
From: Christine McInnes – Interim Corporate Director, Children, Young People and Education

To: Beverley Fordham – Cabinet Member for Education and Skills

Subject: Implementation of agreements in relation to the delivery of Specialist Resource Provisions (SRPs), Special Post-16 Institutions (SPIs) and Pupil Referral Units (PRUs)

Decision no: 26/00014

Key Decision : It affects more than 2 Electoral Divisions

Classification: Unrestricted

Past Pathway of report: Not applicable

Future Pathway of report: Cabinet Member Decision

Electoral Division: All

Is the decision eligible for call-in? Yes

Summary: The report outlines the case to implement legally binding arrangements between KCC and the providers of Specialist Resource Provisions (SRPs), Specialist Post-16 Institutions (SPIs) and Pupil Referral Units (PRUs) across the county.

Current contracts and Service Level Agreements between KCC and schools providing SRPs will expire 31 August 2026 and agreements between KCC and SPIs and PRU providers have expired. New revised contracts and agreements are required. These will focus on outlining KCC's expectations in relation to the delivery of provision, outcomes and best value.

Recommendation(s):

That the Cabinet Member for Education and Skills consider the following proposal:

APPROVE the implementation of agreements in relation to the delivery of Specialist Resource Provisions (SRPs), Specialist Post-16 Institutions (SPIs) and Pupil Referral Units (PRUs).

DELEGATE authority to the Corporate Director for Children, Young People and Education to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

DELEGATE authority to the Corporate Director for Children, Young People and Education to act as the Local Authority Representative within the relevant agreements and to agree any non-substantive variations permitted under the contracts and SLAs, provided such variations do not require further governance.

1. Introduction

- 1.1 Kent County Council (KCC) has a statutory responsibility under Section 13 of the Education Act 1996 to provide suitable education for all children and young people until age 19 and for those with Education, Health and Care (EHC) Plans to 25. Similarly, under Section 19 of the Act, KCC has a duty to arrange suitable education for children of compulsory school age who may not receive it due to illness or exclusion.
- 1.2 Specialist Resource Provisions (SRPs) and Specialist Post-16 Institutions (SPIs) form a key part of the education provision in Kent for children and young people with special educational needs for whom a mainstream setting is not deemed sufficient to meet their needs, and who do not require a special school setting. All children and young people in these settings have an EHC Plan.
- 1.3 Pupil Referral Units (PRUs) meet the educational needs of children and young people without an EHC Plan who cannot be supported in mainstream settings due to illness or behaviour. PRUs support children who are at risk of, or who have been, permanently excluded from mainstream settings, and those who are unable to attend their usual school due to health needs.
- 1.4 A recent Key Decision agreed the expansion of SRPs in Kent to meet evidenced gaps. [Decision - 25/00085 - Specialist Resource Provision Review and Commissioning Intentions](#). This included the agreement to commission new SRPs and/or expand existing SRPs to meet provision pathway and geographic gaps and the growth in demand.
- 1.5 The current contracts and Service Level Agreements (SLAs) between KCC and schools (both maintained and academies) delivering SRPs were implemented following a Key Decision taken in 2023, [Decision - 23/00128 - Specialist Resource Provision Contracts & Service Level Agreements \(SLAs\)](#) and expire 31 August 2026. Revised contracts and agreements are required.
- 1.6 Agreements between KCC in relation to the delivery of SPIs and PRUs have expired.
- 1.7 Therefore, this paper sets out the intention to implement revised contracts and agreements for SRPs, and details how comparable agreements will be implemented between KCC and organisations delivering SPI provision, and between KCC and PRU provision in Kent.

2. Key Considerations

- 2.1 The provision of SRPs across Kent will expand over the coming years both in relation to Key Decision 25/00085 and the expected SEN reforms being introduced by government as part of the Education White Paper.
- 2.2 The number of SRPs required to meet need across the county is outlined in the Kent Commissioning Plan for Education. This plan sets out how KCC will ensure there are sufficient high quality places, the right locations for all learners and provides an overarching framework for determining when and where education may be needed in the future. A recent decision agreed the expansion of SRPs in Kent. [Decision - 25/00099 - Commissioning Plan for Education Provision in Kent 2026-30](#)
- 2.3 This expansion will improve pathways for children and young people by addressing geographic and needs gaps across the county. Ultimately, increased access to SRPs will reduce KCC's reliance on maintained and non-maintained special school provision.
- 2.4 Similarly, SPIs provide a viable alternative to mainstream college or special schools for young people aged 16 years and above, with a focus on promoting independence and preparation for adulthood.
- 2.5 As noted above, PRUs support children without an EHC Plan who are at risk of or have been permanently excluded or who cannot attend mainstream school due to health needs.
- 2.6 The Council meets the cost of SRPs, SPI's and PRUs through paying a pre-agreed rate per place, agreed by KCC in accordance with the prevailing Department for Education High Needs Funding Guidance. This is funded from the High Needs Block of the Dedicated Schools Grant, a specific ring-fenced revenue grant from the Department for Education.
- 2.7 Given that places are commissioned and funding is agreed through established processes, this decision relates solely to implementing revised contracts and agreements between KCC and providers of SRPs, SPIs and PRUs to ensure quality and effectiveness of provision.

3. Background

Specialist Resource Provisions (SRPs)

- 3.1 There are currently 57 maintained schools and academies delivering 76 SRPs across the county. 1551 children and young people in Kent attend an SRP.
- 3.2 The expansion of SRPs in Kent will create 889 new places over the course of five years, starting in 2026-2027 academic year.
- 3.3 SRPs are a key element in ensuring that KCC can meet its statutory duty for education provision and form part of a continuum of Special Education Needs (SEN) provision that includes mainstream, specialist in mainstream and special school provision. They are expected to form a cornerstone of the Government's SEN reforms, expected this year.

- 3.4 Given that SRPs are delivered as additional provision within mainstream settings in exchange for additional high needs funding from within the Dedicated Schools Grant, legally binding agreements are required to be in place between KCC and the schools delivering them.
- 3.5 Following a comprehensive review of SRPs in Kent, a Key Decision was taken to implement contracts and Service Level Agreements (forms of legally binding agreements) between the Council and mainstream schools for the provision of SRP's in Kent [Decision - 23/00128 - Specialist Resource Provision Contracts & Service Level Agreements \(SLAs\)](#). These agreements end 31 August 2026 with no scope to extend.

Specialist Post-16 Institutions (SPIs)

- 3.9 SPIs are a post-16 provision for young people with EHC plan. They serve as an alternative to mainstream school / college for this cohort of young people with a focus on development of skills, training and preparation for adulthood.
- 3.10 There are 18 SPI providers currently in Kent with 22 sites across the county. 848 children and young people in Kent attended an SPI during the 2024-2025 academic year.
- 3.11 SPIs have grown up organically over time. They are more likely to be independent economic operators, such as charities, as opposed to mainstream schools. Providers must apply to Department for Education and meet specific criteria to be registered.
- 3.12 SPIs are funded through the High Needs Block of the Dedicated Schools Grant and grants provided directly from the Department of Education that are awarded to colleges and sixth-forms for teaching 16-19 year olds through a national funding formula.
- 3.13 Section 41 of the Children and Families Act enables KCC to place children in independent special schools and post-16 institutions if this type of provision is identified within their EHC plan.
- 3.14 There are currently no legally binding agreements in place between KCC and SPIs across the county, as previous arrangements have expired. However, given that SPIs are generally delivered by independent economic operators rather than maintained schools, academies or colleges, contracts or agreements are required.

Pupil Referral Units (PRUs)

- 3.15 Unlike SRPs and SPIs, PRUs provide educational provision to children and young people who are at risk of, or who have been, permanently excluded from mainstream school, hard to place children in specific circumstances and children with health needs who have been, or are expected to be, unable to attend their usual school.
- 3.16 Department for Education Arranging Alternative Provision (AP) Guidance stipulates that placements should always be made with the child's reintegration

back into mainstream education or a move onto a sustained post-16 destination in mind.

- 3.17 There are currently five Behaviour and one Health Needs PRUs in Kent, the majority of which are maintained by KCC. Estuary Academy Alternative Provision (AP) and Olive Academy, Tunbridge Wells are the exceptions and are part of Academy Trusts. The Rosewood School is KCC's Health PRU.
- 3.18 The management and budget of PRUs and APs is fully delegated to the Management Committees (consisting mainly of local headteachers), enabling them to oversee the provision and maintain responsibility for the children and young people in their local area.
- 3.19 There are currently 399 commissioned places for behaviour PRUs/APs across the county, plus 146 health needs places at The Rosewood School.
- 3.20 Funding for PRUs comes from the High Needs Block of the Designated Schools Grant and is in addition to the annual School Budget. KCC calculates each Districts' allocations using an agreed formula. These budgets are re-calculated each year using the updated school budget datasets provided by the DfE.
- 3.21 Depending on local agreements by headteachers, the total available funding will be either fully devolved to schools within a District, or partly delegated directly to PRUs and partly devolved to a group of schools within the local area. For Districts where funding is fully devolved to schools e.g. Ashford, there will not be a physical PRU, but schools will use their devolved funding independently to support vulnerable learners. For districts with delegated budgets, there will be a formal PRU, with a DfE number. All children in Kent PRUs are dual registered with their mainstream school unless there are exceptional circumstances.
- 3.22 As with SPI's existing agreements in relation to the provision of PRUs have expired and new contracts or agreements are required.

The Revised Contracts and Agreements

- 3.23 Legally binding contracts and agreements serve as a mechanism to provide clarity, accountability and legal protection for both KCC and the schools / organisations delivering services on KCCs behalf. They define the relationship between KCC and providers, describe the underpinning principles, responsibilities and accountabilities of each party in relation to the services provided, and set out the framework within which monitoring of the contract or agreement is undertaken.
- 3.24 Revised contracts and agreements for SRPs, SPIs and PRUs will describe funding and placements processes to ensure mutual understanding of these statutory processes.
- 3.25 There will be a focus on quality of provision. This includes outlining KCC's expectations in relation to promoting inclusion, improving outcomes and enabling positive transitions and preparation for adulthood. More specifically, this will, for example, reference expectations related to the qualifications of teaching and support staff, breadth and quality of curriculum and appropriate onward

pathways. There will be a focus on how SRPs, SPIs and PRUs enable children and young people to achieve the outcomes identified as important to them in the Children and Young People's Outcome Framework, for example, through personalised learning plans and bespoke transition arrangements.

- 3.26 Revised contracts and agreements will contain robust change control processes that enable either party to amend the contract or agreement, to reflect, for example, changes to national legislation or local policy.
- 3.27 Each revised contract or agreement will contain details of how services are monitored, including Key Performance Indicators, that enable KCC to be assured that its statutory duties are being met, that services are being delivered as agreed and that funding is being used effectively and efficiently for its intended outcomes.
- 3.28 Contracts or agreements will contain clearly defined termination and exit clauses, enabling either party to exit the arrangements for defined reasons and within specified timeframes. This includes the ability to exit or end agreements, where there is evidence that the provider is not delivering services as defined within the agreement.

4 Options considered and dismissed, and associated risk

- 4.1 In relation to SRPs, options considered and discounted:
- Option 1: Extend existing agreements. This option was discounted as there are no extension clauses within the current agreements to allow for this. Option 2: Not implementing an agreement. This option was discounted because of the need to document and enforce the terms in a written agreement
- 4.2 In relation to SPIs and PRUs, options considered and discounted:
- Option 1: Reinstate previous agreements. This option was discounted because former agreements are now outdated and no longer fit for purpose.
 - Option 2: Not implementing an agreement. This option was disregarded because of the need to document and enforce the terms in a written agreement.

5 Financial Implications

- 5.1 KCC meets the cost of SRPs and SPI's through paying a pre-agreed rate per place, agreed by the Council in accordance with the prevailing Department for Education High Needs Funding Guidance.
- 5.2 The 2025-2026 forecast revenue cost for SRPs is £25m and £16m for SPIs. This is funded from the High Needs Block of the Dedicated Schools Grant, a specific ring-fenced revenue grant from the Department for Education.
- 5.3 The Kent Commissioning Plan for Education (KCP) 2026-2030 outlines how the Council will meet its statutory duty to ensure sufficient school places are available. The KCP is a five-year rolling plan which is updated and subject to a Key Decision annually.

- 5.4 Consequently, the financial implications related to the provision of SRPs have been identified and agreed as part of Decision 25/00099 and this decision relates solely to securing best value through the implementation of an agreement between the Council and mainstream schools delivering this provision ensuring effectiveness.
- 5.5 In relation to SPIs and likewise to SRPs, funding is drawn from the High Needs Block of the Dedicated School Grant and the associated financial implications. Securing best value in the commissioning of SPIs through the establishment of a robust and effective agreement between the Council and SPI providers is required.
- 5.6 In relation to PRUs, funding is provided by the local authority from the Dedicated Schools Grant High Needs Block and is in addition to the annual School Budget. KCC calculates each districts' allocations using a formula agreed by the Schools Funding Forum. The total funding budget for 2025-2026 is £16.2m, this includes £9m directly to PRUs and £7.2m for out of county health provision and devolved funding passed directly to school
- 5.7 All non-selective secondary schools will receive the PRU devolved funding. Primary and grammar schools do not receive the funding as previously agreed by the Schools Funding Forum. However, KCC is clear in its expectation that districts should use their whole allocation flexibly to meet the needs of all children within their district.

6 Legal implications

- 6.1 KCC has statutory responsibilities regarding the education provision of children and young people. These include:
- Education Act 1996: KCC has a statutory duty under the Act to provide education for all children and young people until age 19 and to 25 for those with EHC Plans. This includes provision for children who have been permanently excluded or who are unable to attend school due to health needs.
 - Children and Families Act 2014: This Act requires KCC to secure the specific education provision outlined in a child's EHC Plan, including the placement in SPRs where appropriate.
 - SEND Code of Practice (2015): Provides statutory guidance related to the provision of high quality placements.
 - DfE Arranging Alternative Provision Guidance (2025)
 - Post-16 Education and Skills White Paper (2025).
- 6.2 SEN system redesign is expected to be at the centre of the governments education reforms which is outlined in the soon to be published Schools White Paper (2026) and Post-16 Education and Skills White Paper (2025).
- 6.3 The Schools White Paper (2026) will focus on the five principles of early support, local provision, fair and consistently resourced schools, evidence-based practice and shared responsibility across education, health and care services.

- 6.4 Post-16 Education and Skills White Paper (2025) includes aims to close skills gaps and reduce NEET rates and ensure high-quality, financial sustainable further and higher education.
- 6.5 All individual proposals to either establish new, expand current or cease current provision (including SRP) is required to go through the statutory process under the School Organisation (Prescribed Alterations to Maintained Schols) (England) Regulations 2013, Making Significant Changes to Maintained Schools (statutory guidance August 2025) and Making Significant Changes to an Academy (non-statutory guidance on collaborative school place planning, August 2025).
- 6.6 Regarding public procurement regulations, the key consideration is whether these arrangements involve 'pecuniary interest' (making them public contracts subject to the Procurement Act 2023) or whether they are purely the discharge of statutory obligations using statutory funding (meaning that no procurement applies).
- 6.7 In relation to SRP's, the payments comprise only the statutory funding which follows the relevant service user (made up of three elements) and only providers of these services to KCC are maintained schools and academies (i.e. organisations who receive all of their funding from the Council or directly from the Department of Education). In the light of this there is no 'pecuniary interest' in the arrangements for SRPs and therefore the Procurement Act 2023 does not apply and no procurement is required.
- 6.8 In relation to SPI's, there is a need to assess on a case-by-case basis. Where the payments comprise only the statutory funding which follows the relevant service user (made up of three elements) and where the providers of these services are maintained schools or Academies the position is the same as for SRPs. However if the SPIs are provided by independent operators then it may be an arrangement for pecuniary interest and the Procurement Act may apply. In these situations placements should be considered on a case-by-case basis and consideration of whether a 'User Choice direct award' would be applicable for individual placements.
- 6.9 In relation to PRU's, these are delivered by maintained schools and two Academy Trusts which operate on a not-for-profit basis. The resulting placements are not subject to the Procurement Act 2023 because these are not public contracts for services for a 'pecuniary interest.' Should PRU's be delivered through independent providers, then KCC will need to consider the estimated value of the contract to determine whether it falls below the financial threshold that would require a procurement process.

7 Equalities implications

- 7.1 An Equality Impact Assessment has been completed. As this decision relates to implementing legally binding agreements, rather than altering service provision, no negative impacts have been identified.

8 Data Protection Implications

- 8.1 A Data Protection Impact Assessment screening has been completed and confirmed that a Data Protection Impact Assessment is not required in relation to this decision.

9 Other corporate implications

- 9.1 The proposals outlined in this report align with the priorities detailed in the following strategic documents:
- Reforming Kent 2025 – 2028 Aim 3: Supporting Residents that Need Help, specifically in relation to Objective 6: Improve processes and outcomes for our SEND services while tackling the unsustainable growth in demand, priority: Expand Specialist Resource Units.
 - Kent's Strategy for the Future of Education in Kent 2025 to 2030
 - KCC's SEND Strategy 2025 - 2028

10 Governance

- 10.1 Accountability for these services and legal agreements sits with the Corporate Director for Children, Young People and Education and responsibility sits with the Director for Education and SEN, or Interim Director for Education: Access and Inclusion or Interim Director for Education: Effectiveness, Sufficiency and Skills.
- 10.2 The proposed decision is for the implementation of revised contracts and agreements for the delivery of Specialist Resource Provisions (SRPs), Specialist Post-16 Institutions (SPIs), and Pupil Referral Units (PRUs)
- 10.3 The decision will delegate authority to the Corporate Director for Children, Young People and Education to take all necessary actions to implement this decision, including, but not limited to, finalising the terms of, and entering into, the required contracts or other legal agreements
- 10.4 It will further grant authority to the Corporate Director for Children, Young People and Education to act as the Local Authority Representative within the relevant agreements and to agree any non-substantive variations permitted under the contracts and SLAs, provided such variations do not require further governance.

11 Conclusions

- 11.1 The implementation of legally binding agreements between KCC and the providers of SRPs, SPIs and PRUs across the county will enable KCC to ensure best value in relation to the quality of service delivery and outcomes for children and young people placed in these provisions as an outcome of their EHC plans. The approach will enable KCC to meet its statutory duties, comply with the Procurement Act 2023 and Spending the Council's Money.

Recommendation(s):

That the Cabinet Member for Education and Skills consider the following proposal:

APPROVE the implementation of agreements in relation to the delivery of Specialist Resource Provisions (SRPs), Specialist Post-16 Institutions (SPIs) and Pupil Referral Units (PRUs).

DELEGATE authority to the Corporate Director for Children, Young People and Education to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.

DELEGATE authority to the Corporate Director for Children, Young People and Education to act as the Local Authority Representative within the relevant agreements and to agree any non-substantive variations permitted under the contracts and SLAs, provided such variations to not require further governance.

10. Background Documents

- Equality Impact Assessment

11. Appendices

- Appendix 1: RoD

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