

Classification: Open	Decision Type: Key
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Report to:	Cabinet	Date: 08 July 2026
Subject:	Alternative Provision	
Report of	Cabinet Member for Children and Young People	

1. Summary

This report seeks Cabinet approval to recommission Bury's Alternative Provision for children and young people.

The Council currently maintains an approved Alternative Provision Directory, listing both school-based and non-school providers that have met the local authority's due diligence requirements. This directory, published on the Local Offer, supports consistent and quality-assured placements. Local authority teams are required to use the directory when commissioning provision, and schools are strongly encouraged to do the same.

The current Alternative Provision arrangements are due to expire on 31st August 2026. To ensure continuity of provision while a full review and recommissioning process is undertaken, approval is sought to extend the existing arrangements until 31st March 2027.

During the extension period, the Council will undertake a structured programme of preliminary market engagement (PME) with providers and stakeholders. The pre-market engagement will assess the effectiveness of the current service model, assess market capacity and inform the choice of procurement route - either a two-stage Competitive Flexible Procedure or an open tender - based on the findings. (Please refer to Appendix 2 for details on the recommissioning timeline)

The procurement process will establish a four-year Alternative Provision framework, providing stability and sufficient duration to support delivery of the priorities set out in Bury's Alternative Provision Strategy (Appendix 1) and the emerging SEND Sufficiency Strategy.

In the longer term, and in line with SEND reforms and forthcoming Department for Education legislative changes, the Council will explore opportunities to develop shared service arrangements with neighbouring authorities. This approach aims to strengthen quality assurance, improve consistency in practice, deliver greater efficiency, and build system-wide resilience in the commissioning and oversight of alternative provision.

This approach will ensure that the recommissioned Alternative Provision offer is strategically aligned to local need, financially sustainable, and capable of being delivered through a robust and competitive provider market.

Alternative Provision plays a critical role in ensuring that children and young people who are unable to access mainstream or specialist education can continue to receive suitable, high-quality education and support. It provides a structured pathway for children who are permanently excluded or disengaged from education, enabling access to an educational reintroduction programme in line with the Council's statutory responsibilities and duty of care.

Structured market engagement will enable the Council to develop a more sustainable, responsive and high-quality Alternative Provision system aligned to local, regional and national expectations.

2. Recommendations

Cabinet is asked to:

- Approve the recommissioning of Bury's Alternative Provision offer, in line with the Alternative Provision Strategy.
- Approve a structured programme of pre-market and stakeholder engagement including children, young people and families.
- Approve the short-term extension of existing contractual arrangements to 31st March 2027 via a blanket call-off order to the current providers, to ensure continuity of service.
- Approve the substantive procurement of a four-year Alternative Provision framework, with the route, two-stage Competitive Flexible Procedure or open tender, to be confirmed by the outputs of pre-market engagement.
- Note that a further Cabinet report will be brought forward outlining the final delivery model, financial implications and contract award recommendations.

3. Reasons for recommendation(s)

Cabinet approval of these recommendations will deliver several significant and interrelated benefits, for children and young people, families, education providers, and the Local Authority, as outlined below:

Improved outcomes for children and young people

Recommissioning the Alternative Provision offer, in line with the strategy, will ensure that provision is better aligned to identified needs, including rising demand and increasing complexity. A refreshed model will support earlier intervention, more tailored pathways, and improved reintegration into mainstream education where

appropriate. This will contribute to better educational attainment, attendance, emotional wellbeing, and longer-term life chances.

A more responsive and needs-led system

Undertaking structured pre-market engagement and stakeholder consultation will ensure the future Alternative Provision model is shaped by those who use and deliver services. Involving children, young people, families, and providers will strengthen co-production, ensuring services are inclusive, equitable, and responsive to lived experience. It will also help identify gaps in provision and opportunities for innovation.

Market stability and development

Engagement with the provider market will support the development of a strong, diverse, and sustainable supply base. By signalling future commissioning intentions early, the Council can encourage provider readiness, innovation, and investment in local services. This reduces the risk of market failure and better supports long-term value for money.

Continuity of provision and risk mitigation

Extending existing contractual arrangements to March 2027 ensures that there is no disruption to placements for vulnerable children. This stability is critical to safeguarding, maintaining educational progress, and avoiding the risks associated with gaps in provision. It also provides adequate time to undertake robust commissioning and procurement activity without creating operational pressure.

Strong governance and compliance

Proceeding with a compliant and well-planned procurement process ensures adherence to Public Contracts Regulations and best practice commissioning principles. Determining the most appropriate procurement route following PME will enable the Council to balance flexibility, transparency, and competitiveness, reducing legal and financial risk.

Value for money and financial sustainability

A strategic, evidence-informed procurement process will enable the Council to secure high-quality provision at a sustainable cost. By understanding market dynamics and demand through pre-market engagement, the Council can design a framework that maximises efficiency, avoids spot purchasing where possible, and ensures better control over expenditure.

Approval of this report establishes a structured and transparent process for developing the future provision. Bringing a further report to Cabinet with detailed delivery proposals, financial implications, and contract award recommendations ensures continued oversight and informed decision-making at key stages.

Overall, approval will enable the Council to transition from current arrangements to a more strategic, sustainable, and high-quality Alternative Provision system, while maintaining stability and minimising risk throughout the process.

It will also support improved outcomes for children and young people by ensuring provision is responsive, flexible and aligned to identified need, while delivering better value for money through a more sustainable, equitable and financially robust funding approach.

Alternative options considered and rejected

Option	Advantage	Disadvantage
Maintain current model	No procurement required	Does not address gaps, rising costs, poor outcomes
Redesign without engagement	Faster	Substantial risk of failure due to lack of market insight
Redesign through engagement (Preferred)	Informed, sustainable, needs-led	Requires time and resource

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4. Background

The service experienced a significant overspend in the 2025/26 financial year, representing a substantial increase compared with previous years, where only minor overspends had been recorded. This financial pressure has necessitated a more detailed analysis and will inform the development of the forthcoming sufficiency strategy.

Total expenditure amounted to £1,821,222.90 (Including an overspend of £843,222.90). Based on the current level of provision spend, extending the provision to 31st March 2027 would require an estimated financial commitment of £1,062,380.

The financial implications for the Council will need to be updated once full details of the High Needs Stability Grant are confirmed, including conditions, allocation methodology, and duration.

Within the context of the SEND reforms, interim (2026–2028) and longer-term funding arrangements from April 2028 are expected to significantly influence and possibly fundamentally change the funding and commissioning of Alternative Provision. This includes impacts on demand, placement costs, and the role of the

provision within a reformed SEND system, with direct consequences for Dedicated Schools Grant High Needs Block pressures and deficit management.

Further analysis will be required to assess the extent to which the SEND reforms and associated funding support sustainable Alternative Provision, including any implications for the General Fund and residual financial risks beyond the transition period.

Given the ongoing national SEND reform programme and the potential implications for future Department for Education (DfE) funding arrangements, it is considered prudent that this report seeks approval at this stage for the recommissioning approach and proposed procurement route only.

A subsequent Cabinet report will be brought forward once there is greater clarity regarding the preferred delivery model, market response, funding assumptions and associated financial commitments, to seek full financial approval. Given the financial pressures within the wider SEND system, a full financial appraisal and affordability assessment will accompany the final Cabinet award report.

5. Links with the Corporate Priorities:

This proposal supports the Council's *Let's Do It* strategy by contributing directly to the ambition to improve outcomes for children and young people, reduce inequality, and build strong, inclusive communities. In particular, the redesign of Alternative Provision aligns with the *Let's Do It for Children and Young People* priority by ensuring that vulnerable children, including those with SEND and those at risk of exclusion, are supported to access appropriate education, achieve positive outcomes, and progress towards adulthood with increased independence.

The proposal also advances the Council's commitment to tackling inequalities by addressing the disproportionate impact of SEND and exclusion on children living in areas of higher deprivation. By strengthening local provision and improving access to flexible, needs-led support, the recommissioned provision will help ensure that children and families can access the right support at the right time, reducing barriers to participation in education and promoting fair outcomes across the borough.

A key element of the *Let's Do It* approach is collaborating with communities to develop sustainable, locally delivered services. The recommissioning of Alternative Provision will support this by strengthening the local provider market, encouraging participation from a diverse range of providers including the voluntary, community and social enterprise sector, and increasing the availability of community-based provision. This will contribute to building local capacity and resilience while reducing reliance on out-of-area placements.

The proposal further aligns with the Council's focus on delivering financial sustainability through system reform, rather than service reduction, making better use of available local resources.

Overall, the recommissioning of this provision supports the development of a more integrated, preventative and outcome-focused Alternative Provision system, aligning with both corporate priorities and national policy direction. It will enable the Council to continue to move towards a more sustainable model that improves life chances for children and young people while delivering better value for money.

6. Equality Impact and Considerations:

An Equality Impact Assessment will be integral to the commissioning process, ensuring the Alternative Provision continues to promote fair access, reduces inequalities, and meets the needs of children with protected characteristics. Equality considerations will be embedded throughout service design, procurement, and contract management.

The needs of children in areas of socio-economic deprivation will also be addressed, with a focus on improving local access, reducing barriers such as travel, and ensuring distribution of provision is fair and balanced.

7. Environmental Impact and Considerations:

No significant negative environmental impacts have been identified from the recommissioning of Alternative Provision.

By strengthening local, community-based provision, the model will reduce reliance on out-of-borough placements and long-distance travel, lowering transport use and associated carbon emissions.

The commissioning process will also encourage providers to adopt sustainable practices, including minimising travel and using local venues.

Overall, while impacts are modest, the redesign supports more sustainable service delivery through improved local access and reduced travel dependency.

8. Assessment and Mitigation of Risk:

Risk	Mitigation
Market capacity limitations	Early engagement and provider development
Continued reliance on high-cost placements	Strengthen local offer and commissioning
Insufficient specialist provision	Targeted commissioning in key gaps
Financial pressure	Improved oversight and cost benchmarking
Weak outcomes monitoring	Introduce structured outcomes framework

9. Procurement Implications:

All procurement activity will be undertaken in full compliance with the Procurement Act 2023.

Short term - continuity extension. Existing contractual arrangements will be extended to 31st March 2027 via a blanket call-off order applied to the suppliers as identified through the internal review of provider performance, spend and forecast service need. The extension is a tactical, short-term measure to support continuous provision for in-flight pupils. It does not expand scope, increase value, or admit new suppliers outside of current provision. The extension period will be used to gather structured feedback from service users (internally and externally, including schools and partner agencies) to inform the future service.

Medium term - PME and re-procurement. During the extension period the Council will undertake a structured programme of pre-market engagement (PME) with providers, service users, schools, families and partner agencies. The PME will assess the proposed service model, assess market capacity, identify gaps in specialist provision, and strengthen the future landscape of the service. Based on the PME findings, the substantive procurement will be progressed via either a two-stage Competitive Flexible Procedure (where market dialogue and iterative refinement is needed) or an open tender (where the market is sufficiently mature and the specification can be fixed). The procurement will deliver a four-year Alternative Provision framework, providing the stability, predictability and duration needed to embed the graduated pathway and outcomes-based pricing model. The framework will be tiered and lot-based, covering full-time provision for highest need, targeted

and blended provision including part-time reintegration pathways, and vocational, therapeutic and complementary services.

Long term. In line with the forthcoming DfE legislative changes, the Council will explore a shared service arrangement with neighbouring authorities during the life of the four-year framework.

10. Legal Implications:

Bury Council has a statutory duty pursuant to section 19 of the Education Act 1996 to arrange suitable education by way of alternative provision for children of compulsory school age who would not otherwise receive it. Duties arise from the Children and Families Act 2014 to secure the provision specified in Education, Health and Care Plans (EHCP) which must comply with the Equality Act 2010, which includes duties not to discriminate and to make reasonable adjustments for disabled children and young people.

Bury Council seeks Cabinet approval to recommission Bury's alternative provision for children and young people. To ensure the continuity of provision, consistent with statutory duties Bury Council propose an extension of the existing contractual arrangements to the 31st March 2027, whilst the full review and recommissioning process is undertaken. This is proportionate and reduces the risk of disruption to education.

Legal challenge could arise by any failure to secure suitable or EHCP provision, this includes from judicial review, SEND Tribunal appeals and complaints to the Local Government and Social Care Ombudsman.

The current contracts provide for a 5 year term, expiring on 31st August 2026, with the option to extend by up to two further periods of 12 months. This extension is therefore lawful.

Bury Council has confirmed the recommissioning will be undertaken in full compliance with the Procurement Act 2023 and relevant procurement principles including by being transparent, proportionate and compliant with the principles of equal treatment and non-discriminatory.

In light of the above, there are no legal reasons why the recommendations cannot be implemented on the basis Bury Council continues to comply with its statutory duties and procurement obligations.

11. Financial Implications:

The cost of the extension has been built into the Dedicated Schools Grant High Needs Block financial assumptions.

Appendices:

- Appendix 1: Alternative Provision Strategy
 - Appendix 2: Alternative Provision Re-Commissioning Timeline Plan
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Background papers:

None.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Glossary of Terms and Abbreviations

Term	Meaning
DfE	Department for Education
PME	Preliminary Market Engagement
SEND	Special Educational Needs and Disabilities