

## KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

### DECISION TO BE TAKEN BY:

Beverly Fordham, Cabinet Member for Education and Skills

### DECISION NUMBER:

25/00071

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

### Key decision: YES

*The decision will:*

- a) *result in savings or 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); and*
- b) *be significant in terms of its effects on a significant proportion of the community living or working within two or more electoral divisions – which will include those decisions that involve:*
  - *the adoption or significant amendment of major strategies or frameworks;*
  - *significant service developments, significant service reductions, or significant changes in the way that services are delivered, whether County-wide or in a particular locality.*

### Subject Matter / Title of Decision – Funding of Services to Schools – 2026-27

### Proposed decision:

As Cabinet Member for Education and Skills, I agree to:

- (a) *Approve a policy change to the funding arrangements for the following services, that from 1 April 2026 these shall be provided from the maintained schools' budgets in line with the funding all schools receive under the National Funding Formula, as is currently the case for Academies, and that the Council shall cease to provide additional funding for these:*
  - *Statutory compliance testing and surveys, including tree surveys;*
  - *Health and Safety advice and training;*
  - *Employment tribunal awards and associated legal costs;*
  - *Staff care (occupational health advice); and*
  - *Administration of teachers' pensions.*
- (b) *Delegate authority to the Corporate Director for Children, Young People and Education, in consultation with the Cabinet Member for Education and Skills, to (1) take the relevant actions to progress the decision, including as necessary seeking the agreement of the Schools Funding Forum to top-slicing or alternative or revised proposals as required, and (2) in the event it may become necessary, to then take all necessary steps to seek formal determination by the Secretary of State.*
- (c) *Delegate authority to the Corporate Director for Children, Young People and Education to take all relevant actions including but not limited to entering into relevant contracts or other legal agreements as required, to implement the changes required to give effect to this decision, including implementation of the proposal where it is approved by the Secretary of State provided that such determination aligns with the intended outcome of the decision.*

## Reason(s) for decision:

### 1. Changes to national funding regime

- 1.1 The national funding arrangements for schools and local authorities (LAs) has been shifting over the years as the Department for Education (DfE) seeks to move schools and academies to a consistent funding arrangement.
- 1.2 With the introduction of the School Funding Reforms in 2013-14 LAs were directed to delegate a number of former centrally retained Dedicated Schools Grant (DSG) budgets to schools for the first time. At the time, a total of £8.7m of DSG funding was delegated to schools from 1 April 2013 and at the same time, local Schools Funding Forums were given the powers to de-delegate funding. This is where some of this funding is returned to the LA for certain categories of spend where better efficiency could be achieved through central delivery by the LA.
- 1.3 The Education Services Grant (ESG) allocated to LAs by the Government for the provision of statutory services in relation to schools was withdrawn in 2016/17. The DfE introduced a provision within the School Funding Regulations for LAs to agree a contribution from LA maintained schools budget shares towards the cost of statutory services (top-slice). This principle reflects the charge that most Multi Academy Trusts (MATs) place on their schools for central services.
- 1.4 With the introduction of the National Funding Formula and the withdrawal of DfE funding to LAs to support schools, we have seen funding shifting from LAs to schools to pay for services. It is acknowledged that cost pressures and inflation will have reduced the purchasing power of these allocations for schools. However, the Council has been slow in transferring the costs of services from itself to schools in line with DfE changes described above, instead continuing to fund many school services from the Council's General Fund. Accordingly, it was important the Council reviewed whether it had kept up with funding changes and was not now inadvertently advantaging maintained schools over academies. In the County, c50% of schools are academies, educating c66% of Kent's children.
- 1.5 Following the review, a decision was made in January 2025 regarding some services as a Phase One ([Decision - 24/00099 - Funding of Services to Schools](#)). This proposed decision relates to a second set of services, as a Phase Two.

### 2. Consultation

- 2.1 Maintained schools and Pupil Referral Units (PRUs) were consulted on five areas of service, with proposals to change how these are funded from 1 April 2026. These were:
- Statutory compliance testing and surveys, including tree surveys;
  - Health and Safety advice and training;
  - Employment tribunal awards and associated legal costs;
  - Staff care (occupational health advice); and
  - Administration of teachers' pensions.
- 2.2 With the exception of occupational health advice, the proposals were to top-slice funding from maintained school and PRU budgets to fund the existing support provided to them in each of these areas by the Council. The proposal for occupational health was for schools to buy any support they may need from the market. Where top-slicing was proposed, it was suggested a two-year rolling agreement be made to provide certainty to both schools and the Council.

- 2.3 There were 589 visits to the consultation page, with 71 responses (from 61 schools) were received. This represents 21% of the eligible maintained schools and PRUs that might have responded. Whilst double the response rate to Phase One, it remains disappointing and continues to make drawing firm conclusions challenging. The simple conclusion might continue to be the 79% that have not responded were sufficiently comfortable with the proposals, responding was not a priority.
- 2.4 The consultation responses indicated:
- the majority (59%) did not support the proposal to top-slice schools' budgets to fund statutory compliance testing and surveys (38% supported the proposal);
  - 55% disagreed/strongly disagreed with the proposal to top-slice schools' budgets to fund health and safety advice and training (38% supported the proposal);
  - 49% disagreed or strongly disagreed with the proposal to top-slice funding to create a contingency fund to meet the council's costs related to school-based employment tribunal awards and associated legal costs (35% supported the proposal);
  - more respondents (48%) agreed/strongly agreed with the proposal that schools' buy in occupational health advice and support when they require this, than disagreed/strongly disagreed (41%); and
  - similar numbers of respondents agreed (44%) as disagreed (42%) with the proposal to top-slice schools' budgets to meet the Council's costs of administering teacher pensions on schools' behalf.
- 2.5 The responses as to why respondents disagreed or strongly disagreed with individual proposals were consistent for each proposal, with themes that can be drawn from these. These were budget pressures on schools make the proposals unaffordable, that there will be consequences for the quality of provision in schools and the sustainability of some; that top-slicing was not the right proposal, schools should buy the support they need from the market; and a combination of these two.
3. Proposed Recommendation to the Schools Funding Forum
- 3.1 The funding regulations require proposals for top-slicing of maintained schools' budgets to be supported by the relevant representatives of the Schools Funding Forum (i.e. the primary maintained schools' representatives on the matters affecting this sector). Accordingly, the Council's decision will be presented as a recommendation to the Schools Funding Forum. The Forum will be consulted in November 2025 once the Council's decision has been made.
- 3.2 In light of the responses received, the changed national financial arrangements for funding schools, and the general principles of equity, I propose that the cost of providing the following services falls to maintained schools' and PRUs' delegated budgets from 1 April 2026:
- Statutory compliance testing and surveys, including tree surveys;
  - Health and Safety advice and training;
  - Employment tribunal awards and associated legal costs;
  - Staff care (occupational health advice); and
  - Administration of teachers' pensions.
- 3.3 The financial implications of this decision for maintained schools and PRUs would be a cessation of £344,800 of Council funded occupational health support, and (subject to final costs and pupil numbers) potential top-slicing costs of:

<b>Top-slicing/buyback rates (£ per pupil) of existing</b>	<b>Primary (62,699 pupils)</b>	<b>Secondary (15,384 pupils)</b>	<b>Special &amp; PRU (5,437 &amp; 354 pupils)</b>	<b>Total pot</b>
Statutory compliance (including tree surveys)	£22.61	£22.61	£22.61	£1,896,128
Health and Safety advice, training, and compliance	£1.81	£1.81	£1.81	£152,075
Employment tribunal awards and associated legal costs	£0.82	£0.82	£0.82	£68,800
Administration of teacher pensions	£1.57	£1.57	£1.57	£132,000
<b>Total</b>	<b>£26.81</b>	<b>£26.81</b>	<b>£26.81</b>	<b>£2,249,003</b>

3.4 In reaching this decision I have considered the Decision Maker's Report and associated documents including but not limited to, the full consultation outcome report, equalities, data protection, legal and financial implications.

#### **Cabinet Committee recommendations and other consultation:**

#### **Any alternatives considered and rejected:**

The review considered a wider range of services to schools. These were narrowed down to the four areas set out above for change in 2025-26 and five areas in 2026-27. Consideration was given to ceasing, reducing, continuing, or changing the services delivered. Of the proposals above, four relate to statutory duties of the Council and cannot be ceased. Change, in respect of how these are funded were the preferred options. The consultation also explains for each proposal what Council's options are if these are not supported.

In the event that the Schools Funding Forum do not support the proposals the Council can refer the matter to the Secretary of State for a decision. In the short term the savings identified by the proposals would need to be identified from other service areas. If not supported by the Secretary of State, alternative proposals would need to be developed for the medium term. This is likely to necessitate a reduction in the level of service provided, possibly to statutory minimums.

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

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signed

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date