
Service Users/clients Service users/clients
Staff Staff/Volunteers
Residents/Communities/Citizens Residents/communities/citizens
Are there any positive impacts for all or any of the protected groups as a result of the activity that you are doing?
No
Details of Positive Impacts
Not Applicable
<b>Negative impacts and Mitigating Actions</b>
<b>19. Negative Impacts and Mitigating actions for Age</b>
Are there negative impacts for age?
No
Details of negative impacts for Age
Not Applicable
Mitigating Actions for Age
Not Applicable
Responsible Officer for Mitigating Actions – Age
Not Applicable
<b>20. Negative impacts and Mitigating actions for Disability</b>
Are there negative impacts for Disability?
No
Details of Negative Impacts for Disability
Not Applicable
Mitigating actions for Disability
Not Applicable
Responsible Officer for Disability
Not Applicable
<b>21. Negative Impacts and Mitigating actions for Sex</b>
Are there negative impacts for Sex
No
Details of negative impacts for Sex
Not Applicable
Mitigating actions for Sex
Not Applicable
Responsible Officer for Sex
Not Applicable
<b>22. Negative Impacts and Mitigating actions for Gender identity/transgender</b>
Are there negative impacts for Gender identity/transgender
No
Negative impacts for Gender identity/transgender
Not Applicable
Mitigating actions for Gender identity/transgender
Not Applicable
Responsible Officer for mitigating actions for Gender identity/transgender
Not Applicable
<b>23. Negative impacts and Mitigating actions for Race</b>
Are there negative impacts for Race
No
Negative impacts for Race

<b>Not Applicable</b>
Mitigating actions for Race
<b>Not Applicable</b>
Responsible Officer for mitigating actions for Race
<b>Not Applicable</b>
<b>24. Negative impacts and Mitigating actions for Religion and belief</b>
Are there negative impacts for Religion and belief
<b>No</b>
Negative impacts for Religion and belief
<b>Not Applicable</b>
Mitigating actions for Religion and belief
<b>Not Applicable</b>
Responsible Officer for mitigating actions for Religion and Belief
<b>Not Applicable</b>
<b>25. Negative impacts and Mitigating actions for Sexual Orientation</b>
Are there negative impacts for Sexual Orientation
<b>No</b>
Negative impacts for Sexual Orientation
<b>Not Applicable</b>
Mitigating actions for Sexual Orientation
<b>Not Applicable</b>
Responsible Officer for mitigating actions for Sexual Orientation
<b>Not Applicable</b>
<b>26. Negative impacts and Mitigating actions for Pregnancy and Maternity</b>
Are there negative impacts for Pregnancy and Maternity
<b>No</b>
Negative impacts for Pregnancy and Maternity
<b>Not Applicable</b>
Mitigating actions for Pregnancy and Maternity
<b>Not Applicable</b>
Responsible Officer for mitigating actions for Pregnancy and Maternity
<b>Not Applicable</b>
<b>27. Negative impacts and Mitigating actions for Marriage and Civil Partnerships</b>
Are there negative impacts for Marriage and Civil Partnerships
<b>No</b>
Negative impacts for Marriage and Civil Partnerships
<b>Not Applicable</b>
Mitigating actions for Marriage and Civil Partnerships
<b>Not Applicable</b>
Responsible Officer for Marriage and Civil Partnerships
<b>Not Applicable</b>
<b>28. Negative impacts and Mitigating actions for Carer's responsibilities</b>
Are there negative impacts for Carer's responsibilities
<b>No</b>
Negative impacts for Carer's responsibilities
<b>Not Applicable</b>
Mitigating actions for Carer's responsibilities
<b>Not Applicable</b>
Responsible Officer for Carer's responsibilities
<b>Not Applicable</b>

Consultation process and analysis of responses

This consultation only related to Community, Voluntary Controlled and Foundation Schools and Pupils Referral Units (PRUs) and ran from 21<sup>st</sup> June 2023 to 20<sup>th</sup> July. Despite this consultation affecting c260 LA maintained Schools only 39 schools responded. In total 40 responses were received but 2 were from one Secondary school.

The breakdown of responses by provider type is as follows:

Primary	30 responses
Secondary	5 responses (includes two from one school)
All Through	1 response
Special	1 response
PRU	3 responses

The questionnaire was completed primarily by Head Teachers or Bursars/Business Managers. The breakdown of responses by job type was:

Head Teacher	17 responses
Executive Head Teacher	1 response
Bursar/Business Manager	19 responses
Facilities Manager	1 response
Office Manager	1 response
Governing Body	1 response

The analysis by district showed that the majority of responses were provided by schools in the West and North of the County. The analysis by district is as follows:

Maidstone	11 responses
Tonbridge and Malling	9 responses
Tunbridge Wells	4 responses (includes two from one school)
Dartford	2 responses
Gravesham	3 responses
Sevenoaks	2 responses
Dover	2 responses
Folkestone & Hythe	2 responses
Ashford	1 response
Thanet	2 responses
Canterbury	2 responses
Swale	0 responses

This appendix sets out in full the responses made by recipients to the final question **“Do you have any specific comments to make on the proposals contained within this consultation?”**

To be honest, I'm not sure these changes will impact other schools if their experience is similar to mine. I find it impossible to gain answers. e.g. Been asking now for over 4 years who is responsible for fire doors to be installed, not maintained.

By passing the costs onto the school without additional funding will result in

buildings getting into disrepair
Please do not do this, it is unfair, school budgets are being cut and this is taking further money away from children. Most schools are struggling greatly at the moment, the Kent Range increases have contributed to this greatly so please do not do anything else to make the situation worse.
I understand the changes, but the lack of school funding makes it really hard to agree.
This will add even more pressure to schools trying to make budgets balance now and moving forward.
Whilst we appreciate the reasons for the proposed changes, schools are facing extreme pressure on their revenue budget and are struggling to meet the basic needs. HNF has recently had a huge impact and further pressures with the capital budget are not what is needed at this time.
Only as above. Older school buildings that were built that no longer would comply with building regulations should not be part of the school's problem. KCC should be more aware of the buildings and its needs.
I know capital funding to address minor or major capital works is in short supply but maybe the time is right to revisit the LA/Tenant responsibility with a view to distribute a significant proportion to schools. Schools need to be given a list of their D1 items, many of which have been on that list for many years.t
I agree in principle that this needs to be reviewed after ten years, but schools cannot be expected to somehow make up the difference from their budgets.
I have made all my comments in the sections above
I fully understand the financial pressures everyone is under however, as a small school, the pressure is significantly greater and I do not feel the current scaling reflects that pressure. Schools with under 100 pupils on roll should remain at £7.5 threshold k
The maintenance for a very small school impacts the budget to a greater extent than larger schools and the proposals should reflect that.
No
We support the increase in line with inflation. Will other KCC financial policy thresholds also be reviewed to take into account rising costs e.g. purchasing and tender thresholds? We continue to request proactive support from KCC for landlord responsibilities, despite a higher threshold.
I agree that thresholds should rise in line with inflation and be regularly reviewed. In addition, KCC should review all thresholds e.g. purchasing and tender thresholds, which have not been reviewed either for many years. We find it increasingly challenging working within these thresholds, as a large school, which we find to be very low. We also ask that KCC continue to support schools and be responsive to their landlord responsibilities - moving the threshold higher does not mean less support is required.
Nothing further
I am glad infant schools have a separate threshold
I agree with the above ONLY if the numbers are based on students of statutory school age are included - e.g. for Secondaries KS3 and KS4.
Please could I request that a consideration is given to increasing the level for seeking three quotes in the finance policy from above £8K to above £10K based on all the info shared re the cost of contractors and materials etc. This would help enormously in schools in terms of the time taken to sometimes manage to get three companies to quote for work. The principal of best value would still always take precedent but it would enable works to be instructed quicker, if needs be,

especially if the threshold of support from the LA is raised to £10K.
You make a very reasoned argument for the increase of thresholds as 'the LA delegates all funding for repairs and maintenance to schools through the school budget' - but make no reference at all to the fact that schools capital budget has been similarly maintained at the same level for over 10 years too. If your intention is to increase capital funding by the same factor as the thresholds then we would agree to this consultation.
No. 10 updated on an annual basis in line with the prevailing rate of inflation. School Forum should also take into consideration whether school Capital funding has been increased in line with inflation.
I feel they need a more fair review in line with the challenges and pressures on schools and budgets at this time
Our PRU has a PAN of 51 pupils and is well below the numbers in the smallest primary setting and this should be a qualifying factor when looking at the thresholds.
Agree that the request to uplift the bar is required across all schools. With schools facing greater challenges on budget control; a projection for next 5 years would be helpful in assisting Heads and Bus Managers; plan significant premises and facility & fabric improvements within their planned spending or via capital projects work
It's taken KCC a long time to review these figures, nearly doubling the figure due to KCC lack of action in previous years is not acceptable
My comments are more about the process to the authorisation of repairs from the LA. A designated contact within KCC, procedural guidelines and criteria for full replacement or repairs would speed up and support the process.
School budgets (for maintained schools) are already top sliced meaning schools are already receiving less funding than they are entitled to. Schools are expected to pay for a whole host of other services which previously used to be provided by the LA and now you are planning to erode insufficient budgets further in the event that significant and often unplanned and unforeseen building works are required. Please see our other comments.

Finally, one general point was raised by some schools, that they felt the thresholds for procurement were now too low and are restrictive in supporting schools in expediting the procurement of sometimes urgent maintenance work. This would be a separate issue for the Council to consider going forward.