

KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Rory Love, Cabinet Member for Education and Skills

DECISION NUMBER:

24/00118

For publication [Do not include information which is exempt from publication under schedule 12a of the Local Government Act 1972]

Key decision: YES

Key decision criteria. The decision will:

- a) result expenditure which is significant having regard to the budget for the service or function (currently defined by the Council as in excess of £1,000,000); or
- b) be significant in terms of its effects on a significant proportion of the community living or working within two or more electoral divisions

Subject Matter / Title of Decision

Distribution of 2024-25 Teachers Pensions Employer Contribution Grant & Core Schools Budget Grant to Schools & Early Year Budget Grant

Decision:

As Cabinet Member for Education and Skills I agree to:

- APPROVE the distribution the Teacher's Pension Employer Contribution Grant in line with the terms and conditions of the grant;
- APPROVE the distribution the Core Schools Budget Grant in line with the terms and conditions of the grant;
- APPROVE the distribution of the Early Years Budget Grant to Early Years Providers in line with the terms and conditions of the grant; and
- DELEGATE authority to the Director of Education, in consultation with the Cabinet Member for Education and Skills to take other necessary actions, including but not limited to making any further necessary changes to funding rates in light of any final affordability issues, and entering into contracts or other legal agreements, as required to implement the decision.

Reason(s) for decision:

1.1 The Department of Education (DfE) has confirmed the Council will receive three separate grants in 2024-25 (with final grant allocations confirmed in March 2025), to support the increase in costs in schools and early years providers resulting from:

- Estimated increase in Teachers Pension Employer Contribution (TPEC) by 5 percentage points, to 28.6% from 1st April 2024 to ensure that the scheme continues to meet present and future obligations (estimated total £30.5m for schools in Kent).
- Estimated increases in schools resulting from the September 2024 teachers pay award announcements and support staff pay increases from 1st April 2024 (the Core Schools Budget (CSB) Grant, is estimated total £31.2m for schools in Kent).

- Estimated increases for early years providers of the free entitlement offer in resulting from teachers' pay award from September 2024 (the Early Years Budget (EYB) Grant, estimated total £0.3m for early years providers in Kent).
- 1.2 Funding allocations in respect of mainstream schools has been prescribed by the DfE and will be paid to schools either by the Local Authority (if a maintained school) or by the DfE (if relating to an academy or free school).
- 1.3 The Council must decide whether the grant funding for special schools, AP and early years providers is distributed to schools and providers using the DfE methodology or whether a local approach is taken to distribution in accordance with the terms and condition of grants.
- 1.4 The proposal is to allocate the grant funding where the local authority has discretion to decide in the following ways:
- The Alternative Provision individual allocations for the TPEC Grant and CSB Grant will be allocated based on a flat rate per commissioned place. The hospital school will receive the separate lump sum identified by the DfE for the hospital schools.
 - The special schools individual allocations for:
 - TPEC Grant: flat rate per commissioned place except where a school is identified to be a significant outlier in respect of their current funding arrangements.
 - CSB Grant: flat rate per commissioned place except where a school is identified to be a significant outlier in respect of their current funding arrangements. An additional contribution will be made towards additional costs of residential schools.
 - The EYB Grant will be distributed to early years providers identified as being eligible for the quality supplement (for providers who employ qualified teachers) at approximately 14 per qualifying hour of free entitlement for 3 & 4 year olds (backdated to September 2024). The maintained nursery will also receive a lump sum.

Financial Implications

- 1.5 This decision relates to the allocation of three DfE grants in 2024-25, and the expectation is funding relating to state-funded AP, Special Schools and early years providers will be fully allocated by the end of March 2025. There will be no General Fund requirement
- 1.6 The estimated total value of the grants in 2024-25 are outlined below. In 2025-26, the TPEC Grant and CSB Grant for special schools and alternative provision are expected to be consolidated to form part of a new single grant that will continue to be distributed by the local authority. Funding for the EYB grant will be rolled into the main free entitlement rate for 3 & 4 year olds in 2025-25 and will no longer be received separately.

School Type (estimated grant totals 2024-25)	TPEC Grant £'ms	CSB Grant £'ms	EYB Grant £'ms
Maintained Primary & Secondary Schools	8.3	8.6	
Academy & Free Schools Primary & Secondary Schools	17.1	17.5	
State-funded Special Schools	3.6	3.7	
State-funded Alternative Provision	0.3	0.3	
State-funded Hospital Schools	0.1	0.1	
Independent Schools	0.9	0.9	
Local Authority Centrally Employed Teachers	0.1	0.1	
Early Years Providers			0.3
ESTIMATED TOTAL	30.5	31.2	0.3

Legal Implications

- 1.7 The teacher’s pension employer contribution grant, core schools budget grant, early years budget grant will be paid by the Secretary of State for Education as a grant under section 14 of the Education Act 2002.
- 1.8 Local authorities must ensure that all of the TPEC, CSB and EYBG funding they receive is distributed to either schools or early providers based on the terms & conditions of the grant. The local authority must not use the funding for contingency or local authority central or administration costs. The council will be required to sign an assurance statement to confirm they have passed on the funding (in the same way other school/early years specific grants must be reported).
- 1.9 If a local authority fails to comply with the terms and conditions set out in this document, the Secretary of State may recover some or all of the grants that have been allocated.

Equalities Implications

- 1.10 A possible negative impact was identified on the distribution of grant related to special schools, if the DfE methodology was followed, as the standard grant rate per commissioned place did not reflect the additional cost of residential placements and did not align reasonably to the current funding arrangements of all schools (one school was considered an outlier under this model). The final rates will be adjusted to take this into account

Cabinet Committee recommendations and other consultation:

- The Children’s and Young People Cabinet Committee will consider the decision on 16 January 2025
- Schools Funding Forum 10th January 2025
- A consultation with special schools November 2024

Any alternatives considered and rejected:

- Option to return these grants to the DfE.

TPEC Grant and CSB Grant

- For Alternative Provision, investigation into other options to allocate funding
- For special schools, options included: allocating based on a flat rate per commissioned place, flat rate per actual place (as per October 2024), different rate for each school per commissioned place (or actual places).

EYB Grant

- Additional funding allocated to all eligible providers in receipt of the quality supplement (either relating to qualified teacher or other qualified early years professional)
- Additional funding allocated to all providers to support wider inflationary cost pressures

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

.....
signed

.....
date