



Children, Young People and Education

Children's Commissioning Team

## **Specialist Teaching and Learning Service Post-SLA Commissioning Options**

### Introduction

The current Service Level Agreement for the Specialist Teaching and Learning Service (STLS) ends 31 August 2025.

As part of the formal consultation, a proposal was submitted by an organisation explaining the benefits of them providing the service as a sole provider. Proposals were not requested as part of the consultation process, however, given this submission, the following options appraisal has been undertaken as part of a due diligence process to consider this feedback.

The options appraisal considers an assessment of the following:

1. Lotting options i.e. the geographic footprint of service delivery to include:
  - a. a sole (countywide) lot,
  - b. four area based lots aligned to the Area Moderation Boards being established as part of the Localities Model and
  - c. twelve district based lots, as is the current position
  
2. Provider market i.e. the type of provider that could deliver the service to include:
  - a. Maintained special schools (as is)
  - b. Maintained mainstream schools
  - c. Academy trusts
  - d. Independent organisation
  - e. The Local Authority (bring in house)
  
3. Assessment of the ability of type of provider to deliver across each identified lotting option and the required route to market.

## Key Considerations.

1. Any option implemented must enable consistency of equity across the county, in relation to the offer and quality of support.
2. Any option implemented must enable the service to move to a Link Worker model as outlined in the consultation document.
3. Any option implemented must make best use of high needs funding budget and contribute to a financially sustainable model of support in the future. This is underpinned by the assumption that a revised budget for the service will be calculated and that the ability to apply an annual uplift to this budget will depend on annual allocations from Department of Education in relation to high needs funding.
4. Any option that requires an extension of the current Service Level Agreement(SLA) would be considered less preferable. This reflects feedback from special schools that currently hold the SLA that the service is not financially sustainable in the longer term and therefore presents a financial risk to the school. Any extension of the existing SLA without additional financial investment is unlikely to be agreed by school governors.

A summary of options appraisal is included below.

	<b>Countywide Service</b>	<b>Four Area Based Providers</b>	<b>Twelve District Based Providers</b>
<b>Maintained special schools (as is)</b>	Ruled out: lack of capacity of a single school to deliver	Carry forward	Ruled out: preference is for one or four providers
<b>Maintained mainstream schools</b>	Ruled out: lack of capacity of a single school to deliver	Ruled out: requires an extension of existing SLA to implement	Ruled out: preference is for one or four providers
<b>Academy trusts</b>	Ruled out: requires an extension of existing SLA to implement	Ruled out: requires an extension of existing SLA to implement	Ruled out: preference is for one or four providers
<b>Independent organisation</b>	Ruled out: requires an extension of existing SLA to implement	Ruled out: requires an extension of existing SLA to implement	Ruled out: preference is for one or four providers
<b>The Local Authority (bring in house)</b>	Carry forward	Ruled out: LA would only deliver as a sole provider	Ruled out: LA would only deliver as a sole provider

Based on the options appraisals undertaken and consideration of the Barnes Outsourcing Decision Matrix, the proposal is to bring STLS into KCC to deliver as an inhouse provision.

Options Appraisal 1: Lotting options i.e. the geographic footprint of service delivery

	<b>Lotting Options</b>			
	<b>No provider: Service ends as per SLA</b>	<b>One countywide provider</b>	<b>Four Area Based Providers</b>	<b>Twelve District Based Providers</b>
<b>Advantages</b>	<ul style="list-style-type: none"> <li>As a non-statutory service, there are no duties requiring the LA to fund or deliver the service.</li> <li>This option would support a financially sustainable model by reducing spend against the High Needs Funding block</li> </ul>	<ul style="list-style-type: none"> <li>Economy of scale across the county in relation to overheads and management costs</li> <li>Single point of contact for service related discussions.</li> <li>Consistency of support across the county</li> <li>Equity in provision across the county</li> <li>Reduce variability in quality</li> <li>Alignment with other Inclusion services through a Link Worker model</li> <li>Support tailored to local need and priorities</li> <li>Ability of Communities of Schools to negotiate bespoke support</li> </ul>	<ul style="list-style-type: none"> <li>Economies of scale within an area</li> <li>Single point of contact for Area Moderation Board</li> <li>Consistency of support across an area</li> <li>Reduce variability of quality</li> <li>Increased ability to achieve countywide consistency with four rather than 12 providers</li> <li>Alignment with other Inclusion services through a Link Worker model</li> <li>Support tailored to local need and priorities</li> <li>Ability of Communities of Schools to negotiate bespoke support</li> </ul>	<ul style="list-style-type: none"> <li>Support tailored to local need and priorities may be better achieved at this level of provision</li> <li>Alignment with other Inclusion services through a Link Worker model</li> <li>Ability of Communities of Schools to negotiate bespoke support through Link Worker model</li> <li>Less likely to cause disruption in transitioning from current to new model due to retaining existing footprint</li> </ul>

		<p>through Link Worker model</p> <ul style="list-style-type: none"> <li>• Reduction in duplication and gaps of support due to ability to flex and mobilisation resources across a countywide footprint– making best use of available resources</li> </ul>	<p>through Link Worker model</p> <ul style="list-style-type: none"> <li>• Reduction in duplication and gaps of support due to ability to flex and mobilisation resources across an area footprint – making best use of available resources</li> </ul>	
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>• Impact on the Local Authorities core offer of support to maintained schools.</li> <li>• Impact on LAs ability to support key objectives such as delivery of Autism Education Trust</li> <li>• Impact on LAs priority to promote and embed greater inclusive practice in mainstream schools in Kent.</li> <li>• This option would not be in keeping with the majority of feedback provided through the consultation where 79% of respondents stated that funding the service</li> </ul>	<ul style="list-style-type: none"> <li>• Risk that district priorities will not be catered for by a centralised function</li> <li>• SENCo anxiety regarding change from local contact</li> <li>• Risk that a sole provider can not be identified to deliver the service across this footprint.</li> <li>• Risk that a provider would be unwilling to enter into an SLA / contract where annual uplifts to cover inflationary</li> </ul>	<ul style="list-style-type: none"> <li>• Risk that district priorities will not be catered for by an area level function</li> <li>• SENCo anxiety regarding change from local contact</li> <li>• Challenges in directing and implementing a KCC core offer due to number of providers</li> <li>• Less likely to benefit from economies of scale achievable through a sole provider</li> <li>• Risk that a provider would be unwilling to</li> </ul>	<ul style="list-style-type: none"> <li>• Duplication of functions such as STLS Leads, administration and oncosts such as management functions leading to budget inefficiencies</li> <li>• Challenges in directing and implementing a KCC core offer due to number of providers</li> <li>• Capacity of LA staff to coordinate and monitor service delivery.</li> </ul>

	<p>from the allocation to communities of schools would be their first choice.</p>	<p>and teacher salary increases cannot be guaranteed.</p>	<p>enter into an SLA / contract where annual uplifts to cover inflationary and teacher salary increases cannot be guaranteed.</p>	<ul style="list-style-type: none"> <li>• Less likely to benefit from economies of scale achievable through a sole provider</li> <li>• Risk that a provider would be unwilling to enter into an SLA / contract where annual uplifts to cover inflationary and teacher salary increases cannot be guaranteed.</li> </ul>
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**Based on the above assessment, preferred option is one countywide or four area based providers of the service. These options allow from greater economies of scale and increased ability to flexibly deploy staff, making best use of available resources.**

Option Appraisal 2: Provider market i.e. the type of provider that could deliver the service

Provider market	Advantages	Disadvantages
<p><b>Maintained special schools (as is)</b></p>	<ul style="list-style-type: none"> <li>• Could be commissioned through a Service Level Agreement (SLA)</li> <li>• KCC able to direct priorities and delivery of a Core offer of support to schools through the SLA</li> <li>• Robust financial scrutiny and control achieved through financial monitoring of SLA</li> <li>• Monitoring of impact achieved through key performance indicators</li> <li>• Reduces risk of disruption</li> <li>• Increase continuity of service delivery</li> <li>• Increases opportunity to retain experienced and knowledgeable staff</li> </ul> <p>Redundancy costs: under the current SLA the LA is responsible for redundancy costs associated with staff employed within STLS.</p>	<ul style="list-style-type: none"> <li>• A selection process would be required if moving a sole or four providers.</li> <li>• TUPE implications (unless retain as twelve SLAs). This would be complicated by a number of current STLS having dual roles within STLS and the employing school.</li> <li>• Risk presented by national and local academisation priority, specifically academies as independent economic operators can not hold SLAs with LAs and would require a contract.</li> <li>• Risk that area provider would sub-contract to other schools to retain a local footprint, adding additional overhead costs related to rent (for example).</li> <li>• Waiting on confirmation from government about actual HNF budget means funding for STLS can only be confirmed once the budget is known. LA would need to accept risk of contract value being higher than available budget or wait to commence procurement processes until budget was known – creating delays in process and increasing risk that existing SLA would need to be extended.</li> <li>• Inability to commit to annual inflationary uplifts may deter schools taking on the SLA as over time, this would reduce the funding available to deliver the service.</li> <li>• Redundancy costs: trusts may be unwilling to commit to contracts if they are responsible for</li> </ul>

		<p>redundancy costs of staff employed to deliver the contract.</p>
<p><b>Maintained mainstream schools</b></p>	<ul style="list-style-type: none"> <li>• Could be commissioned through a Service Level Agreement (SLA)</li> <li>• KCC able to direct priorities and a Core offer through the SLA</li> <li>• Robust financial scrutiny and control achieved through financial monitoring of SLA</li> <li>• Monitoring of impact achieved through key performance indicators</li> </ul>	<ul style="list-style-type: none"> <li>• A selection process would be required to select new provider(s).</li> <li>• TUPE would apply necessitating a transfer of existing staff to a new provider(s).</li> <li>• This would be complicated by a number of current STLS having dual roles within STLS and the employing school.</li> <li>• Possible loss of experienced STLS staff through transfer to new employer</li> <li>• Risk presented by national and local academisation priority specifically academies as independent economic operators can not hold SLAs with LAs and would require a contract.</li> <li>• Risk that uncertainty will impact on confidence, STLS staff wellbeing and staff retention</li> <li>• Risk that area provider would sub-contract to other schools to retain a local footprint, adding additional overhead costs related to rent (for example).</li> <li>• Waiting on confirmation from government about actual HNF budget means funding for STLS can only be confirmed once the budget is known. LA would need to accept risk of contract value being higher than available budget or wait to commence procurement processes until budget was known – creating delays in process and increasing risk that existing SLA would need to be extended.</li> <li>• Inability to commit to annual inflationary uplifts may deter schools taking on the SLA as over time, this</li> </ul>

		<p>would reduce the funding available to deliver the service.</p> <ul style="list-style-type: none"> <li>• Redundancy costs: trusts may be unwilling to commit to contracts if they are responsible for redundancy costs of staff employed to deliver the contract.</li> </ul>
<p><b>Academy trusts</b></p>	<ul style="list-style-type: none"> <li>• KCC able to direct priorities and a Core offer through the contract</li> <li>• Robust financial scrutiny and control achieved through financial monitoring of contract</li> <li>• Monitoring of impact achieved through key performance indicators</li> </ul>	<ul style="list-style-type: none"> <li>• A full open tender would be required. Academies as independent economic operators cannot be awarded SLAs by LAs in the same way that maintained schools can be. Therefore any contract award to an academy trust could only be achieved following an open tendering process. This would require an extension of the existing SLA.</li> <li>• TUPE would apply. This would be complicated by a number of current STLS having dual roles within STLS and the employing school.</li> <li>• Possible loss of experienced STLS staff through transfer to new employer</li> <li>• Risk that uncertainty will impact on confidence, STLS staff wellbeing and staff retention</li> <li>• Waiting on confirmation from government about actual HNF budget means funding for STLS can only be confirmed once the budget is known. LA would need to accept risk of contract value being higher than available budget or wait to commence procurement processes until budget was known – creating delays in process and increasing risk that existing SLA would need to be extended.</li> </ul>



		<ul style="list-style-type: none"> <li>• Inability to commit to annual inflationary uplifts may deter schools taking on the SLA as over time, this would reduce the funding available to deliver the service.</li> <li>• Redundancy costs: trusts may be unwilling to commit to contracts if they are responsible for redundancy costs of staff employed to deliver the contract.</li> </ul>
<b>Independent organisation</b>	<ul style="list-style-type: none"> <li>• KCC able to direct priorities and a Core offer through the contract</li> <li>• Robust financial scrutiny and control achieved through financial monitoring of contract</li> <li>• Monitoring of impact achieved through key performance indicators</li> </ul>	<ul style="list-style-type: none"> <li>• A full open tender would be required. Academies as independent economic operators cannot be awarded SLAs by LAs in the same way that maintained schools can be. Therefore any contract award to an academy trust could only be achieved following an open tendering process. This would require an extension of the existing SLA.</li> <li>• TUPE would apply. This would be complicated by a number of current STLS having dual roles within STLS and the employing school</li> <li>• Possible loss of experienced STLS staff through transfer to new employer</li> <li>• Risk that uncertainty will impact on confidence, STLS staff wellbeing and staff retention</li> <li>• Waiting on confirmation from government about actual HNF budget means funding for STLS can only be confirmed once the budget is known. LA would need to accept risk of contract value being higher than available budget or wait to commence procurement processes until budget was known –</li> </ul>

		<p>creating delays in process and increasing risk that existing SLA would need to be extended.</p> <ul style="list-style-type: none"> <li>• Inability to commit to annual inflationary uplifts may deter schools taking on the SLA as over time, this would reduce the funding available to deliver the service.</li> </ul>
<p><b>The Education People</b></p>	<ul style="list-style-type: none"> <li>• Contracts can be awarded to The Education People as a traded arm of the council.</li> <li>• Alignment of STLS training offer with The Education People training offer to maximise resources</li> <li>• Experience of delivering traded services would enhance the current STLS traded offer.</li> </ul>	<ul style="list-style-type: none"> <li>• TUPE would apply. This would be complicated by a number of current STLS having dual roles within STLS and the employing school</li> <li>• Possible loss of experienced STLS staff through transfer to new employer</li> <li>• Risk that uncertainty will impact on confidence, STLS staff wellbeing and staff retention</li> <li>• Waiting on confirmation from government about actual HNF budget means funding for STLS can only be confirmed once the budget is known. LA would need to accept risk of contract value being higher than available budget or wait to commence procurement processes until budget was known – creating delays in process and increasing risk that existing SLA would need to be extended.</li> <li>• Inability to commit to annual inflationary uplifts may deter schools taking on the SLA as over time, this would reduce the funding available to deliver the service.</li> <li>• Additional costs in relation to management overheads, would likely be incurred.</li> </ul>

**The Local Authority  
(bring in house)**

- Does not require an application or procurement process.
- KCC able to direct services to deliver priorities and a core offer without relying on contractual levers
- Robust financial scrutiny and control achieved through KCC financial monitoring
- Local authority has direct control to shape and deliver the service, including ability to swiftly modify and adapt service delivery to meet priorities
- Ability of LA to reshape service to align to a clear universal offer
- Of the 31% of other LA in England that have an STLS, 74% are in house services.
- Reduces risk of siloed services outside the local authority
- Mitigates risk about early years and enables alignment to
- Inflationary increases to the cost of delivering the service due to nationally determined increases to teachers salaries would be mitigated due to KCC, as the employer, being able to access funding from the DfE to cover these costs. Currently KCC cannot access these funds for commissioned services and employing schools are not given them for teachers employed through commissioned services.

- TUPE would apply. This would be complicated by a number of current STLS having dual roles within STLS and the employing school
- Possible loss of experienced STLS staff through transfer to new employer
- Risk that uncertainty will impact on confidence, STLS staff wellbeing and staff retention
- Waiting on confirmation from government about actual HNF budget means funding for STLS can only be confirmed once the budget is known. LA would need to accept risk bringing service in house before budget was known.
- Redundancy costs associated with the service ending at any time. Implementation of the Funding of Services to Schools means that de-delegated redundancy pot would be created and KCC would pay redundancy costs to school employees using funding taken from MAINTAINED schools budgets. This is unlikely to apply to STLS staff who are delivering a commissioned service to all schools. Meaning that ultimately KCC may be responsible for paying redundancy costs against this service.

[Issue details - 24/00099 - Funding of Services to Schools](#)

**Based on the above assessment, preferred provider of the service is:**

- **maintained special schools. This option is the best option to minimise service disruption and support staff retention, and would not require an extension to the existing SLA. However, schools may be reluctant to deliver the service unless inflationary uplifts can be guaranteed and the LA agrees to fund any redundancy costs OR**
- **KCC. This option gives greater control to the LA to shape the service to meet future need without the need to negotiate or enter into SLA / contract variation processes. This option is the option least likely to encounter challenges related to a budget that cannot guarantee inflationary uplifts.**

Option Appraisal 3: Assessment of the ability of type of provider to deliver across each identified lotting option and the required route to market

	<b>Countywide Service (preferred option )</b>	<b>Four Area Based Providers (preferred option )</b>	<b>Twelve District Based Providers</b>
<b>Maintained special schools (as is)</b>	<ul style="list-style-type: none"> <li>• Unlikely that one school would have capacity to deliver the SLA as a countywide service due to the size of the school without subcontracting to other schools</li> <li>• Would require a process to determine sole provider requiring an extension of the existing SLA</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for one special school to deliver the service across an area footprint.</li> <li>• Would require a process to determine provider</li> </ul>	<ul style="list-style-type: none"> <li>• Current arrangement therefore achievable</li> </ul>
<b>Maintained mainstream schools</b>	<ul style="list-style-type: none"> <li>• Unlikely that one school would have capacity to deliver the SLA as a countywide service due to the size of the school</li> <li>• Would require a process to determine sole provider requiring an extension of the existing SLA</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for one special school to deliver the service across an area footprint.</li> <li>• Would require a process to determine provider</li> <li>• Degree to which mainstream schools would wish to deliver is unclear.</li> </ul>	<ul style="list-style-type: none"> <li>• Current arrangement therefore known to be achievable.</li> <li>• Degree to which mainstream schools would wish to deliver is unclear.</li> <li>• Would require a process to determine provider requiring an extension of the existing SLA</li> </ul>
<b>Academy trusts</b>	<ul style="list-style-type: none"> <li>• Only two academy trusts in the county are believed</li> </ul>	<ul style="list-style-type: none"> <li>• Academy trusts unlikely to deliver on this footprint due to the structure of</li> </ul>	<ul style="list-style-type: none"> <li>• Academy trusts unlikely to deliver on this footprint due to the structure of</li> </ul>

	<p>to have capacity to take on a countywide service.</p> <ul style="list-style-type: none"> <li>• Would require a process to determine provider requiring an extension of the existing SLA</li> </ul>	<p>their organisation. This would result potentially in multiple trusts holding a contract.</p> <ul style="list-style-type: none"> <li>• Would require a process to determine provider requiring an extension of the existing SLA</li> </ul>	<p>their organisation. This would result potentially in multiple trusts holding a contract.</p> <ul style="list-style-type: none"> <li>• Would require a process to determine provider requiring an extension of the existing SLA</li> </ul>
<b>Independent organisation</b>	<ul style="list-style-type: none"> <li>• An independent organisation would be commissioned to deliver the service across the required footprint.</li> <li>• Would require a process to determine provider requiring an extension of the existing SLA</li> </ul>	<ul style="list-style-type: none"> <li>• An independent organisation would be commissioned to deliver the service across the required footprint.</li> <li>• This may result in between 1 – 4 providers delivering due to providers being able to apply for multiple lots.</li> <li>• Would require a process to determine provider requiring an extension of the existing SLA</li> </ul>	<ul style="list-style-type: none"> <li>• An independent organisation would be commissioned to deliver the service across the required footprint.</li> <li>• This may result in between 1 – 12 providers delivering due to providers being able to apply for multiple lots.</li> <li>• Would require a process to determine provider requiring an extension of the existing SLA</li> </ul>
<b>The Education People (TEP)</b>	<ul style="list-style-type: none"> <li>• TEP would be able to deliver the service across the required footprint.</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable. TEP would only deliver as a sole provider</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable. TEP would only deliver as a sole provider</li> </ul>
<b>The Local Authority (bring in house)</b>	<p>The LA would be able to deliver the service across the required footprint.</p>	<p>Not applicable. LA would only deliver as a sole provider</p>	<p>Not applicable. LA would only deliver as a sole provider</p>

**Based on the above assessment:**

- **The Education People or KCC are the only provider able to deliver the contract on a countywide footprint without a requirement to extend the existing SLA.**
- **Maintained special schools could deliver on an area footprint.**

## Summary

	<b>Countywide Service</b>	<b>Four Area Based Providers</b>	<b>Twelve District Based Providers</b>
<b>Maintained special schools (as is)</b>	Ruled out: lack of capacity of a single school to deliver	Carry forward	Ruled out: preference is for one or four providers
<b>Maintained mainstream schools</b>	Ruled out: lack of capacity of a single school to deliver	Ruled out: requires an extension of existing SLA to implement	Ruled out: preference is for one or four providers
<b>Academy trusts</b>	Ruled out: requires an extension of existing SLA to implement	Ruled out: requires an extension of existing SLA to implement	Ruled out: preference is for one or four providers
<b>Independent organisation</b>	Ruled out: requires an extension of existing SLA to implement	Ruled out: requires an extension of existing SLA to implement	Ruled out: preference is for one or four providers
<b>The Local Authority (bring in house)</b>	Carry forward	Ruled out: LA would only deliver as a sole provider	Ruled out: LA would only deliver as a sole provider

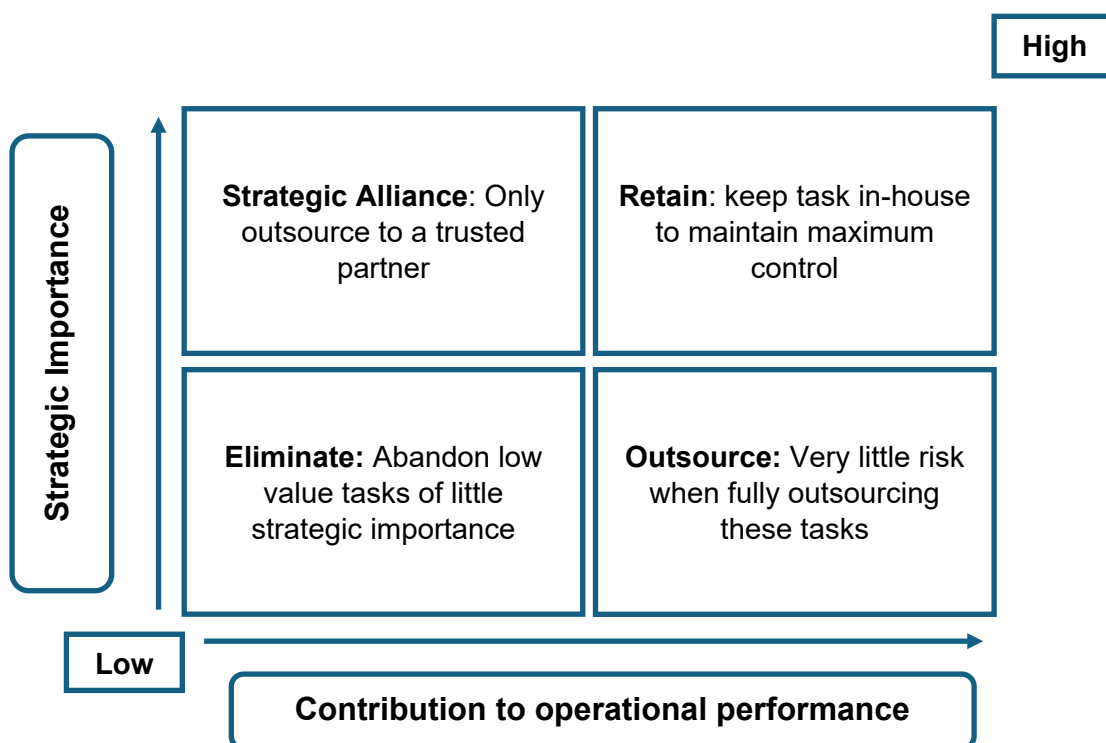




## Barnes Outsourcing Decision Making

In relation to the option for KCC to bring the STLS in house, the Barnes Outsourcing Decision Matrix is a tool that can be used to support decision making about the degree to which an organisation outsources tasks. This model identifies four different options in relation to outsourcing organisational tasks based on two variables. As illustrated below.

- Strategic importance considers the degree to which a task gives a business a competitive edge. In the public sector, this would be considered the degree to which a task offers public value and creates benefits for the community by ensuring that public services are effective, efficient and equitable.
- Contribution to operational performance considers the degree to which the task contributes to the smooth running of an organisation and the disruption caused if it is done badly.



The Matrix is divided into four quadrants, as follows:

- **Eliminate:** Some tasks are not important to an organisations overall strategy and do not make a significant contribution to its day to day operational performance. This tasks could be eliminated, or stopped, altogether, but the potential impact and unintended consequences should be carefully considered
- **Strategic Alliance:** This option should be considered for tasks that are strategically important, but contribute little to day to day operational performance. These could be outsourced to a trusted partner through a strategic alliance. In this model, the partners share control of the task and work together but remain independent.
- **Retain:** This option should be considered for tasks that are high in strategic importance and have a significant impact on day to day operational performance of the organisation. These tasks should be kept in house to ensure that leaders have maximum levels of control over vital processes.

- **Outsource:** Tasks in this quadrant are important for successful operational importance, but are generally not strategically important. These can be outsourced with little risk.

(Source: [The Outsourcing Decision Matrix - Improving "Buy-or-Make" Decision Making \(mindtools.com\)](http://mindtools.com))

In relation to the proposal to bring STLS in house:

<b>Barnes Outsourcing Matrix Variable</b>	<b>In relation to STLS</b>
Strategic importance considers the degree to which a task gives a business a competitive edge. In the public sector, this would be considered the degree to which a task offers public value and creates benefits for the community by ensuring that public services are effective, efficient and equitable.	Bring the service inhouse would: <ul style="list-style-type: none"> <li>• Achieve economies of scale</li> <li>• Support greater alignment of a core offer across the county</li> <li>• Ensure equity of opportunity access across the county</li> <li>• Reduce variability in quality</li> <li>• Enable the LA to flexibly deploy resources</li> <li>• Enable the LA to shape the service through continual improvement and to reflect priorities without recourse to contract / SLA variations</li> </ul>
Contribution to operational performance considers the degree to which the task contributes to the smooth running of an organisation and the disruption caused if it is done badly.	<ul style="list-style-type: none"> <li>• Reduces the impact of siloed working across organisations</li> <li>• Aligns to other inhouse inclusion resources such as SEND Improvement Advisors and Kent Educational Psychology Service</li> </ul>

Based on the above assessment, contribution to strategic importance and operational performance could both be considered high indicating that 'retaining' as an in house resource is preferable.

