

**OPEN**

**Children and Families Committee**

**15 September 2025**

**Supported Accommodation for 16–25-year-old  
Children in Care, Care Leavers and Unaccompanied  
Asylum-Seeking Children & Young People**

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**Report of: Dawn Godfrey, Executive Director of Children's Services**

**Report Reference No: CF/26/25-6**

**Ward(s) Affected: All**

**For decision**

**Purpose of Report**

- 1 The report provides an update on the recommissioning activity approved at Committee in June and details the co-production with the stakeholders (including care experienced young people) to shape the future service offer.
- 2 To provide committee with oversight of the agreed service model and to seek authorisation to follow a competitive tender process and award the successful provider(s) the Supported Accommodation contract from 1<sup>st</sup> July 2026.

**Executive Summary**

- 3 This paper builds on the Supported Accommodation report reviewed by Committee on the 9<sup>th</sup> June 2025 and sets out how the Council has completed the review, consultation and engagement to inform service redesign, and the next steps to conduct a full formal tender to seek a best value service for Cared for Children and Care Leavers aged 16-25.

## RECOMMENDATIONS

The Children and Families Committee is recommended to:

1. Approve the new service model and authorise the procurement for a new service contract for a 5-year term with a 1 + 1 year extension period.
2. Delegate authority to the Executive Director of Children's Service and/or equivalent authorised officer to conduct a competitive procurement exercise and enter into dialogue with the most competitive bidder, if required, issue the notice of contract award once a preferred bidder is identified.
3. Delegate authority to the Executive Director of Children's Services to award the contract for the Supported Accommodation for 16–25-year-old Children in Care and Care Leavers, in consultation with the S151 & Monitoring Officers, and with the agreement of the Chair and Vice Chair of the Children & Families Committee.
4. Delegate authority to the Executive Director of Children's Services and/or equivalent authorised officer for contract and performance management, including all commercial assessments to oversee any contract extensions under the terms including contract performance and efficiency requirements and key performance indicators.

### Background

4. The report to committee on the 9<sup>th</sup> June 2025, outlined the background, and the legal responsibilities: [\(Public Pack\)Agenda Document for Children and Families Committee, 09/06/2025 14:00](#)

### Consultation and Engagement

- 5 The consultation and engagement approach, and summary of outcomes is included with this report as Appendix 1.

### Service Model & Procurement approach

- 6 To ensure the service is fit for the future, the offer will be a mixed offer of supported accommodation with support to ensure needs are best met, with an emphasis on emergency support/safety and independence planning, with a whole system approach to ensure outcomes are achieved. The main elements for the new model that will be included into a newly developed service specification:

a) Accommodation: The service will be defined within LOTS. In terms of the required units of accommodation and support hours, accommodation will be commissioned on a block contract basis. LOTS are categorised below:

- **LOT 1 - Supported Accommodation for 16-17-year-olds – North Cheshire East – 16 beds including 1 emergency bed**

- **LOT 2 - Supported Accommodation for 16-17-year-olds – South Cheshire East – 27 beds including 2 emergency beds**
- **LOT 3 - Supported Accommodation for 18-25-year-olds – North Cheshire East – 21 beds including 1 emergency beds**
- **LOT 4 - Supported Accommodation for 18-25-year-olds – South Cheshire East – 42 beds including 2 emergency beds**
- **LOT 5 - Supported Accommodation for Unaccompanied Asylum-Seeking Children 16–17-year-olds – ALL Cheshire East – 20 beds**

The LOTS within this commission aim to offer a mixture of emergency accommodation, shared supported living facilities with own spaces, self-contained shared accommodation with own facilities, self-contained taster flats, community semi-independent flats and a post 18 offer focussed on independence. Due to the support and community needs of service users, accommodation will be located within close proximity to services and good transport links to ensure service users are able to retain or access support from a range of agencies and encourage community links and employment and volunteering opportunities.

- b) Whole System Collaboration coordination of the offer between Cheshire East Children's Services and the provider(s) to ensure a clear and visible service pathway for 16-25 year olds.
- c) Supported Accommodation Pathway: A clear pathway of referral into services through Cheshire East's Placements Team working towards placements stabilisation, person centred support, a vision to independence.
- d) Transition to Independence: An outcome focussed specification that ensures young people are in stable accommodation whilst developing life skills including engagement in education, work placements with an overall aim of independence.

## **Commissioning arrangements & financial modelling**

- 7 In light of feedback from Members at Committee on June 9<sup>th</sup> **Contract management** of 126 new beds will require continued investment within the Children's Commissioning Team from 1 April 2026, for the initial 3 years of the new contract(s). This will ensure beds are mobilised and occupancy levels achieve 95-100%. Currently, a Project Manager post is leading on the recommission funded from the ILACS Improvement budget, however this post ends on 31 March 2026.
- 8 **Risk:** The Project Manager currently allocated to this project will be leaving Cheshire East Council on the 31<sup>st</sup> August 2025. This project will require a new

Project Manager to oversee the procurement exercise, mobilisation and continued active management of the new contract(s).

- 9 The table below shows the cost of continued investment of a Project Manager role in Children's Commissioning to mobilise, develop and maximise service delivery in line with the purpose of the commission including value for money and improving outcomes for young people:

2026-27	2027-28	2028-29	Total Cost
£ 75,507	£ 77,394	£ 79,329	232,230
* Based on 3.2% uplift in 2025/26 and 2.5% uplift in future years			
* Penultimate SCP Grade 11 1.00 FTE			

- 10 The above table slightly affects the savings against the supported accommodation budget. By year three the block contract still proposes to save £1.1m against budget for 2028/29. Further information on the commissioning approach and financial modelling underpinning this proposal is attached as Appendix 2 to this report.

## Procurement Timelines

- 11 A procurement process will need to be undertaken in accordance with the Procurement Regulations 2024 and the Council's own Contract Procedure Rules.
- 12 The proposed procurement activity timeline is outlined below
- (a) Publish Tender Notice – November 2025
  - (b) Tender Period – December 2025
  - (c) Evaluation and Moderation Period including provider presentations– January 2026
  - (d) Final Award – February 2026
  - (e) New Contract Go live – 1<sup>st</sup> July 2026

## Reasons for Recommendations

- 13 The paper dated the 9<sup>th</sup> of June 2025 outlined the statutory obligations to provide Supported Accommodation services for 16–25-year-old Cared for Children and Care Leavers.
- 14 There are three options available to the council, this report recommends option 2, to gain the most effective and efficient service offer for children and young people. The outlined option appraisal is set out below.

## Other Options Considered

- 15 The review has considered a number of options with the recommended option being option 2.

Option	Impact	Risk
Do nothing, do not reprocure contracts for this area.	<p>The council will be at significant risk of non-compliance with its legal obligations. Future service demand/needs for children may not be met.</p> <p>No change in the current pathway for 16-25 year old cared for and care leavers. Unsuitable, unregistered or poor quality accommodation may need to be used for this group.</p>	<p>Continued high costs against the children's social care budget. Reputational damage and higher spot purchase costs through Placements Northwest framework. No offer to post 18 year olds meaning they potentially remain in high cost Ofsted Regulated placements.</p>
<p>Commission a range of accommodation with support options for 16-18, 18 plus, UASC and Supported Lodgings.</p> <p>Continued investment in Project Manager post in Children's Commissioning for first 3 years of the contract.</p>	<p>The broad offer of accommodation with support for 16-25 year old will see the Council using block arrangements ensuring value for money and young people accommodated within borough.</p> <p>The likely impact will be that young people are supported in the right place and the right time.</p> <p>The likely impact will be that young people are better supported to independence with the overall outcome being their own independent tenancy.</p> <p>New beds mobilised and occupancy levels would be consistently high (95-100%) achieving best possible outcomes and savings.</p> <p>Legal compliance with statutory obligations</p>	<p>Young people will need to be carefully managed through the pathway to ensure that block arrangements are utilised.</p> <p>Future demand is unknown as far as numbers of children in care and care leavers requiring accommodation with support. The contract of 5 plus 1 plus 1 requires careful management and annual reviews to ensure that commissioned capacity is matched to demand.</p> <p>Without continued contract management, beds would not be mobilised and occupancy levels fall under 85% failing to deliver anticipated savings.</p>
Utilise the Placements Northwest framework only	<p>Limited number of providers to choose from with higher costs for spot purchased placements.</p> <p>A loss of opportunity with local providers who can provide efficiencies and savings. No change in the current pathway for 16-25 year old cared for and care leavers.</p>	<p>Would not realise the saving benefits.</p> <p>Would be more barriers for children accessing the service. Reduces the opportunities to ensure the service is fit for the future and can meet the growing demands of cared for and care leavers.</p>

## **Implications and Comments**

### *Monitoring Officer/Legal*

- 16 The committee is responsible for those services which help keep children and young people safe and enable them to achieve their full potential, including oversight of children who are cared for by the local authority and for whom the Council has corporate parenting responsibility, including care leavers, in accordance with the Children Act 1989 & all subsequent legislation. The report also deals appropriately with the Cheshire East Plan, the ILACs improvement plan and the impact on the Council's budget.
- 17 Whilst this report is before the Children and Families Committee, as the matters in the report currently also fall within the remit of Adults and Health Committee, it is noted that the Committee has been consulted in line with the Constitution, which provides that the Chair or any other member of Adults and Health committee may attend the meeting to speak on this item and the Chair of the Children and Families Committee will exercise their discretion in favour of allowing them to do so, subject to time constraints and the effective conduct of the meeting.
- 18 Legal and procurement advice and support will be with a view to ensuring that the procuring and award of the supported accommodation contracts is in line with the Council's contract procedure rules and relevant procurement legislative requirements.

### *Section 151 Officer/Finance*

- 19 The financial implication of this report varies depending on the mix of purchased beds between block and split rates in the proposal. Year 2 begins to demonstrate a significant change in overspend to budget.
- 20 The risk of a timely transition to the new block beds may result in occupancy rates of block beds being lower and spot beds being higher for longer which are at a higher cost. A further consideration is the likelihood of delays in movement on from supported accommodation which will increase demand above capacity, creating insufficient accommodation for future demand.
- 21 The risk of an occupancy rate of 85% results in an overspend in all 3 years as included in the table below. This risk will be managed by the service area via contract monitoring meetings, expectation is occupancy would be running at 95%-100%.

<b>Scenario Underoccupancy Block 15% - assuming still placed in spot</b>			
	<b>2026-27 £m</b>	<b>2027-28 £m</b>	<b>2028-29 £m</b>
Block	1.9	2.9	3.9
Spot	6.6	4.7	2.6
<b>Total Supported Accommodation</b>	<b>8.57</b>	<b>7.66</b>	<b>6.49</b>
Block	66	92	126
Spot	89	65	33
<b>Total Supported Accommodation</b>	<b>155</b>	<b>157</b>	<b>159</b>
Budget (Subject to MTFS Item 26T - £1.1m Budget Saving in 2025-26 and a further £0.7m in 2026-27)	6.6	6.6	6.6
Comparison to Budget	1.97	1.06	-0.11

- 22 Assuming start date 1 July 2026 is achieved, Year 1 continues to show an overspend.
- 23 Inflation has been excluded from all years relating to current commitment and future costed contract arrangements.
- 24 The budgets stated are excluding any cross-directorate savings yet to be allocated.
- 25 This project supports MTFS 26T, to reduce costs in relation to accommodation with support offer for 16-25 young people, which is scheduled to generate a saving £1.1m 2025/26 and £0.7m in 2026/27. This financial saving is only achieved in year 3 with a cost of £5.0m against a budget of £6.6m.
- 26 The transformation project is combining this MTFS saving with 2 others and progress outturn will be managed together (26T 27T 28T total saving of £2.92m).
- 27 The paper proposal does not provide any savings for the current year, 2025/26, budget: an early forecast included in the FR1 position in July projected an overspend of £2.4m.

	2025-26 (As is) £m	2026-27 £m	2027-28 £m	2028-29 £m
Block	1.1	1.9	2.9	3.9
Spot	8.2	6.1	3.7	1.2
<b>Total Supported Accommodation</b>	<b>9.28</b>	<b>8.03</b>	<b>6.64</b>	<b>5.09</b>
Block	50	66	92	126
Spot	97	84	58	24
<b>Total Supported Accommodation</b>	<b>147</b>	<b>150</b>	<b>150</b>	<b>150</b>
<b>Budget</b> (Subject to MTFS Item 26T - £1.1m Budget Saving in 2025-26 and a further £0.7m in 2026-27)	7.3	6.6	6.6	6.6
Comparison to Budget	1.97	1.42	0.04	-1.51

- 28 This will be offset by the grant contribution for UASC and LC from the Home Office. The UASC increased rate of £143pn and LC £270 per week.
- 29 Contract values will be included in the future budgets which are targeting to reduce level of costs in future years until reach MTFS level in 2028/29.
- 30 This is an alternative accommodation provision and not an additional provision in order to achieve savings included in the MTFS and reduce current spending levels.
- 31 As this currently stands, a contract cannot be awarded until an appropriate budget for 2026/27 and onwards has been provided. This will need to be undertaken prior to the Recommendations being implemented.

### Policy

- 32 The Cheshire East Plan 2025-29 has 3 main commitments under its vision enabling prosperity and wellbeing for all in Cheshire East:
- Commitment 1: Unlocking prosperity for all
  - Commitment 2: Improving health and wellbeing
  - Commitment 3: An effective and enabling council
- 33 Commitment 2 - Children and young people thrive and reach their potential with targeted support when and where they need it and highlights the need to deliver the priorities in the Cared for Children and Care Leavers Strategy 2022-26 [Cared for leavers strategy \(cheshireeast.gov.uk\)](https://www.cheshireeast.gov.uk/cared-for-leavers-strategy)
- 34 Our mission is to provide the right accommodation and support to our Children in Care and Care Experienced Young People, preventing homelessness and ensuring our young people have the best life chances. Our supported accommodation model will be specifically designed for care leavers aged 16-25, focusing on achieving key outcomes such as Education, Employment,



Training (EET), and Independence. This initiative is structured around a variety of property types and support levels to meet diverse needs across the borough. It will also provide stable housing and tailored support to help young adults transition smoothly into independent living.

### *Equality, Diversity and Inclusion*

- 35 All public sector authorities are bound by the Public Sector Equality Duty as set out in section 149 of the Equality Act 2010. A refreshed Equality Impact Assessment will be completed for the overarching review/recommission of the Supported Accommodation offer for 16–25-year-olds.

### *Human Resources*

- 36 There is no direct impact on any Cheshire East Council employees.
- 37 Employees of the two current contracted providers are on terms and conditions relevant to their respective employer and may be eligible for TUPE. During the tender all applicants will have access to a full list of the eligible employees. There is an extended period of contract mobilisation to allow time for the TUPE transfer to take place.

### *Risk Management*

- 38 Risk, Issues and Change Logs have already been established as part of the Stabilisation workstream and are maintained and managed by the Delivery Lead and Project Support Team. If risks are required to be escalated these will be highlighted on agreed reporting framework and through the approved governance.

### *Rural Communities*

- 39 There are no direct implications for rural communities.

### *Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

- 40 There are direct, significant and lasting implications for children in care and care leavers when delivering supported accommodation and independent living. Supported accommodation and independent living is an essential service for our care leavers which supports effective pathways to independence, tenancy readiness and the ability to secure and sustain good quality accommodation that is local to their community and is safe.

### *Public Health*

- 41 Cared for children and Care Leavers are more at risk of health inequalities than their peers. The proposals are expected to improve the awareness and

response in respect of these health needs, with support staff from Apollo and the YMCA working towards improved outcomes.

### *Climate Change*

- 42 The recommendation will ensure that the maximum number of cared for children and care leavers will live in local areas ensuring the travel of young people themselves, their social worker and support team is reduced therefore having a positive impact on the Council's carbon footprint. The service provider will be expected to work with care leavers to improve their independent living skills, which should include reducing energy consumption.

### *Consultation*

<b>Name of Consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Date returned</b>
<i>Statutory Officer (or deputy) :</i>			
Ashley Hughes	S151 Officer	22/08/25	26/08/25
Kevin O'Keefe	Director of Law and Governance (Monitoring Officer)	22/08/25	29/08/25
<i>Legal and Finance</i>			
Jennie Summers	Acting Head of Legal Services	24/07/25	28/07/25
Diane Green	Finance Manager; Children's services	24/07/25	28/07/25
Kathy Oliver	Principle Accountant, Children's Services	29/08/25	29/08/25
<i>Other Consultees:</i>			
<i>Executive Directors/Directors</i>	Dawn Godfrey, Executive Director of Children's Services	06/08/25	01/09/25
	Tracy Stephen, Director of Children's Social Care	06/08/25	06/08/25

<b>Access to Information</b>	
Contact Officer:	Martyn Baggaley <a href="mailto:Martyn.baggaley@cheshireeast.gov.uk">Martyn.baggaley@cheshireeast.gov.uk</a>
Appendices:	<p>Appendix 1 – Consultation &amp; Engagement Summary</p> <p>Appendix 2 - Commissioning Approach and Financial Modelling</p> <p>Appendix 3 – Comments &amp; Feedback (with responses) from Adults &amp; Health Committee Members following briefing on 19/08/25</p>