

# WEST NORTHAMPTONSHIRE COUNCIL CABINET

10<sup>TH</sup> OCTOBER 2023

## CABINET MEMBER FOR CHILDREN, FAMILIES AND EDUCATION: COUNCILLOR FIONA BAKER

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**Report Title** Transfer of Dedicated School Grant Funding for Forensic Services from the Education and Skills Funding Agency (ESFA) to West Northants Council

**Report Author** Tony Challinor, Assistant Director of Commissioning  
[tony.challinor@westnorthants.gov.uk](mailto:tony.challinor@westnorthants.gov.uk)

### List of Approvers

<b>Monitoring Officer</b>	Sarah Hall	20/09/2023
<b>Chief Finance Officer (S.151)</b>	Martin Henry	20/09/2023
<b>Other Director</b>	Stuart Lackenby	20/09/2023
<b>Communications Lead/Head of Communications</b>	Megan Denny	20/09/2023

### List of Appendices

None

#### 1. Purpose of Report

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- 1.1. To consider a request from the Education and Skills Funding Agency (ESFA) that West Northants Council accepts additional Dedicated Schools Grant (DSG) and takes on the responsibility for commissioning existing services at St Andrew's, Northampton.

## **2. Executive Summary**

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- 2.1 The ESFA asked that West Northants Council takes on the responsibility for commissioning, contract managing and quality assuring the provision that is being delivered at St Andrew's Healthcare to provide education and training to young people up to the age of 18 who are detained at the unit.
- 2.2 The funding amount initially offered by the ESFA (£2,897,000) did not allow for any overheads or costs incurred by the Council. The ESFA offer also did not provide sufficient assurance to the Council on future cost increases, both inflationary and where demand and complexity might change and increase costs. The Council wrote to the ESFA asking for funding for overheads to be added in order to create contract management resource. The Council also asked for assurance on funding for any potential future cost increases.
- 2.3 On 30<sup>th</sup> August the ESFA responded positively that:
- 2.3.1 the annual sum to be paid to the Council to commission and manage the Forensic Services at St Andrews for the current year would be increased from the initial ESFA offer to £2,947,312 – allowing £50,312 for contract management and related overheads.
- 2.3.2 this annual amount of £2,947,312 will then be added to the Council's DSG allocation for 2024-25 with an extra 3%, in line with the calculation of the hospital education funding through the 2024-25 high needs national funding formula (NFF).
- 2.3.3 if there is a change in the mental health care provision provided in the unit by St Andrew's College, e.g. in the number of occupied inpatient beds, which affects the amount of hospital education needed, there is a process operated by the ESFA each autumn which enables a local authority to notify the department of the change and the costs involved. Extra funding for such costs would be subject to an application from local authorities as the ESFA has no way of knowing otherwise what changes have occurred or are planned by the relevant mental health trust.

## **3. Recommendations**

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It is recommended that the Cabinet:

- a) Accepts the additional funding and commissioning responsibilities for St Andrew's Healthcare forensic services. .
- b) Approves the award of a contract to St Andrews Healthcare for the provision of education and training for young people up the age of 18 detained in the unit.

## **4. Reason for Recommendations**

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- 4.1 West Northants currently sits outside of the national arrangements in place for all similar provision whereby contract responsibilities for Forensic Services sit with the host local authority. The ESFA have asked the Council to take on commissioning responsibilities and

funding management so that we are in line with the model adopted by the ESFA and other local authorities.

- 4.2 Initial discussions with St Andrews suggest that they are willing to provide specialist mental health support (training and advice) to other schools so that the broad education offer and support to children and young people's mental health is improved within West Northants.

## **5. Report Background**

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- 5.1 The ESFA approached West Northants Council in 2022 to ask that the Council takes on the responsibility for commissioning, contract managing and quality assuring the provision that is being delivered under the current ESFA funding agreement with St Andrew's Healthcare in Northampton. This is to provide education and training to young people up to the age of 18 who are detained at the unit. This unit is a national provision and one of a small number of such units. These were all originally commissioned and funded by the ESFA, but over time the host local authorities have taken on this role in all cases other than the St Andrew's provision in Northampton.
- 5.2 The ESFA clarified that provision that is being delivered under the current funding agreement with St Andrew's Healthcare is education and training to young people up to the age of 18 who are detained at the unit.

## **6. Issues and Choices**

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- 6.1 The negotiations between the ESFA, West Northants Council and St Andrew's Healthcare have confirmed that sufficient funding is available to meet current demand and resourcing requirements.
- 6.2 A risk identified by senior officers at West Northants Council relates to potential future changes in NHS arrangements, including policy changes or reducing budgets for forensic services as well as the likelihood of increased levels of demand and complexity to be met at St Andrew's Healthcare in future years.
- 6.3 Officers are of the view that the risks are now sufficiently mitigated as additional funding is offered, and we have the ability to bid for additional funding if there are increases in demand in the future.
- 6.4 The choice for West Northants Council is:
- a) to take on the arrangements as proposed by the ESFA. This is preferred option as it will give the council the ability to control the quality of provision and will maintain our relationship with the ESFA.
  - b) to decline to take on the additional funding and commissioning responsibilities for St Andrew's Healthcare forensic services. This is not the recommended option as it will mean the council has no control over the provision at the unit, and less ability to ensure that there is adequate provision for our children and young people.

## **7. Implications (including financial implications)**

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### **7.1 Resources and Financial**

7.1.1 An adequate increase in DSG allocation to West Northants Council to fund the forensic service with overheads together with opportunities to bid to the ESFA for additional unforeseen costs has been offered by the ESFA.

### **7.2 Legal**

7.2.1 The existing arrangement with St Andrews Healthcare and the ESFA will need to be novated to West Northants Council. Work on this would begin only after sign off from Cabinet and will be overseen by colleagues in Legal Services.

7.2.2 West Northamptonshire Council can enter into the grant funding arrangements using its general powers of competence under the Localism Act 2011.

7.2.3 The award of a contract to St Andrew's Healthcare as the existing provider of this service will be overseen by Legal Services. Future contracts for the delivery of this service will be subject to appropriate procurement exercises.

### **7.3 Risk**

7.3.1 Other than those identified with mitigations in this paper, there are no other significant risks arising from the proposed recommendations in this report.

### **7.4 Consultation and Communications**

7.4.1 As the incumbent provider, meetings have taken place with St Andrews Healthcare to agree the way forward.

### **7.5 Consideration by Overview and Scrutiny**

7.5.1 The report has not been reviewed by the relevant Overview and Scrutiny Committee.

### **7.6 Climate Impact**

7.6.1 None.

### **7.7 Community Impact**

7.7.1 None given that this is a continuation of an existing service.

## **8. Background Papers**

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8.1 None