

Appendix 2 - Commissioning arrangements & Financial Modelling

- 1 The below proposal was agreed at Children and Families Committee on the 9th June 2025.

Table 1 – Split of block and spot purchased beds 2026/27 to 2028/29

	2025-26 (Current) £m	2026-27 £m	2027-28 £m	2028-29 £m
Block	0.9	2.2	2.9	3.9
Spot	7.8	5.8	3.9	1.5
Total Supported Accommodation	8.70	8.02	6.88	5.38
Block	40	66	92	126
Spot	103	80	54	20
Total Supported Accommodation	143	146	146	146
Budget (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	1.39	1.42	0.28	-1.22

- 2 The table below outlines the projected spend across Supported Accommodation for years 1 to 3 of the new proposed block commission. The current spend for this cohort is £9.3m against a budget of £7.3m. Budget reduces to £6.6m with the MTFS adjustment for 2026/27.

	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
Total Supported Accommodation	9.28	8.03	6.64	5.09
Block	50	66	92	126
Spot	97	84	58	24
Total Supported Accommodation	147	150	150	150
Budget (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

- 3 The above block purchase figures for 2026/27, 2027/28 and 2028/29 are based on feedback from provider market engagement and system stabilisation work that has taken place over the last 12-15 months with contracted providers.
- 4 The above shows a projected spend of £8m in 2026/27, £6.6m in 2027/28 and £5.1m in 2028/29 when the block contract is at capacity. By year three the block contract proposes to save £1.5m against budget for 2028/29.

- 5 The table below shows the anticipated spend for each part of the commission, this includes a deduction for Housing Benefit claims for eligible 18+ young people and accommodation voids:

Figure Two – Target Model for Supported Accommodation					
Spend Provider	Proposed			Housing Benefit	Notes
	Value	No. of Beds	Avg Cost per week		
Emergency beds for 16/17	£ 125,136	3	£ 800.00	0	
Emergency beds for post 18	£ 93,852	3	£ 600.00	50% of rent/support	£800 costs 50% EHB claim, account for voids
New offer for Care Leavers 18+ (50% migrant YP)	£ 1,251,360	60	£ 400.00	50% of rent/support	£800 costs 50% EHB claim
16/17 Supported Accommodation Beds	£ 1,668,480	40	£ 800.00	0	Average rate across borough
New UASC 16/17	£ 782,100	20	£ 750.00		Apollo Costs
NEW COMMISSION SPEND	£ 3,920,928				

- 6 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.
- 7 **Risk:** The Project Manager currently allocated to this project will be leaving Cheshire East Council on the 31st 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).
- 8 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:

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			

- 9 The above table slightly affects the savings against the supported accommodation budget. By year three the block contract still proposes to save £1.4m against budget for 2028/29.
- 10 The current funding rates (subject to confirmation for 2025/26) for the UASC cohort are £143 per night for eligible under 18's, and £270 per week for those aged 18 - 21 (or 25 if in education or training) for eligible care leavers, based on 2024–25 figures. It is important to note that this funding is intended not only to cover accommodation and support costs, but also to contribute towards direct staffing expenses and overheads incurred by the council in supporting these young people. However, in practice, the grant does not fully

cover all associated costs. To address this, a base budget of £1.6 million has been allocated to support this cohort.