

# **Schools Funding Forum Briefing Report**

## **26 November 2021**

### **Specialist Teaching and Learning Service (STLS) Redesign**

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#### **1. Background:**

- 1.1 The Specialist Teaching and Learning Service (STLS) was set up to champion inclusive education, to fully harness and develop the special educational needs and disabilities (SEND) knowledge, skills and expertise present in all Kent early years settings and schools in order to create a coordinated, equitable, and effective provision of additional support for children and young people with SEND.
- 1.2 STLS delivers these objectives by providing advice, training and direct interventions to support mainstream and early years settings and schools in improving the outcomes for children and young people with SEND.
- 1.3 In 2012, the STLS was devolved through Service Level Agreements (SLAs) to 12 Special Schools, one per district, to support mainstream settings and schools in meeting the needs of children and young people with SEND in these settings. There are also Physical Disability and Sensory STLS teams currently offering countywide services, aligned to and managed by Valence School in Sevenoaks, a special school for children and young people with physical disabilities and complex medical needs.
- 1.4 These SLAs were due to expire by 1<sup>st</sup> April 2021. A Key Decision was taken in March 2021 to extend the SLAs, within the existing annual financial envelope of £8.2m, for one year, to allow a full review and redesign of the service, in line with the wider SEND Strategy and Countywide Approach to Inclusive Education (CATIE), prior to issuing the new SLAs.
- 1.5 STLS is funded from the High Needs Block of the Dedicated Schools Grant in two strands; Core STLS (£5.7m) and Outreach (£2.5m)
- 1.6 In January 2016, Kent County Council aligned the historic SMILE training resource (approximately £100k per Special School) with the STLS SLAs to bolster the Local Inclusion Fortum Team (LIFT) resource for a more flexible approach to develop the district outreach and training offer.
- 1.7 The governance of the STLS provision across the 12 Districts used to be provided by a county-wide Strategic Board comprising of representatives of Early Years settings, Special School and Mainstream School Headteachers and Local Authority Officers; accountable to the Corporate Director for Education, Learning and Skills role.

#### **2. Challenges leading to the STLS review and redesign:**

- 2.1 The OfSTED and Care Quality Commission (CQC) inspection of services in early 2019 highlighted that too many children and young people with SEND do not get the support they need in Kent. The Written Statement of Action (WSOA) identified the areas against which improvements need to be made, and the ambition is to develop this service alongside the delivery of the WSoA in a more joined up and effective inclusive practice for children and young people with SEND in mainstream settings and schools in Kent.
- 2.2 The STLS is a substantial investment by the High Needs Block (over £8m) and is generally rated as 'very good', although at the same time the local authority is experiencing a year-on-year escalation of Education Health and Care (EHC) needs assessment requests and increased placement in special schools.
- 2.3 The SEND strategic governance link with the STLS Headteachers and LIFT Executives was disbanded in 2016 following a KCC internal SEN restructure, resulting in less oversight, monitoring and management of the delivery of the service over a period of years, leading to the SLA holding Special Schools finding different approaches to meet the needs of their mainstream settings and schools. Whilst the district level data and impact analysis of Key Performance Indicators (KPIs) suggest the service is meeting local needs, there is no strategic oversight.
- 2.4 The rise in EHC needs assessment requests are mainly driven by parents, primarily due to a reported lack of confidence in mainstream education provision for children with SEN.
- 2.5 The High Needs Block has become increasingly overspent. The Local Authority recognises that there needs to be a change in the focus of all elements of the SEN System, including the STLS, if Kent is to achieve the reset that is needed.

### **3. Activity to date:**

- 3.1 Commissioners and service leads in SEN have undertaken a comprehensive review of the service, have spoken to a wide variety of stakeholder groups, analysed the data that is collected at a local level and understood the outcomes the services are delivering. Surveys were undertaken with schools and professionals and with parents and carers. In addition, task and finish groups were set up to examine the survey responses and to better understand how these services can be improved or delivered differently.
- 3.2 Aside from commissioning activity, the extended period has been used to identify opportunities within the wider system, gain a better understanding of roles, responsibilities and interdependencies across the wider health, education and social care systems to achieve better outcomes with the investment and available resources.

### **4. Public Consultation**

4.1 This has resulted in the need to publicly consult on the future proposals which cover:

- A. **STLS Structures** – whether to continue with the 12 arrangements or align to four.
- B. **Access to Specialist Advice, Support and Interventions** – through a tiered approach formalising what is already in existence in some areas and expanding across the county (dimension led drop-in clinics, district local inclusion forum team meetings, intensive specialist support (1:1), link teacher and links to wider locality resources.)
- C. **Core Training Offer** – consistent offer across the county above the Mainstream Core Standards along with bespoke training where a need cannot be met through the Kent Core Offer.
- D. **Communication and Engagement** – to be improved to make sure parents/carers are equal partners in decision making and the outcome communicated with parents and school staff in a more-timely manner.
- E. **Sensory STLS and Physical Disability (PD) STLS** – currently managed by the Valence School in Sevenoaks, the proposal is to bring back in-house to strengthen multi-agency working and better alignment with the SEN teams.

4.2 The consultation launched on 3 November 2021 and will close on 7 December 2021. To support the online consultation a range of face to face and virtual meetings have been completed, as indicated below, to ensure comprehensive and detailed feedback is collated to complement the formal consultation responses, to inform the recommendations for consideration by the Children, Young People, and Education (CYPE) Cabinet Committee in January 2022.

Date	Audience	Mode
12 November (am)	STLS district teams	Face to face
12 November (pm)	STLS district teams	Face to face
17 November	STLS Sensory and PD Teams	Virtual
18 November	STLS district teams	Virtual
22 November	General	Virtual
24 November	General	Virtual

4.3 A full report will be ready prior to the CYPE Cabinet Committee meeting on 14 January 2022, which will present the proposals for the SLAs needed from April 2022. It is expected that there will be 14 issued in April (12 district STLS and 2 countywide SLAs) for five months. The more significant changes will be introduced from September 2022, dependent on the outcome of the consultation and Cabinet Member decision.

4.4 Due to the timing of the Schools Funding Forum meeting and the end of the consultation it is not possible to share the results of the consultation within this report.

## 5. Interdependencies

5.1 The SEND Strategy and the Countywide Approach to Inclusive Education frame the developments and interdependencies of this consultation with a review of High Needs Funding (HNF) and potential establishment of locality-based resources.

5.2 The HNF review is subject to a separate consultation, the outcome of which will impact the delivery of the STLS, as part of the overall available support to improve access and inclusion of children and young people with SEND in mainstream educational settings. To accommodate any changes that may be necessitated later, flexibility will be built into the STLS SLAs to ensure a joined-up approach.

5.3 The Countywide Approach to Inclusive Education, the High Needs Funding review and the STLS review provide the opportunity to consider the whole system and to allocate resources and support where they can have the greatest impact.

## 6. Financial Information:

6.1 The current annual budget (2021/22) for STLS SLAs is made up of two parts: Core budget (£5.7m) and Outreach budget (£2.5m). Along with a further £333,062.96 to contribute towards the increased pension employer contribution costs introduced in 2018 – this was allocated based on actual staff costs at the time of implementation.

6.2 This budget is funded from the High Needs Block of the Dedicated Schools Grant.

<b>STLS Budget v Forecast 2021/2022</b>				
Budget 2021/22	District STLS	PD STLS	Sensory STLS	Total Budget
Core funding	£3,482,036	£325,200	£1,894,637	£5,701,873
Outreach funding	£2,400,000	£100,000	£0	£2,500,000
Pension funding				£333,063
<b>Total Budget</b>	<b>£5,882,036</b>	<b>£425,200</b>	<b>£1,894,637</b>	<b>£8,534,936</b>
Forecast 2021/22	£6,488,791	£476,217	£2,071,324	£9,036,332
Overspend	<b>-£606,755</b>	<b>-£51,017</b>	<b>-£176,687</b>	<b>-£501,396</b>

**\*Forecast is based on a financial audit of the service carried out in June/ July 2021**

6.3 A breakdown of the district STLS forecast for the 2021/22 financial year is shown in the table below:

Expenditure type 2021/22	Forecast Actual (£'000)	Forecast Percentage
Direct Staffing	£5,865	90.4%
Indirect Staffing costs (e.g. training, travel, etc)	£144	2.2%
Operational costs (premises etc)	£146	2.2%
Other costs (Resources, Supplies, Training, ICT etc)	£334	5.2%
Total Expenditure	£6,489	100%

- 6.4 The STLS budget has not significantly changed since devolved in 2012. Some districts have seen a decrease in staffing to operate within the allocated budgets, whilst others have relied on other sources of income (such as funding bids, chargeable training or traded services with other local authorities) to deliver the service. SLA holding Special Schools have taken different approaches to charging of overhead related activities of managing this service.
- 6.5 Furthermore, there is no consistency in the way the SLA holding Special Schools have utilised the Outreach budget, with some using this funding to supplement the Core budget, whilst others have been steered by their LIFT Executives for more targeted interventions.
- 6.6 Further consideration will also need to be made in relation to the High Needs Funding Review: potential allocation of locality-based resources and the synergy with the outreach funding envelope. Whilst the proposals in this consultation include the outreach funding element (£2.4M), in time these resources could be incorporated in the locality-based resources that mainstream settings and schools may be able to access more flexibly to meet local need (see High Needs Funding Paper).
- 6.7 The distribution of STLS resource/budget across the County will also need to be considered in terms of level of demand for the service. A fair and equitable formulae could take account of key factors that determine the level of demand on the service, for example deprivation, free school meals and number of SEN pupil. Annual financial reviews will need to be conducted to assess continuing sustainability and value for money.
- 6.8 The proposal for the Sensory STLS and PD STLS is to be realigned with the Local Authority and form part of the new model of SEND delivery across the county. This will be achieved within the existing budget, of £1,895K and £425K, respectively.
- 6.9 The proposals also include plans for a comprehensive countywide programme of continuous professional development to maintain the level of specialism

and expertise of the practitioners that will enable capacity building and sustainability. This is still to be costed.

- 6.10 There are a number of unresolved financial issues that need to be addressed as part of the new SLAs, in addition to allowing sufficient flexibility for the service to adapt to wider developments for the future arrangements of support of children with SEN in mainstream schools. There is a need to balance these developments with the risks posed with any disruption including potential loss of service or resources. There are a number of options to manage this moving forward and the Schools Funding Forum are asked to comment on possible options to help inform the final recommendations:

6.11 Overspend on STLS Core and Outreach Budget

*STLS Holding Special Schools are reporting a combined overspend of just over £500,000 in 21-22 against the combined Core and Outreach Budget of £8.5m.*

Should the new value of the SLA reflect the current forecast costs of running the service or should the value of the total budget remain at historic level?

The High Needs Budget is significantly overspent – additional funding requests will have to be managed within funding transferred from the primary and secondary school budget to support High Needs. This is not a permanent funding source.

6.12 Future of Outreach Budget

*There is inconsistency in the management and separation of the Outreach and Core STLS budget. The new SLA will need to make this distinction clearer and require separate accountability. The principles of the outreach budget align closely with the concept of 'locality-based resources' as set out in the CATIE. Sufficient flexibility needs to be introduced into the SLA to accommodate the possible introduction of 'locality-based resources' and alignment with other services.*

Over the period of the new SLA (recommended term of three years), all SEN services commissioned by the Council on behalf of schools will need to respond to both national and local changes in demand and policy. There are a number of new services launching imminently with further to follow, and we will need to be flexible in responding to the impact of these on existing service delivery and, funding and governance arrangements. This may include changing the amount of outreach funding management by the SLA holding schools.

6.13 Principle distributing the SLTS budget using a formula

*The current distribution of the STLS core budget is historic. The Pension budget is distributed based on actual costs of staff at the time of the survey.*

With limited resources we need to focus the resources strategically. The distribution of resource across the county needs to be allocated on a

consistent basis. The allocation of resource needs to avoid pervasive incentives.

#### 6.14 Fixed Budget

*The current SLA for STLS is based on a fixed budget with no allowance for possible increases to reflect inflation.*

Should the new SLA continue to be administered on a fixed value basis (where SLA holding schools are expected to make necessary arrangements to manage within their budget each year) or should the value of the SLA be reviewed each year to allow for a possible increase in inflation (if considered affordable).

#### 6.15 Standardise overhead

*A consistent basis for the charging of overhead by SLA holding schools will be developed.*

Need to ensure consistency in the use of STLS funding across the county.

### **7. Governance Pathway:**

7.1 Overall budget and responsibility sit within the Children and Young People's Directorate, with accountability falling to Matt Dunkley Corporate Director of CYPE and Mark Walker, Director of Special Educational Needs and Disabled Children and Young People.

7.2 Due to value of the SLA, the formal governance and final decision is by the Cabinet Member for Integrated Children's Services.

### **8. Recommendations:**

8.1 The Schools Funding Forum are asked to comment on the options for the future funding arrangement for the STLS contract as outlined in section 6.11 to 6.15, in addition to wider proposals in the STLS consultation.

### **9.1 Link to Consultation Documents:**

[Specialist Teaching and Learning Service Redesign | Let's talk Kent](#)