

KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Rory Love,

Cabinet Member for Education and Skills

DECISION NO:

23/00073

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.

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

Subject Matter / Title of Decision

School Maintenance - Landlord: Tenant Financial Thresholds

Decision:

As Cabinet Member for Education and Skills, I agree 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 2.1 below.

Reason(s) for decision:

Background

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

Proposed changes

2.1 It was proposed that the financial limits be adjusted to reflect inflation, but moderated to

round figures 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 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

Risk and Other Factors

3.1 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.

3.2 This proposal, alongside financial pressures may result in a greater number of schools falling into a deficit. 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.

Governance

4.1 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.

Financial Implications

5.1 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.

5.2 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.

5.3 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.

Cabinet Committee recommendations and other consultation:

The Children's and Young People Cabinet Committee will consider the decision on 12 September 2023

Any alternatives considered and rejected:

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.

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.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer: None

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signed

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date