

# Children and Families Committee

## Agenda

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**Date:** Monday, 12th February, 2024  
**Time:** 2.00 pm  
**Venue:** Committee Suite 1,2 & 3, Westfields, Middlewich Road,  
Sandbach CW11 1HZ

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The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

It should be noted that Part 1 items of Cheshire East Council decision making and Overview and Scrutiny meetings are audio recorded and the recordings will be uploaded to the Council's website

### **PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT**

1. **Apologies for Absence**

To note any apologies for absence from Members.

2. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any disclosable pecuniary interests, other registerable interests, and non-registerable interests in any item on the agenda.

3. **Minutes of Previous Meeting**

To approve as a correct record the minutes of the previous meeting held on 31 January 2024.

*To follow.*

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For requests for further information

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**E-Mail:** [josie.lloyd@cheshireeast.gov.uk](mailto:josie.lloyd@cheshireeast.gov.uk) with any apologies

4. **Public Speaking/Open Session**

In accordance with paragraph 2.24 of the Council's Committee Procedure Rules and Appendix on Public Speaking, set out in the [Constitution](#), a total period of 15 minutes is allocated for members of the public to put questions to the committee on any matter relating to this agenda. Each member of the public will be allowed up to two minutes each to speak, and the Chair will have discretion to vary this where they consider it appropriate.

Members of the public wishing to speak are required to provide notice of this at least three clear working days in advance of the meeting.

5. **Schools Funding Formula and Early Years Funding Formula 2024/25** (Pages 5 - 36)

To consider a report seeking approval of the planned use of the different elements of the Dedicated Schools Grant for 2024/25 in terms of schools, high needs, early years and central blocks. To include specific approval of the schools funding formula and early years funding formula.

6. **Paediatric Speech, Language and Communication Therapy Support** (Pages 37 - 48)

To consider a report on the commissioning of the paediatric speech, language and communication therapy services.

7. **Future Options for the School Catering Service** (Pages 49 - 68)

To consider a report on the options appraisal for school catering.

8. **Consultation on Changes to the School Transport Policies for Children and Young People** (Pages 69 - 88)

To consider a report on plans to transform school travel support.

9. **Sufficiency Strategy 2024-2027** (Pages 89 - 132)

To note the 2024-27 sufficiency strategy for children's social care.

10. **Local Authority Costs and Timescales in Support of a School Converting to an Academy** (Pages 133 - 146)

To note communication that was shared with schools in Cheshire East regarding the timescales and costs for the Council's involvement in the academy conversion of a school.

11. **Academisation Forward Plan** (Pages 147 - 152)

To receive an update on the forward plan for academisation.

12. **Work Programme** (Pages 153 - 154)

To consider the work programme and determine any required amendments.

**Membership:** Councillors L Anderson (Vice-Chair), R Bailey, M Beanland, S Bennett-Wake, C Bulman (Chair), D Clark, E Gilman, G Hayes, R Kain, B Posnett, J Saunders, G Smith and L Smith

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OPEN

## Children and Families Committee

12 February 2024

### Schools Funding Formula and Early Years Funding Formula 2024/25

#### Report of: Deborah Woodcock, Executive Director of Children's Services

Report Reference No: CF/36/23-24

Ward(s) Affected: All

#### Purpose of Report

- 1 To provide committee with an update on the Dedicated School Grant (DSG) for 2024/25.
- 2 To request approval for the allocation of each sub block making up the DSG.
- 3 To request approval of the schools funding formula and early years funding formula following recommendations from the Schools Forum.
- 4 To request approval to provide delegated authority to the Executive Director of Children's Services to use the funds in accordance with the relevant guidance and proposed funding formula methods.
- 5 This is supporting the council's Corporate Plan objectives as follows:

An open and enabling organisation	Ensure that there is transparency in all aspects of council decision making.
A council which empowers and cares about people	Support all children to have the best start in life.

	Ensure all children have a high quality, enjoyable education that enables them to achieve their full potential.
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## Executive Summary

- 6 The report sets out the details of the four DSG funding blocks and requests approval for each block.
- 7 The report sets out the process to:
  - (a) Determine the schools funding formula for 2024/25 and requests approval of the formula by Children and Families Committee. It is a requirement for Children and Families Committee to approve the schools funding formula taking into account the recommendation from Schools Forum.
  - (b) Determine the early years funding formula for 2024/25 and requests approval of the formula by Children and Families Committee. It is a requirement for Children and Families Committee to approve the early years funding formula taking into account the recommendation from Schools Forum.
- 8 The report provides details of the planned high needs block and central schools services block budgets which comply with DFE guidance on use of these funds and requests approval for those allocations. Information on these funds will be shared with Schools Forum for transparency and discussion.
- 9 The report requests approval to delegate authority to the Executive Director of Children's Services to use the funds in accordance with the relevant guidance and proposed funding formula methods.

## RECOMMENDATIONS

### Schools Block

The Children and Families committee is recommended to approve the following for the adoption of the Schools Funding Formula 2024/25:

1. The use of a local funding formula that uses the Department for Education (DfE) national funding formula factors, uplifted for the Cheshire East area

cost adjustment, and with any additional funding being allocated via the basic entitlement factor. The formula factors are set out at **Appendix 2**.

2. The use of +0% as the minimum funding guarantee percentage.
3. Setting a local Growth Fund at a value of £1.000m.
4. Block transfer of 0.5% (£1.428m) from the schools block to the high needs block. This is dependent on approval of the disapplication by the DfE.
5. In the event that the disapplication for the block transfer is not approved by the DfE that the following formula be used:
  - i) The use of 0% as the minimum funding guarantee percentage.
  - ii) Setting a local Growth Fund at a value of £1.493m.
  - iii) No block transfer between the schools block and high needs block
6. Provides delegated authority to the Executive Director of Children's Services to use the schools block grant and the mainstream schools additional grant in accordance with relevant guidance.
7. Provides delegated authority to the Executive Director of Children's Services to make disapplications to the DfE should it be required in the future.

### **Early Years Block**

The Children and Families committee is recommended to approve the following for the adoption of the Early Years Funding Formula for 2024/25:

8. The continued use of the current funding formula that passes 95% of the funding allocation to providers of the early education entitlements and increase the hourly rates by the same percentage increase as the increased funding from the DfE.
9. Pay all providers of the early education entitlements for 2 year olds and under universal base rates based on 95% of the DfE allocated rate.
10. The new funding rates. The rates for 2023/24 and the proposed rates for 2024/25 are set out at **Appendix 4**.
11. Remove English as an additional language (EAL) as a specific element of the formula and revert to funding EAL via the universal base rate.
12. Provides delegated authority to the Executive Director of Children's Services to use the early years grant in accordance with relevant guidance.
13. That the committee delegates authority to the Director of Education, Strong Start and Integration to enter into revised contracts with providers in accordance with the DfE funding increase.

### **High Needs Block**

14. That the committee approves the provisional budget allocations of the high needs block and additional high needs funding as set out in **Appendix 5**.
15. Provides delegated authority to the Executive Director of Children's Services to use the high needs block and additional high needs funding in accordance with relevant guidance.

### Central Schools Services Block

16. That the committee approves the provisional budget allocations and use of the central schools services block as per **Appendix 6**.
17. Provides delegated authority to the Executive Director of Children's Services to use the Central Schools Services grant in accordance with relevant guidance.

## Background

### General

- 10 The council receives the Dedicated Schools Grant (DSG) funding as a ring-fenced grant to pay for education, early years provision, high needs provision and certain prescribed supporting central functions. The Grant is received in four blocks and local decisions are made over the use of the blocks and the basis for allocation to settings and services.
- 11 The NFF announcements mean that each DSG block is determined by the DfE using a different national funding formula. These are based on a mix of census and proxy data.
- 12 The final DSG figures for 2024/25 were released on 19 December 2023. Further information is provided at **Appendix 1**. The allocations are summarised in the table below:

	2023/24	2024/25	Year on Year	Year on Year
	Nov 2023	Dec 2023	Change	Change
<b>Cheshire East DSG Block Allocations</b>	£m	£m	£m	%
Schools Block	270.5	285.6	15.1	5.6%
Mainstream Schools Additional Grant	9.0	0	-9	-100.0%
<b>Total Schools Funding</b>	<b>279.5</b>	<b>285.6</b>	<b>6.1</b>	<b>2.2%</b>
High Needs Block	53.9	58.6	4.7	8.7%
Additional High Needs Funding	2.3	0	-2.3	-100.0%
<b>Total High Needs Funding</b>	<b>56.2</b>	<b>58.6</b>	<b>2.4</b>	<b>4.3%</b>
<b>Central Schools Services Block</b>	<b>2.4</b>	<b>2.4</b>	<b>0</b>	<b>0.0%</b>
<b>Early Years Block</b>	<b>25.1</b>	<b>41.5</b>	<b>16.4</b>	<b>65.3%</b>
<b>Total</b>	<b>363.2</b>	<b>388.1</b>	<b>24.9</b>	<b>6.9%</b>

Note the 2023/24 Mainstream Schools Additional grant has been rolled in to the 2024/25 DSG formula. No announcements have been made for 2024/25 Mainstream Schools Additional grant.

### Schools Funding Formula:

- 13 The Schools Forum continues to have the ability to recommend the schools formula funding to the Children and Families Committee. The Forum follows a process of evaluation, consultation and debate to arrive at the final recommendation.
- 14 The recommendation from Schools forum on 7 December 2023 to Children and Families Committee for consideration.
- 15 The recommended model includes the setting of a minimum funding guarantee of +0%. This means that individual school funding levels should at least remain the same when compared to the 2023/24 levels (subject to the items included in minimum funding guarantee protection) and excluding pupil number changes.
- 16 The option of a schools block transfer was included in the schools forum consultation but this was not supported by schools forum.
- 17 The recommendation from Schools Forum also includes setting a local growth fund at £1.493m for 2024/25. This will be held back initially and used to recognise additional classes and additional pupils from the October 2023 census to the October 2024 census. It will be paid out to schools in February 2025. It will also be held to fund pre-opening costs and diseconomy of scale allowance for new maintained schools and academies, when not funded directly by DfE.
- 18 The local authority is responsible for making the final decisions on the local formula, as set out in the School and Early Years Provision of Information about young children) (Amendment) Finance Regulations (England) 2024, Regulation 5. Due to the magnitude of the DSG deficit the council has been meeting with the DfE after being invited to join the Safety Valve Programme. During this time the DSG management plan has been revised to include planned changes required as part of the recovery plan. This plan is being considered by the DfE and will form their decision on whether we will be accepted on to the programme.
- 19 The recovery plan includes a school block transfer of 0.5% in 2024/25 equivalent to £1.428m. A disapplication has been submitted to the Safety Valve Programme to request the transfer. The transfer has been included within the Authority Proforma Tool (form sent to DfE detailing the DSG formula and calculations for schools funding).
- 20 Following the release of the modelling tool containing October 2023 school census data the council has been able to determine schools

block funding for each school. The recommended schools formula factors and values from the model are set out at **Appendix 2**.

- 21 As the area is very close to using the NFF at school level most of the factors match the ones used by the DfE. Specific points to note are that the mandatory minimum per pupil funding levels set by the DfE have been met. The scaling back to fund the block transfer and set the minimum funding guarantee at 0% were initially high at 50%. To ease the level of scaling that was needed the growth fund has been set at a lower level of £1m. This has reduced the scaling factor to just below 20%, reducing the impact on schools.
- 22 The outcome of the Children and Families Committee meeting will be reported to the Schools Forum on 15 February 2024. School funding levels have to be issued to schools by 29 February 2024.

Early Years Funding Formula:

- 23 From 1 April 2017 local authorities have been funded via the Early Years National Funding Formula (EYNFF).
- 24 Following detailed modelling of the formula and consultation, a formula was implemented on 1 April 2017 that met a number of criteria and objectives.
- 25 Further details of the EYNFF are set out at **Appendix 3**. The current funding formula to providers is set out in **Appendix 4**.
- 26 The table summarises the hourly rates of funding from the DfE:

	Under 2	2 year olds	3&4 year olds
2023/24	n/a	£7.54	£5.20
2024/25	£10.16	£7.48*	£5.47
Increase (£)	n/a	-£0.06*	£0.27
Increase (%)	n/a	-0.8%*	5.2%

\*Children under 2 become eligible to Early Years Pupil Premium for the first time in 2024/25 at £0.68 per hour. The net effect for 2 year olds is an increase of £0.62 / 8.2%.

- 27 Retaining the formula and increasing the hourly rates paid to providers by the same percentage increase as the rate paid by the DfE will ensure that the minimum 95% pass through rate is maintained and the objectives set by the formula continue to be met. The proposed funding to providers, effective from 1 April 2024, is set out in **Appendix 4**.
- 28 The funding allocation from the DfE includes an element for EAL. This is passed through to providers via the base rate.

- 29 The proposal was presented to the Schools Forum on 7 December 2023 and unanimously supported.

#### High Needs Block

- 30 The high needs block is used for meeting the costs of pupils with an education, health and care plan (EHCP).
- 31 The volume of pupils with an EHCP has significantly increased since 2016 and now significantly exceeds funding levels. However, the national funding formula does not fully recognise this increase. This has resulted in a significant deficit position which is being reviewed and the council are being considered as part of the Safety Valve Programme.
- 32 This report sets out the provisional allocations of the high needs block in 2024/25 at a high level for approval in **Appendix 5**.
- 33 These provisional allocations are informed by the DSG management plan submitted to DfE on 12 January 2024, the latest information on demand in 2024/25 and the impact of existing and new mitigating activity.
- 34 The forecast mitigated DSG Reserve deficit as at 31 March 2025 is £140.8m. This aligns with the DSG Management Plan.

#### Central Schools Services Block (CSSB)

- 35 The CSSB was created under the National Funding Formula (NFF) changes from 2018/19. It represents the collation of items previously top-sliced from the schools block for specific costs in relation to historic commitments and on-going central functions.
- 36 It also includes funding for statutory functions that were previously met by the former Education Services Grant prior to it being rolled into DSG.
- 37 Several CSSB funded services are subject to a limitation of no new commitments or no increases in expenditure after 2017/18.
- 38 Since 2020/21 the DfE has applied a 20% year on year reduction to the historic commitments element and that has continued into 2024/25. The expectation is that similar reductions will be applied in future.
- 39 This is placing a pressure on the prudential borrowing element and the council's base budget is now being used instead through budget growth in the MTFS.
- 40 This report sets out the provisional allocations of the CSSB in 2024/25 at a high level for approval in **Appendix 6**.

## **Consultation and Engagement**

- 41 Setting of the schools funding formula and the setting of the early years funding formula are determined by different operational guidance notes produced by the DfE. Links to these documents are provided in the “Background Papers” section of the report. As such the two blocks are subject to different consultation arrangements.
- 42 In both cases the council has followed the prescribed processes to arrive at the recommendations being presented to Children and Families Committee.
- 43 Details of the local schools funding consultation are included at **Appendix 1**.
- 44 The Early Years Reference Group (EYRG), a sub-group of the Schools Forum which consists of 9 members from across the early years sector, was consulted on 1 Dec 2023. Attendees of the meeting supported the proposed approach. The proposal was presented to the Schools Forum on 7 December 2023 and was unanimously supported.
- 45 The council does not have to consult on the use of the high needs block but continues to work closely with school representatives on the Schools Forum and the SEND partnership group.
- 46 Use of the central schools services block has to be, in part, agreed by the Schools Forum and this approval was granted on 7 December 2023.

## **Reasons for Recommendations**

### The Schools Funding Formula 2024/25

- 47 The local authority is required to review the schools funding formula on an annual basis and consult with schools. The recommended formula has been developed through a Schools Forum working group. It has been subject to consultation with all mainstream schools and then voted on at Schools Forum.
- 48 The recommendations to Committee in this report are different from the recommendation from Schools Forum. The minimum funding guarantee remains at 0%. Due to revised DSG management plan submitted to the Safety Valve Programme a 0.5% block transfer has been recommended and that the growth fund be reduced down to £1.0m.
- 49 The formula needs to be considered and approved each year by Children and Families Committee under current guidance. This step maybe removed in due course when the national funding formula is applied at school level by the DfE.

### The Early Years Funding Formula 2024/25

- 50 The DfE has funded local authorities under the Early Years National Funding Formula (EYNFF) since April 2017 when the current formula was introduced on a phased basis during 2017/18 and 2018/19.
- 51 The recommended formula continues to be in line with the national guidance, ensures sustainability of the childcare market and continues to target funds to 'narrow the gap' between children from disadvantaged areas and their peers.
- 52 Local authorities may retain a maximum of 5% of the allocation from the DfE. Cheshire East retains 5%. Therefore, a minimum of 95% of any increase in the funding from the DfE must be passed through to providers. Increasing the hourly rates paid by Cheshire East to providers by the same percentage increase as the hourly rates allocated by the DfE to Cheshire East ensures that the statutory 95% pass through to providers is maintained.

### High Needs Block 2024/25

- 53 The high needs block is provided to the council to meet its responsibilities regarding special educational needs and disabilities. The initial DfE allocation for 2024/25 is £58.6m. A disapplication has been submitted to allow a block transfer from the schools block to the high needs block which would increase the high needs block to £60.0m.
- 54 The use of the funds is split between the forecast number of placements needed for the year (place and pupil funding) in mainstream settings, special schools and independent settings and funding for associated support services such as autism and sensory services.
- 55 The detailed spending plans are determined by a mix of the council's DSG Management Plan submitted to DfE on 12 January 2024 and the latest information on activity levels predicted in 2024/25.

### Central Schools Services Block 2024/25

- 56 The central schools services block is allocated to the council for a number of different services. The initial DfE allocation for 2024/25 is £2.4m.
- 57 The central schools services block is split into two elements: historic commitments and ongoing responsibilities and provides funding for a number of areas including contributions to statutory posts.

- 58 Schools Forum have agreed to the allocations where required to do so and committee are being asked to agree to the provisional budget allocations.

### Other Options Considered

- 59 Setting of the schools funding formula and the setting of the early years funding formula are determined by different operational guidance notes produced by the DfE.
- 60 In both cases the council has followed the prescribed processes to arrive at the recommendations being presented to Children and Families Committee as set out below.

#### The Schools Funding Formula:

- 61 The process to consider and consult on particular options for the schools funding formula was undertaken by a sub-group of Schools Forum.
- 62 Given the local circumstances of being close to the national funding formula at school level and the expectation that the DfE will make that compulsory in the next few years then the options were intentionally restricted to two different levels of minimum funding guarantee (MFG) percentage (0% and +0.5% were used).
- 63 Full details of the two different levels were provided to schools as part of the consultation and they preferred the +0% option which is being recommended. Please refer to paragraph 43 Consultation and Engagement.
- 64 Historically higher levels of MFG were available but in recent years the DfE reduced the maximum MFG percentage in the national funding formula (NFF) from +0.5%. The NFF applies these without capping or scaling.

#### Early Years Funding Formula

- 65 A range of factors for the funding formula were considered when it was introduced. These are set out within **Appendix 3**. The objectives have not changed, and the formula continues to be appropriate. This was agreed in consultation with the Early Years Reference Group (EYRG) in line with statutory guidance.

#### High Needs Block

- 66 The allocations represent the planned costs of demand in each area. The council is required to comply with the SEND code of practice and

funding guidance meaning there are no alternative options. This will be subject to in-year monitoring and adjustment to meet children's needs.

- 67 Projects to mitigate expenditure on the high needs block have been presented to committee as part of the DSG Management Plan report in September 2023.

#### Central Schools Services Block

- 68 The allocations represent the planned cost in each area. The allocations have been reviewed and where necessary approved by Schools Forum.

### **Implications and Comments**

#### *Monitoring Officer/Legal*

- 69 The local authority currently receives funding for schools through the Dedicated Schools Grant. The local authority has the statutory responsibility under the Schools and Early Years Finance Regulations for allocating this funding to schools and must consult with the Schools Forum to determine the individual schools budget for all schools in the area and must have regard to DFE guidance: The national funding formulae for schools and high needs: 2024 -2025 (July 2023)('the Guidance') and the Guidance Early Years entitlements: local authority funding operational guide 2024 to 2025 Published 19 December 2023.
- 70 The National funding formula for schools will determine how much each local authority in England receives and the local authority will still have the statutory responsibility for distributing this to individual schools in consultation with the Schools Forum. Paragraph 7 on page 7 of the Guidance states "*In 2024/25, local authorities will remain responsible for determining final allocations to schools, in consultation with the Schools Forum*".
- 71 Paragraph 8 on page 4 of the Guidance should be noted as set out below:
- 2023/24 was the first year of transition to the direct schools NFF – with our end point being a system in which, to ensure full fairness and consistency in funding, every mainstream school in England is funded through the same national formula without adjustment through local funding formulae. Following a successful first year of transition, we will continue with the same approach to tightening in 2024/25. As in 2023/24, local authorities will only be allowed to use NFF factors in their local formulae, and must use all NFF factors, except any locally determined premises factors. Local authorities will also be required to move their local formulae factors 10% closer to the NFF values,

compared to where they were in 2023-24, unless they are already mirroring the NFF.

- 72 The EYNFF funds the free entitlement to early years provision for children aged 9 months to 4 year olds across all sectors, which is the Authority’s statutory duty under Section 7 of the Childcare Act 2006. It also assists with the Authority’s delivery of its duty to secure sufficient childcare for working parents under Section 6 of the Childcare Act 2006. The Authority funds providers under the terms of free early entitlement contracts, to be reviewed by Legal Services in February 2024, based on a model contract issued by the DfE.

*Section 151 Officer/Finance*

- 73 The schools funding formula is the mechanism through which the Dedicated Schools Grant schools block is provided to schools. The NFF arrangements mean that all schools block funding will be delegated to schools.
- 74 The schools funding formula has no impact on the council’s Medium Term Financial Strategy.
- 75 The overall carry forward balance for maintained schools is reflected on the council’s balance sheet.
- 76 The EYNFF is funded through the Dedicated Schools Grant. Mid-year adjustments are made to reflect January census data. All providers of the free entitlement will receive an increase in funding based on the proposed formula. Centrally retained levels will continue to not exceed 5% in line with the guidance.
- 77 The DSG deficit resulting from high needs funding not matching spend is a major issue and the significant deficit reserve is permitted by a temporary accounting override announced by the Department for Levelling Up, Housing and Communities. This override has been extended to 31 March 2026.

*Policy*

- 78 The council is supporting the priorities in the Corporate Plan:

An open and enabling organisation	Ensure that there is transparency in all aspects of council decision making.
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<p>A council which empowers and cares about people</p>	<p>Support all children to have the best start in life.</p> <p>Ensure all children have a high quality, enjoyable education that enables them to achieve their full potential.</p>
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- 79 Policy implications relate to the proportion of the base rate in relation to any supplements and how the supplements are targeted. The implemented supplements focus on ‘narrowing the gap’ between children from disadvantaged areas and their peers and sustaining provision in rural areas. Increasing the funding rate within the existing formula would continue to meet the policy objectives.

*Equality, Diversity and Inclusion*

- 80 The Government NFF announcements include an equality statement. The local schools funding formula applies to all schools based on pupil characteristics. The NFF provides more funding to such characteristics so will help more vulnerable groups in due course.

*Human Resources*

- 81 Changes to school funding levels may result in staffing changes at schools requiring HR support. Each school will need to consider the impact of using the existing local formula as opposed to NFF on their three-year financial plans and review their staffing establishment accordingly.

*Risk Management*

- 82 Prompt agreement of the schools funding formula allows schools to receive their budget allocations in advance of the financial year. They can ensure their expenditure plans are in line with their available budget. 29 February 2024 is the date by which school block funding levels must be notified to schools.
- 83 It is recognised this will be challenging for schools and early years providers as costs are increasing.

*Rural Communities*

Schools Funding Formula

- 84 All maintained and academy schools in the Borough are affected by decisions over total funding levels and the local formula used to allocate it to schools.

85 The NFF contains an element of sparsity funding for remote schools meeting the set criteria.

#### Early Years Funding Formula

86 The current formula provides additional funding for provision in rural areas in recognition of their limited ability to attract the numbers of children required to cover operating costs. The additional funding is paid to provision determined by a sixfold classification of rural/urban wards produced by Cheshire East Council.

87 Funding should continue to be awarded to rural areas to support sustainability of provision and the Authority's sufficiency duty.

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

88 All maintained and academy schools in the Borough are affected by decisions over funding levels and the formula to allocate funding.

89 In addition to DSG schools block funding, schools continue to receive other grant funding such as pupil premium allocations for cared for children where they are eligible and universal infant free school meals funding.

90 Adequate and equitable funding contributes towards sustaining sufficient levels of early years provision across the borough for children to access their free early education entitlement. This is a statutory duty for the Local Authority.

#### *Public Health*

91 There are no direct implications for public health.

#### *Climate Change*

92 There are no direct implications.

<b>Access to Information</b>	
Contact Officer:	Name: Claire Williamson, Director of Director of Education, Strong Start and Integration Email: <a href="mailto:claire.williamson@cheshireeast.gov.uk">claire.williamson@cheshireeast.gov.uk</a>

<p>Appendices:</p>	<p>Appendix 1 Setting the Schools Funding Formula 2024/25</p> <p>Appendix 2 Recommended Formula – Factors and Values 2024/25</p> <p>Appendix 3 Further Details of the Early Years NFF April 2017</p> <p>Appendix 4 Hourly rates payable to providers of the Free Early Education Entitlements and Proposed hourly rates payable to providers of the Free Early Education Entitlements for 2024/25</p> <p>Appendix 5 DSG High Needs Block Allocations 2024/25</p> <p>Appendix 6 DSG Central Schools Services Block Allocations 2024/25</p>
<p>Background Papers:</p>	<p>Schools Forum papers for 2023 are held at: <a href="http://www.cheshireeast.gov.uk/schoolsforum">http://www.cheshireeast.gov.uk/schoolsforum</a></p> <p>The DfE released funding information for 2024/25 at this <a href="#">link</a>.</p> <p>The respective DfE Operation Guidance Notes are available at:  <a href="#">Schools</a>  <a href="#">Early Years</a>  <a href="#">High Needs</a></p> <p>Central School Services– guidance is included in the schools block guidance from section 34.</p> <p>The council’s DSG Management Plan is available at <a href="#">Agenda for Children and Families Committee on Monday, 18th September, 2023, 10.00 am   Cheshire East Council</a> As item 25</p>

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## **Appendix 1 ~ Setting the Schools Funding Formula 2024/25**

1. The Schools Forum is required to make a recommendation to Children and Families Committee on the funding formula to allocate funding to schools for the next financial year.
2. The Schools Forum meeting on 22 June 2023 considered the approach to the 2024/25 funding formula. They agreed to retain the existing sub-group to consider the issues in more detail and consult with schools.
3. The sub-group met on four occasions (21 September, 12 October, 2 November and 30 November 2023) to consider the issues for schools and ran a consultation process from 20 October to 10 November 2023.
4. The consultation process considered two minimum funding guarantee options and asked if a transfer from the Schools Block to the High Needs Block was supported.
5. Schools were asked to feed back their views via an online survey, with the results being summarised in a report for consideration by Schools Forum representatives at the meeting on 7 December 2023.
6. At the meeting nine representatives voted for 0% MFG and two representatives voted for +0.5% MFG. Five representatives supported a transfer to High Needs and six representatives voted against a transfer.
7. The feedback was considered and the Forum recommended the +0% MFG option with no block transfer to High Needs to Children and Families Committee.

### **Available Funding Levels**

8. The initial DSG funding allocations released in July 2023 were used to inform the modelling work used in the consultation process.
9. These figures allowed for the updated headline minimum per pupil funding levels (MPPF) for primary and secondary schools to be achieved with a relatively low levels of MFG scaling back.
10. All the modelling for the consultation used October 2022 pupil numbers and the revised NFF factors provided by the DfE.
11. The recommended model will be fully updated by the revised funding announcements from the DfE incorporating October 2023 pupil information that

were released on 19 December 2023. These confirmed the additional number of pupils and the local growth factor and increased schools funding by 2.2% for 2024/25 to £285.6m.

### Minimum per pupil funding levels

12. The compulsory MPPF figures have increased by 0.5%.

Change to Minimum Per Pupil Funding Levels	2023/24	2024/25	Change	Change
Primary	£4,405	£4,610	£205	0.5%
Secondary	£5,715	£5,995	£280	0.5%

### The Formula Option for 2024/25

13. Two formula options were consulted on. These were based on the same model using the national funding formula (NFF) plus area cost adjustment and all flexibility routed through the basic entitlement. Then two different levels of MFG were applied:

MFG at 0%  
MFG at +0.5%

### Setting the minimum funding guarantee percentage

14. MFG is a self-funding method of ensuring no schools suffer significant reductions to funding levels by scaling back funding from those schools set to gain.

15. Therefore, any models needed to consider the achievement of the MFG percentage and the resulting scaling back percentage. High levels of MFG scaling are required with a higher MFG.

16. The Schools Forum voted to recommend a model with MFG at +0%. In context the previous exercises have always led to the Schools Forum recommending the lowest MFG option available.

### Growth Fund

17. The council is able to hold an element of schools funding back and use it to provide some extra funding to schools who have increased their admission number in September or seen significant levels of in year pupil growth. This is called the Growth Fund.

18. The extra pupils are not funded through the main formula until the following year and the Growth Fund is intended to help schools manage the delay in receiving the formula funding.
19. Operational guidance also states that the growth fund should be held to fund pre-opening costs and diseconomy of scale allowance for new maintained schools and academies, when not funded directly by DfE.
20. The Schools Forum have recommended setting the Growth Fund at the full allocation (£1.5m). This was based on consideration of the medium term financial plans for the Growth Fund and the funding required for new schools in the near future.

**Timetable**

21. The following key stages of the process will be followed:

Date	Event
19 December 2023	Final school and pupil funding announcements
22 January 2024	APT model submitted
	Circulate the list to schools as provisional
12 February 2024	C&F Committee – determine formula
15 February 2024	Schools Forum receive final school funding levels
29 February 2024	Source of funds issued to schools

22. Full details of the process are available in [Schools Forum papers](#).
23. The other three funding blocks all follow the requirements of the specific funding guidance.

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## Appendix 2 ~ Recommended Formula – Factors and Values 2024/25

**Pupil Led Factors**

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception uplift	No	Pupil Units
	Description	Amount per pupil	
	Primary (Years R-6)	£3,542.06	
	Key Stage 3 (Years 7-9)	£4,993.89	
	Key Stage 4 (Years 10-11)	£5,629.31	
	Description	Primary amount per pupil	Secondary amount per pupil
2) Deprivation	FSM	£491.85	£491.85
	FSM6	£823.09	£1,204.52
	IDACI Band F	£235.89	£341.28
	IDACI Band E	£286.07	£451.70
	IDACI Band D	£446.68	£632.38
	IDACI Band C	£486.83	£692.60
	IDACI Band B	£516.94	£742.79
	IDACI Band A	£682.56	£948.56
	Description	Primary amount per pupil	Secondary amount per pupil
3) English as an Additional Language (EAL)	EAL 3 Primary	£592.22	
	EAL 3 Secondary		£1,590.98
4) Mobility	Pupils starting school outside of normal entry dates	£963.62	£1,385.20
	Description	Weighting	Amount per pupil (primary or secondary respectively)
5) Low prior attainment	Primary low prior attainment		£1,174.41
	Secondary low prior attainment (year 7)	55.77%	£1,781.69
	Secondary low prior attainment (year 8)	54.47%	
	Secondary low prior attainment (year 9)	54.47%	
	Secondary low prior attainment (year 10)	64.53%	
	Secondary low prior attainment (year 11)	64.53%	

**Other Factors**

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)
6) Lump Sum	£134,906.69	£134,906.69
7) Sparsity factor	£57,315.27	£83,312.91
NFF, tapered or fixed sparsity primary lump sum?		NFF
NFF, tapered or fixed sparsity secondary lump sum?		NFF
NFF, tapered or fixed sparsity middle school lump sum?		NFF
NFF, tapered or fixed sparsity all-through lump sum?		NFF
8) Fringe Payments		£0
9) Split Sites		£123,958
10) Rates		£2,342,712
11) PFI funding		£0
12) Exceptional Rents		£25,349
<b>Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total)</b>	<b>£279,795,419</b>	<b>98.81%</b>

13) Additional funding to meet minimum per pupil funding level	<b>£3,379,742</b>	1.19%
<b>Total Funding for Schools Block Formula (excluding MFG Funding Total)</b>	<b>£283,175,161</b>	<b>100.00%</b>
14) Minimum Funding Guarantee	0.00%	<b>£284,539</b>
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)	Yes	
Capping Factor (%)	0.00%	Scaling Factor (%) 19.73%
Total deduction if capping and scaling factors are applied	<b>-£284,539</b>	
<b>Total Funding for Schools Block Formula</b>	<b>£283,175,162</b>	
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)		
Additional funding from the high needs budget	£0.00	
Growth fund (if applicable)	£1,000,240.00	
Falling rolls fund (if applicable)	£0.00	
Other Adjustment to 23-24 Budget Shares	£0	
<b>Total Funding For Schools Block Formula (including growth and falling rolls funding)</b>	<b>£284,175,402</b>	
<b>% Distributed through Basic Entitlement</b>	<b>77.16%</b>	
<b>% Pupil Led Funding</b>	<b>90.74%</b>	
<b>Primary: Secondary Ratio</b>	<b>1 :</b>	<b>1.27</b>
24-25 NFF NNDR allocation, excluding prior year adjustments	<b>£2,342,712</b>	
<b>Total Funding For Schools Block Formula (including growth and falling rolls funding) after deduction</b>	<b>£281,832,690</b>	

## Factors and Values 2024/25 that Change if Disapplication is not Approved by DfE

### Pupil Led Factors

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception uplift	No	Pupil Units
	Description	Amount per pupil	
	Primary (Years R-6)	£3,566.25	
	Key Stage 3 (Years 7-9)	£5,027.99	
	Key Stage 4 (Years 10-11)	£5,667.75	
<b>Total Funding for Schools Block Formula (excluding minimum per pupil funding</b>		<b>£281,287,429</b>	<b>99.01%</b>
13) Additional funding to meet minimum per pupil funding level		<b>£2,823,398</b>	0.99%
<b>Total Funding for Schools Block Formula (excluding MFG Funding Total)</b>		<b>£284,110,827</b>	<b>100.00%</b>
14) Minimum Funding Guarantee		0.00%	<b>£167,983</b>
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)			Yes
Capping Factor (%)	0.00%	Scaling Factor (%)	6.96%
Total deduction if capping and scaling factors are applied			<b>-£167,983</b>
<b>Total Funding for Schools Block Formula</b>			<b>£284,110,827</b>
Growth fund (if applicable)			£1,492,591.00
Other Adjustment to 23-24 Budget Shares			£0
<b>Total Funding For Schools Block Formula (including growth and falling rolls funding)</b>			<b>£285,603,418</b>
% Distributed through Basic Entitlement			77.43%
% Pupil Led Funding			90.97%
<b>Total Funding For Schools Block Formula (including growth and falling rolls funding) after deduction</b>			<b>£283,260,707</b>

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**Appendix 3 ~ Further Details of the Early Years National Funding Formula, April 2017**

1. The Early Years National Funding Formula (EYNFF) aimed to:
  - Deliver fairer funding for local authorities.
  - Maximise funding to providers by requiring local authorities to pass through the majority of funding to providers.
  - Deliver a new Disability Access Fund that will award an annual payment of £615 to settings who support children aged 3 and 4 who are in receipt of disability living allowance and the free early education entitlement.
  - Provide funding for maintained nursery schools.
2. A range of factors for the funding formula were considered within the limitations of the operation guidance from the DfE:
  - Local authorities continue to have the ability to use funding supplements. These are given in addition to the base rate to reflect local needs or policy objectives.
  - The total value of supplements must not be any more than 10%.
  - Deprivation is a mandatory supplement.
  - Discretionary supplements include: Rurality / sparsity; flexibility; quality; and English as an additional language (EAL).
3. Following consultation, early years and childcare providers strongly favoured the majority of the funding via a universal base rate subject to the limitations of the guidance.
4. The DfE allocation to local authorities fluctuates based on the number of hours delivered. Therefore, the funding formula should be linked to the characteristics of the population rather than characteristics of the provider.
5. Supplements linked to characteristics of the provision rather than the child can create instability in the funding model as take up shifts across providers. As a result these are not used.
6. A formula that gives the provider the opportunity to alter their hourly rate each year could result in a significant overspend due to the high pass through requirement. Similarly, the Authority could fail to pass through the minimum requirement if providers reduce their hourly rate.

7. This could only be controlled by revising the funding formula on an annual basis. This would not be practical and would prove an administrative burden on the Local Authority. As a result these are not used.
8. The funding paid to providers of the 2-year-old Free Early Education Entitlement is not subject to a formula. Therefore, it is equitable to increase the hourly rate paid to providers by the same percentage increase as the hourly rate paid by the DfE.
9. Following detailed modelling of the formula and consultation, a formula was implemented on 1<sup>st</sup> April 2017 that met the following objectives:
  - High pass through rate of 93% in 2017/18 and 95% in 2018/19.
  - High proportion of the funding via the base rate.
  - Additional funding for children from disadvantaged areas.
  - Additional funding to support provision in rural areas.
  - All providers receive more funding than the previous formula.
  - An average hourly rate of at least £4.

## Appendix 4

## Hourly rates payable to providers of the Free Early Education Entitlements.

## Funding Formula from 1 April 2023:

	2022/23 (Per child per hour)	% Increase	2023/24 (Per child per hour)
<b>3-&amp;4-year-olds</b>			
Base rate	£4.25	13.17%	£4.81
Deprivation - group based provision	£0.006	5.64%	£0.0063
Deprivation - childminder	£0.072	5.64%	£0.076
Rurality	£0.0748	5.64%	£0.079
<b>2-year-olds</b>			
	£5.37	35.2%	£7.26

All rates are applicable to all the children in the setting.

## Proposed hourly rates payable to providers of the Free Early Education Entitlements.

## Funding Formula from 1 April 2024:

	2023/24 (Per child per hour)	% Increase	2024/25 (Per child per hour)
<b>3-&amp;4-year-olds</b>			
Base rate	£4.81	5.2%	<b>£5.06</b>
Deprivation - group based provision	£0.0063	5.2%	<b>£0.0066</b>
Deprivation - childminder	£0.076	5.2%	<b>£0.080</b>
Rurality	£0.079	5.2%	<b>£0.083</b>
<b>2-year-olds – working families</b>			
	n/a	n/a	<b>£7.11</b>
<b>2-year-olds – disadvantaged families</b>			
EYPP - 2-year-olds – disadvantaged families	£7.26	-2%	£7.11
Total - 2-year-olds – disadvantaged families	n/a	n/a	£0.68
	£7.26	7.3%	<b>£7.79</b>
<b>9 months to 2 years</b>			
	n/a	n/a	<b>£9.65</b>

All rates above are applicable to all the children in the setting.

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**Appendix 5 ~ DSG High Needs Block Allocations 2024/25**

1. The council's high needs block allocation for 2024/25 is set out in the table below.

<b>Cheshire East - DSG Block Allocations</b>	<b>2023/24 £m</b>	<b>2024/25 £m</b>	<b>Year on Year Change £m</b>	<b>Year on Year Change %</b>
High Needs Block	53.9	58.6	4.7	8.7%
Additional High Needs Funding	2.3	-	-2.3	-100%
Block Transfer from Schools Block	-	1.4	1.4	-
<b>Total High Needs Funding</b>	<b>56.2</b>	<b>60.0</b>	<b>3.8</b>	<b>6.76%</b>

2. The funding is provided to meet the costs of pupils with education, health and care plans and is under significant pressure from increasing demand.
3. The provisional allocations of the budgets, based on the DSG management plan submitted to DfE on 12 January 2024, are set out in the table below:

2024/25

## Summary of High Needs Spend

	£m	£m	£m
High Needs Block Allocation			(58.6)
HN Block Transfer from Schools Block (not approved)			(1.4)
Total Income			<u>(60.0)</u>
<b>Expenditure</b>			
Brought forward DSG Reserve Deficit	89.6		
		89.6	
Post 16 places	2.3		
Resource Provision Places	1.3		
Top-up Funding for Resource Provision and mainstream	26.5		
Enhanced Mainstream Provision	0.5		
Special Schools including supported internships	21.2		
Alternative Provision	1.5		
Independent and non maintained schools	51.6		
Outreach	0.5		
		105.5	
<b>Service Allocations</b>			
Additional services to support children including the tuition team, autism service, sensory service, speech and language support and the virtual school.	4.6		
Early Years - high needs support	1.1		
		5.7	
<b>Total Estimated Expenditure</b>		<u>200.9</u>	
<b>Estimated DSG Reserve Deficit at 31 March 2025</b>			<u><u>140.8</u></u>

## Appendix 6 ~ DSG Central Schools Services Block Allocations 2024/25

1. This appendix provides further details of the central schools services block.
2. The table below summarised the allocation for Cheshire East and shows the change from 2023/24.
3. The DfE have continued their approach of reducing the historic commitments element by 20% year on year.

<b>Change to CSSB</b>	<b>2023/24 December 2022</b>	<b>2024/25 July 2023</b>	<b>%</b>
Historic Commitments	£601,703	£481,362	-20%
On-going Responsibilities	£1,851,770	£1,921,794	+3.8%
<b>Total</b>	<b>£2,453,473</b>	<b>£2,424,960</b>	<b>-2.1%</b>

4. The figures are broken down into the proposed allocations set out below:

<b>Service</b>	<b>Historic Commitments 2024/25 £'000</b>	<b>On-going Responsibilities 2024/25 £'000</b>	<b>Approval Required</b>
Central licences negotiated by the Secretary of State		335	For Schools Forum awareness only
Admissions Service		390	Schools forum approval given
Servicing of Schools Forum		21	Schools forum approval given
Contribution to responsibilities that local authorities hold for all schools.		1,106	Former ESG element. Schools forum approval given.

<b>Service</b>	<b>Historic Commitments 2024/25 £'000</b>	<b>On-going Responsibilities 2024/25 £'000</b>	<b>Approval Required</b>
Eg Finance, Audit, Statutory Heads of Service posts etc			
Contribution to combined budgets for ICT systems and analysis – eg data capture and analysis software and analysis time.	233		Schools forum approval given.
Prudential borrowing costs	369		Schools forum approval given
Increase in on-going responsibilities because of pupil numbers		70	
20% reduction applied to historic commitments	-121		
<b>Total 2024/25</b>	<b>481</b>	<b>1,922</b>	<b>2,403</b>
<b>Total 2023/24</b>	<b>602</b>	<b>1,852</b>	<b>2,454</b>
<b>Net Change</b>	<b>-121</b>	<b>70</b>	<b>-51</b>

OPEN

**Children and Families Committee**

**DATE: 12 February 2024**

**Paediatric Speech, Language and Communication Therapy Service**

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**Report of:** Deborah Woodcock, Executive Director of Children's Services

**Report Reference No:** CF/20/23-24

**Ward(s) Affected:** All

### **Purpose of Report**

- 1 This report outlines the council and integrated care board's (ICB) approach and the current service pressures for paediatric speech, language, and communication therapy (SLCN) services, and the initial stages taken to review the service.
- 2 The report provides details on the planned recommission activity and co-production with the public and stakeholders to shape the future service offer.
- 3 This service falls under the 'fair' priority of the council's Corporate Plan 2021-2025, and specifically to reduce inequalities, promote fairness and opportunity for all and support our most vulnerable residents.

### **Executive Summary**

- 4 The council and the ICB have a statutory duty to ensure children and young people between the ages of 0 to 25 years, have the appropriate services to meet their education, health and care plan (EHCP) needs. This includes therapies such as speech, language, and communication support.
- 5 This paper outlines the journey so far, the service pressures and emerging new demands arising from the planned expansion of local authority maintained special school provision, to ensure the authority can meet the needs of children and young people with special educational needs (SEND) in a financially sustainable way. It aims to provide the detail on the planned recommissioning activity that will ensure that children, young people and their families/carers are at the heart of the service redesign.
- 6 The council and ICB has initiated a review of the SCLN services and in the initial stages recognised a need to ensure there is a suitable pathway for children requiring support, and how the partners intend to address this need.

## RECOMMENDATIONS

The Children and Families Committee are asked to:

1. Approve a co-produced service redesign following from a service review, and engagement process for paediatric speech, language and communication.
2. Approve the review of a jointly commissioned service (Section 256/75 Agreement) between the council and the Integrated Care Board for the provision of for paediatric speech, language and communication, as the first stage in a wider programme of jointly coordinated activity to meet the eligible needs of children with SEND, including broader paediatric therapeutic support.

### Background

- 7 The council and ICB have a statutory duty to provide SLCN services for a child where this is required in the Education Health and Care Plan (EHCP) in Section F or Section G for health, this duty is set out within the Children's and Families Act 2014 Part 3 and the Special Educational Needs and Disability Code of Practice: 0 to 25 years (DfE, 2015a).
- 8 The council has agreements with Mid Cheshire Hospitals NHS Foundation Trust (MCHFT) and East Cheshire Hospital NHS Trust (ECT) to provide SLCN services for children who have this requirement as part of their EHCP. The agreement is based on the current community service contracts held by the ICB, as there is a need to ensure that the clinical assessment can be followed on by therapy within the child's education setting.
- 9 Speech, language and communication therapy supports children and young people who have difficulties with communication, or with eating, drinking and swallowing. The therapy works in partnership with key people (parents, carers, teachers, pre-schools, occupational therapist, physiotherapists, health and social care) in the child's environment to support their communication development.
- 10 The service providers in Cheshire East deliver SLCN where there is an identified need (EHC Plans), within schools (maintained), children's centres, community settings, health clinics and sometimes within the child's home. The speech and language therapy service offers support for the following needs:
  - Augmentative & Alternative Communication (AAC)
  - Cleft Lip & palate
  - Autistic Spectrum (ASC)
  - Early language and communication
  - Feeding and swallowing
  - Hearing Impairment
  - School aged language

- Selective mutism
- Speech sound
- Stammering
- Voice

- 11 The increased level of demand for SLCN felt by Cheshire East as the numbers of children on EHCPs has risen is replicated across every other area in England, and this has presented challenges around the recruitment and retention of speech and language therapists.
- 12 Nationally all local authorities have seen a rise in EHCPs, however with a rise of 18% in Cheshire East, this is the 9<sup>th</sup> largest increase across all 152 local authorities. The increase in demand could be to several factors, from better identification and/or parental/professional challenge.

**Table 1: EHCP Growth across Cheshire East and Compared to England, Northwest and Statistical Neighbour (SN) Average:**

2023		
	EHCPs	Year-on-year rise
England	517,206	9%
North West	71,970	12%
Cheshire East	4,029	18%
SNs	4,795	11%

- 13 The number of EHCPs in Cheshire East has increased significantly over the last four years rising from 2,087 in early 2018 to 4,029, (as of January 2024), which is over a 90% increase.

**Table 2: EHCP Annual Growth 2017 to 2022**

Year	No of ECHPs	Increase
2022	4029	617
2021	3412	478
2020	2934	464

<b>2019</b>	2470	383
<b>2018</b>	2087	308

*\*New data for 2023 will be published in March 2024.*

- 14 The proportion with SLCN provision named in Section F of the education, health and care plan (Education) has increased alongside the demand for EHCPs. The council’s collates data about the number of EHCP’s on an annual basis this is called the SEN2 census data. In January 2023, it was reported that 26.5% (1113 children and young people) who required an EHCP, was for SLCN in 2022.
- 15 Table 3 below, highlights that SLCN is the number one requirement for children with a special education need. Based on the number of children requiring SLCN as part of their EHCP at over 26%, with an increase of over 20%+ for EHCPs annually, this could see an additional 100 to150 children requiring a service for SLCN each year.
- 16 Cheshire East has two dedicated special education needs schools, Springfield Special School (Crewe) and Park Lane (Macclesfield). The pupil numbers within Springfield Special School and Park Lane Special School have increased over the past 6/7 years. The council has invested into a special school expansion, which will provide a further 120 special school places over the next 2 years at Springfield Crewe and Springfield new annex in Wilmslow.

**Table 4: Pupil Numbers at both Springfield Special School and Park Lane Special School:**

<b>Spring Field Special School, Crewe</b>	<b>Park Lane Special School, Macclesfield</b>
<b>2016 - 129</b>	2017 - 84
<b>2021 - 186</b>	2021 - 93
<b>2023 - 210</b>	2023 - 130

- 17 The caseload held by Speech and Language Therapists across both providers is currently at the recommended maximum and/or slightly above (Royal College of Speech and Language Therapists). National case load per WTE is currently at around 102 patients, this is subject to the complexity of the case. Caseloads are defined by several factors including the following:
  - Legal requirements
  - Contractual obligations
  - Presence and level of clinical risks
  - Timing
  - Predicted outcomes in current context
- 18 Both ECT and MCHFT are reporting a caseload of 2500 children as a combined total for ICB and council. The service providers MCHFT and ECT

have highlighted a continuing trajectory of new demand outstripping the discharge of pupils from the SLCN service. SLCN continues to be a service in demand and commands a high level of importance and scrutiny across schools and parents, and the Cheshire East SEND Partnership. The council's SLCN active caseloads as of November 2023 are as follows:

South – 487 - reported that they have no child waiting over 18 weeks

North – 516 - reported that they have no child waiting over 18 weeks

**Total – 1003**

**No of children discharged - 141**

19 An initial review of the current service has identified several areas of that require further investigation:

- **Recruitment and Retention.** There has been challenges in the borough in terms of attracting and recruiting Speech and Language Therapist. However, MCHFT have addressed part of this issue with the recruitment of Speech and Language Therapy Assistants to support the work within schools. This is under the supervision of a Speech and Language Therapist and was discussed with the Parent Carers Board, who agreed that this was an acceptable arrangement.
- **Demand Management.** Parents have concerns about the waiting times for initial assessment, this is under review with the council and ICB. There has been year on year uplifts (growth) to the budgets to support the service. The growth of EHCP has increased the needs/demands. A performance management process will be launched in January to obtain quantifiable, measurable data which will track demand. We also need to focus on supporting children on the waiting list for triage and assessment to 'wait well', signposting to good quality information and accessible lower-level support wherever possible.
- **Spot purchasing.** There is additional spot purchasing around education (Part F, EHCP) placements; some are these are due to Tribunal rulings, out of area school placements and some are for complex requirements not covered by the two contracted providers.
- **Out of Area Placements.** The commissioned service only covers the service within the Cheshire East locality. There are some reciprocal arrangements with Staffordshire, but due to demands for SLCN in other areas some NHS Trusts are unable to commit to these arrangements.
- **Cheshire East Chatters (Talking Walk In).** This is an early help service, located within Cheshire East Family Hubs and data (April to November 2023) shows that 223 families have accessed the service of which 66% needs were met, 11% were referred to the SLCN service, 22% referred to Other. The service has seen in 8 months a 53%

increase in demand. With the current pressures on SLCN service and the demand for EHCP's, the ability to meet needs earlier will reduce demand at a later stage.

- **Historical arrangements.** There was an agreement that the council would only provide SLCN services to maintained mainstream/special schools. Any non-maintained, academies and independent special schools would be funded directly from the Department of Education and therefore should contract their own SLCN services. These require further oversight to understand the impact on children, schools and the council, and the issues around provision within Independent Special Schools.
- **Commissioned Providers.** Due to the former NHS Clinical Commissioning Groups (CCGs) recommissioning of its community Services contract in 2015/16, the council had to split its provision to a North and South service, subsequently we now have two providers. This is causing a disparity in the offer, and an increase in the management and overhead costs. However, with the ICB merged across the whole of East Cheshire this is giving us the opportunity to work towards having one contract, potentially as a wider partnership.
- **Special Education Schools Expansion.** The council has invested into the expansion of its special education schools' provision. The expansion of Springfield school Crewe will provide an additional 50 school places. The Springfield annex at Dean Row (Wilmslow) will increase the capacity with 70 additional places. Overall providing 120 special school places within the borough. There is a planned 2-year phasing of pupils into these provisions.
- **Benchmarking.** Commissioners are seeking further data and information from comparators councils. Initially, it has been identified that Cheshire East allocates circa £934 of its budget per young person with an identified SCLN in their EHCP (see paragraph 33 for a full budget breakdown). Staffordshire have shared budget and demand information that demonstrates a lower cost base. Spending £139k on direct support and an additional £200k for a specialist beacon school serving three of its eight districts. Whilst the model in Staffordshire is quite different to that of Cheshire Eats as a comparison, if Staffordshire's beacon school was to be replicated to serve the whole county this could result in an allocated budget of circa £408 for each young person in Staffordshire with an identified SLCN in their EHCP. We also have data from Cheshire West and Chester which would indicate they too source this support at a lower cost than Cheshire East (c£800 per young person, data subject to verification)

20 There will be several stages to the review and recommissioning of the service but will be in the following format:

Stage 1: Immediate Needs

Stage 2: Understanding, Reviewing and Engagement

Stage 3: Service Development/Coproduction and service redesign

Stage 4: Recommissioning

Stage 5: Contract Award/Mobilisation

Stage 6: Service Launch

## **Consultation and Engagement**

- 21 Consultation, engagement is a continual process for commissioning as it provides the intelligence that inform the strategy, policy, quality assurance and performance of all our services.
- 22 Cheshire East parents, children, and families alongside professionals will be engaged with as part of the service improvement and redesign. It is intended that the new service model will be co-produced with parents/children and families, professionals, and key stakeholder e.g., schools, health visitors, school nurses.
- 23 Initial conversations have taken place with several groups; further engagement is planned with the following boards/groups:
- Parent Carers Forum
  - Learning Disability Health Sub Group
  - SEND Board
  - Child Health Hub network
  - Short Break Coffee Mornings
  - Cheshire East Carers Forum
  - Family Hub Steering Group
  - VCFS Groups for families and children with SEND
  - Jigsaw
- 24 Engagement being initiated in December 2023 to parent carers, partner agencies, families and professionals that will shape future of the SLCN service. The proposed engagement will include:
- Publication online survey and questionnaire for parents, carers and families to receive comments.
  - An online survey and questionnaire with schools/education partners, professional to receive comments.
  - Virtual and in-person workshops with carers, children, young people, families and professionals from December 2023 to March 2024. These will be advertised via social media, the council

website and with current existing routes for example, Carers Forum, Parent Carers Forum.

- Communication to all contracted and other providers on the Commissioning Intentions.
- Virtual online Market Place events for providers, advertised by the Chest Procurement Portal for wider markets to attend.
- All relevant stakeholders will be notified including partners, members, and town/parish councils.
- Briefings to networks such as the SEND Board, Parent Carers Board of the development and results.

**Reasons for Recommendations**

- 25 This service falls under the ‘fair’ priority of the council’s Corporate Plan 2021-2025, and specifically to reduce inequalities, promote fairness and opportunity for all and support our most vulnerable residents. Therefore, to meet our obligations to Children’s and Families Act 2014 Part 3 and the Special Educational Needs and Disability Code of Practice: 0 to 25 years (DfE, 2015a) the current service offer for SLCN for children and young people needs to be redesigned to meet current and emerging needs, and at a financially sustainable cost to both the Local Authority and Integrated Care Board.
- 26 The council and ICB are reviewing the practicalities of a jointly procured contract. Any partnership would be formalised using a Section 256/75 Agreement and should realise natural efficiencies through the reduction of contract on-costs and management overheads.

**Other Options Considered**

- 27 There are three options available to the council, this report would recommend option 2, to gain the most effective and efficient service offer for children and young people. The outlined option appraisal is set out below:

	<b>Option</b>	<b>Impact</b>	<b>Risk</b>
1.	Do nothing	The council will be at risk of non-compliance with its legal obligations. Future service demand/needs for children may not be met.	Increased costs due to certainty of additional Tribunal cases. Reputational damage at a national level. Increased costs for spot provision of service/s.

			Failure to comply to the council FCPR's and Public Contract Rules 2015.
2.	The council and ICB agree to review and consider jointly procuring the future service	The council and ICB would meet all legal obligations. Will realise natural savings (one contract – less overheads/management fees). May attract more providers to increase competitive tendering. Seamless service for children and young people.	The review may decide that a partnership may not be suitable. Partnership can have a financial or reputational risk. ICB want a phased approach between 2024 and 2026 to include broader community paediatric services within scope in 2025.
3.	The council procure the service without its health partner.	Would continue to offer a similar service with the issues of clinic needs and community, is not a future proof approach. An opportunity to reduce the service to one provider, so will provide some efficiencies and savings.	Would not realise the saving benefits. 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 and changing needs of the patients.

## Implications and Comments

### *Monitoring Officer/Legal*

- 28 The council have a statutory duty to provide SLCN services for a child/ren where this is required in their EHCP and outlined in Section F. This duty is set out within the Children's and Families Act 2014 Part 3 and the Special Educational Needs and Disability Code of Practice: 0 to 25 years (DfE, 2015a).
- 29 The outcome of consultation and market engagement will feed into the redesign and recommissioning of this service.
- 30 Once the recommissioning and procurement of services has been approved, the procurement should be undertaken in accordance with the relevant provisions of the Public Contract Regulations 2015 and Cheshire East Council's and the Integrated Care Board's Contract Procedure Rules.

### *Section 151 Officer/Finance*

- 31 There is a VEAT/WARN to cover the financial years of 23/24 and 24/25, with a requirement that a recommissioning exercise will have a mobilised service

for April 2025. The proposal can be funded from within existing budgets and funded by the High Needs Block of the Dedicated Schools Grant (DSG).

32 The expected costs for 23/24 are as follows:

- NHS Central Cheshire Integrated Care Partnership Therapy Service (MCHFT) (Mid Cheshire NHS Trust)  
£489,388 (includes NHS pay deal increase)
  - NHS East Cheshire Trust Therapy Service (ECT)  
£550,524 (includes NHS pay deal increase)
- Total - £1,039,912.00

### *Policy*

The SLCN service will contribute towards the vision of the Corporate Plan 2021-2025 to be an open, fair, and green council and help to deliver the priority to be a council which empowers and cares about people.

This recommissioning activity has no impact on current policies both nationally and locally.

### *Equality, Diversity and Inclusion*

33 Our joint SEND strategy sets out what we want to achieve as a partnership for children and young people with SEND in Cheshire East, and the key actions that we will carry out to achieve our priorities is our commitment to children and young people with additional needs and ensures they have appropriate support to aspire to achieve in line with peers.

34 An Equality Impact Assessment has been started and will be updated as part of the review, engagement and consultation process.

### *Human Resources*

35 There is no direct impact on any employees within Cheshire East Council.

36 Employees for the two providers are on NHS terms and conditions of employment and will be eligible for TUPE. During the tender all applicants will be provided with a full list of the eligible employees.

### *Risk Management*

37 There is a potential risk that the governance timeline will not meet key deadlines and slow the commissioning process down. Early progression and decision making will mitigate this risk.

- 38 A Section 256/75 Agreement with the ICB will mitigate any financial and reputational implications for the council. The council and ICB will be responsible for the oversight of the future service contract.

*Rural Communities*

- 39 There are no direct implications to the offer within rural communities the intention is to co-produce the future service offer and we will seek to include citizens who use or need SLCN that live in rural communities.
- 40 There is an opportunity to align this service pathway with our health partners to achieve a seamless service and improve access for children and young people with SLCN having improved access.

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

- 41 The service will be developed with children, young people and their families/carers with a focus on those with and/or requiring Education, Health and Care Plans.
- 42 Developing the multi-agency support, safeguarding approach will be part of the service development and shape the future offer.
- 43 A key development is to align this service within education, health and community settings. This will improve the identification of children with SLCN at the earliest opportunity.

*Public Health*

- 44 The service has a positive impact on the health and wellbeing for children with SLCN. The early identification and improved access will improve longer term outcomes.

*Climate Change*

- 45 The recommissioning of the service will include expectations around Social Value, this includes social, economic and environmental impacts.
- 46 The service provider will need to demonstrate their impact on the environment throughout the life of the contract. This will be included as part of the service specification and monitored by quarterly performance measures.
- 47 Targets around recycling, energy consumption, carbon reduction with the use of electric vehicles, employing people within the community it serves virtually on a place-based locality will be measured.

Contact Officer:	<p>Martyn Baggaley, Head of Integrated Commissioning, Children, Families &amp; Adults with Complex Needs, Adults, Health &amp; Integration</p> <p><a href="mailto:Martyn.Baggaley@cheshireeast.gov.uk">Martyn.Baggaley@cheshireeast.gov.uk</a></p> <p>Liz Smith, Senior Project Manager (Commissioning)</p> <p><a href="mailto:Liz.smith@cheshireeast.gov.uk">Liz.smith@cheshireeast.gov.uk</a></p>
Appendices:	None for this report
Background Papers:	<ol style="list-style-type: none"> <li>1. Children and Families Act 2014, Part 3: <a href="https://www.legislation.gov.uk/ukpga/2014/6/part/3/enacted">https://www.legislation.gov.uk/ukpga/2014/6/part/3/enacted</a></li> <li>2. Special Educational Needs and Disability Code of Practice: 0 to 25 years (DfE, 2015a). <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/398815/SEND_Code_of_Practice_January_2015.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/398815/SEND_Code_of_Practice_January_2015.pdf</a></li> </ol>

## **Children and Families Committee**

**12 February 2024**

### **Future Options for the School Catering Service**

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#### **Report of: Deborah Woodcock, Executive Director Children's Services**

**Ward(s) Affected: All**

#### **Purpose of Report**

- 1 This report sets out the findings in relation to the options, risks and issues for the future delivery of the catering service to remove the current subsidy from the council. It seeks a decision from members on the future delivery of this service.

#### **Executive Summary**

- 2 Schools are responsible for the provision of school food and must provide a school lunch for pupils where a meal is requested and either the pupil is eligible for free school lunches, or it would not be unreasonable for lunches to be provided. Cheshire East schools currently have a number of different arrangements for the provision of their school meals, including some that buy back from Cheshire East's Catering Service or use another third party provider and some who provide school lunches themselves.
- 3 Cheshire East's Catering Service (operating under the name of Fresh) currently provides a traded service to 87 schools (82 primary schools, 4 special schools and 1 pupil referral unit) to deliver lunches/snacks.
- 4 In recent years this service has been operating with a subsidy from the council. However, as a non-statutory function, and given the financial position of the council, the catering service needs to be self-financing or cost-neutral to the council.
- 5 There has been increasing pressure on the catering budget due to food and transport inflation and pay rises that have impacted on running costs. Although in previous years, the school catering service operated at a profit, which benefited the council, in more recent years there has been a shortfall between income and expenditure. In 2023-24, the school catering service budget includes £515,580 of council base budget. Forecasts as at quarter 3,

suggest that there is an estimated pressure on the budget of approximately £422,955, so an overall projected subsidy of approximately £938.5k.

- 6 The cost of a school meal was increased from January 2024 to £2.53 for a free school meal (in line with the amount received by schools from the government) and a 15% increase for paid meals. Prior to this, prices had not been increased since before 2019. The January increase should offset this year's school catering shortfall by approximately £207,600 and provide a full year increase of £709,900. However, the increased charge will not support its long term viability. Further action is required for the service to be self-financing.
- 7 An external review of the school catering service carried out by APSE (Association for Public Service Excellence) was completed in April 2023. This set out five priority area to improve the existing service. The report stated that once the management team are delivering to their roles, the service has broken even and service development has recommenced, there are several delivery models that could be considered. The report did not fully explore these models or recognise the full extent of the council's subsidy.
- 8 Ensuring that our most vulnerable children have access to nutritious food is important. However, analysis by the Public Health Team shows no clear correlation between poverty levels and the catering service operating in the school. Additionally, no correlation could be drawn between excess weight and the school catering service. As a result, changes to the subsidy may have an impact on some of the schools most challenged by poverty and excess weight, but not all. Additionally, from a strategic perspective, the funding has not been sufficiently targeted to the high poverty areas, meaning there is an argument that we have not been subsidising our most vulnerable children through this service during a period of high need.
- 9 It is now essential to make a decision on the council's proposed approach to remove the subsidy to the catering service which, based on the review of options at Appendix 1 and result of a survey to schools, is to cease trading at the earliest opportunity.

#### Recommendations

The children and families committee is recommended to:

- a. Consider the assessment of options at Appendix 1 and approve the preferred option to cease Cheshire East's Catering Service.
- b. Approve the proposal to enter into discussions with those schools who buy into the service to cease the provision by the end of December 2024, if possible;
- c. Delegate authority to the Executive Director of Children's Services to make all necessary arrangements for the council to cease trading the catering service to schools and any further price increases required to limit the financial pressure to the council;
- d. Note that it will receive a progress update report in September 2024.

## Background

- 10 The responsibility for the provision of school meals currently sits with individual schools. A school lunch must be provided for pupils where a meal is requested and either the pupil is eligible for free school lunches, or it would not be unreasonable for lunches to be provided. Governing bodies are able to decide the form that school lunches take, but must ensure that the lunches and other food and drink provided meets the school food standards. Cheshire East schools currently have a number of different arrangements for the provision of their school meals, including some that buy back from Cheshire East's Catering Service or use another third party provider and some that provide school lunches themselves.
- 11 Cheshire East's catering service currently provides over two million meals each year and supports 87 schools (82 primary, 4 special schools and 1 pupil referral unit) through a traded service to deliver nutritious and healthy daily meals to young people. Historically, each school has paid a different amount for its school meal service, dependent on demand, i.e., those who have the most children taking a school meal have paid a lower price.
- 12 As a traded service to schools and a non-statutory duty of the council, it is expected that the school meals service is fully funded from income from schools. Although in previous years, the school catering service operated at a profit, which benefited the council, in more recent years there has been a shortfall between income and expenditure. These shortfalls have been met by other council funding streams.
- 13 The universal infant free school meals (UIFSM) grant provides funding for all government funded schools to offer free school meals to pupils in reception, year 1, and year 2. Schools must provide school meals to a pupil free of charge if the pupil and/or a parent meets the eligibility criteria for free school meals. In the 2022-23 academic year, the government grant was set at £2.41, but increased to £2.53 from September 2023 and assumes that pupils will take 190 school meals over an academic year. Schools also offer a paid meal service for those children who are not entitled to free school meals. Currently, approximately two-thirds of meals provided are FSM and the remainder are paid for meals.
- 14 In October 2023 schools who buy their meals from Cheshire East were informed of a price increase from January 2024 to £2.53 for a free school meal (in line with the amount received by schools from the government) and a 15% increase for paid meals. Prior to this some individual Cheshire East schools had received charge increases but there had not been a comprehensive increase since before 2019. This is in the climate of a significant increase in the cost of running the service due to inflation on food and transport costs, along with pay increases and the cost of using agency staff. The January increase should offset the 2023/24 school catering shortfall by approximately £207,600 and provide a full year increase of £709,900 in 2024/25. However, the increased charge will not support its long term viability.

- 15 Any future option for the catering service must ensure that the council subsidy is no longer required. Initial estimates suggest that the council would need to charge an average of £3.15 per meal from April 2024 to reduce the budget pressure in the 2024/25 financial year. If FSM were charged at the existing rate of funding provided by the government, then paid meals would need to raise to over £4.00. As school budgets are based on academic years, a further increase in April would put pressure on their budgets without giving them the opportunity to plan for this. It would also be outside of the expectations within the service level agreement.
- 16 A charge of £3.15 per meal would equate to a 25% increase on the January 2024 FSM rate. For paid meals, based on the lowest price prior to January 2024, the increase in price would equate to an average increase of around 40% during the academic year.
- 17 Each school currently charges a different amount for its schools meals. It is expected that schools will pass on some or all of the proposed increase in charges on to parents to bridge the gap in their budgets, so any increase in charges is likely to impact on families or the profitability of the service if those families choose not to pay for a school meal. Any significant reductions in the take up of paid meals is likely to increase the budget pressure further.
- 18 It is expected that the increased costs are likely to be unaffordable for many schools. It is therefore proposed to cease trading the school meal service at the earliest opportunity in negotiation with schools. Schools would be supported to explore all other options, including information on the process should they wish to provide their own school meals or to procure alternative provision, including the use of the established DfE approved catering framework.
- 19 Regardless of the ongoing delivery decisions, the service is currently committed to reducing costs as much as possible. Some of efficiencies which are currently being mobilised include considering the early release of eligible staff through the mutually agreed resignation scheme (MARS), increased senior management scrutiny and oversight of spend, including kitchen maintenance costs, removal of postal services, reviewing catering costs and increased scrutiny on kitchens meeting meal target costs. By implementing these cost control protocols, the service is working to limit cost increases, which would ultimately be paid for by schools/families.
- 20 The Extra Care housing service currently use the school catering team to provide food in two locations (Oakmere and Willowmere). These operations are currently subsidised by adults social care. Separate discussions are ongoing with adult services, who are currently exploring options in relation to the provision of this catering service.

### **Future Delivery Options**

- 21 The external review of Cheshire East's catering service was completed by APSE in 2023. The review identified a number of key priorities to address the current challenges of the service and to sustain it in the future.

- 22 The report stated that once the management team are delivering to their roles, the service has broken even and service development has recommenced, there are several delivery models that could be considered. However, the report did not fully acknowledge the level of subsidy from the council or the need to remove this as soon as possible.
- 23 A focus group of legal, finance, procurement, HR, improvement and school catering colleagues was established to look at the future delivery options of the catering service. This group identified the following three main options to remove the council subsidy:

**A. Stop delivering the service (preferred option)**

- CEC would give notice to schools that it would cease trading its catering services, in negotiation with schools, as soon as possible and by the end of December 2024, if possible.
- The current notice period in the SLA states that any party wishing to leave the catering agreement must give notice by September of any given year, with the amends taking affect in March the following year. However, given the significant price raises and school's expression of leaving the arrangement we would propose to negotiate an earlier arrangement with schools.
- Schools would be required to establish their own catering arrangements. Schools would have two options, they could either procure an independent company to provide their school meals, or they could hire and appoint an in-house member of staff to deliver. In the event of choosing to procure their own provider, there is an established DfE approved catering framework (please see: [Food and Catering | Catering Services DPS – 879 \(ypo.co.uk\)](https://www.ypo.co.uk)). The YPO framework would provide templates and would be able to provide assistance with School's procurement exercises, Cheshire East would also be able to provide some light touch procurement and legal support.
- Several contracts would be required to be terminated, including multi-temp food (£1.2m per year – C0108), Fresh produce (£730k per year, C1575), Kitchen management software (£60k per year, C0299), Fresh Meat contracts (£450k per year across 3 butchers – C0467, C0592, C0664). The contracts have varying notice periods, ranging from 4 months to immediate effect.
- The Catering Service currently employs approximately 270 staff, 13 of which are central staff (4 of which are mobile staff). In the event of Cheshire East stopping the service, as many staff as possible would TUPE over to the new provider. It is likely that any staff associated with a school would be eligible for TUPE, however the central management team would be considered for redeployment.
- Redundancy costs associated with this option are predicted to cost approximately £200k alongside pension costs which have been estimated at a further £200k. Please note, any pension package exceeding £100k is required to be approved by the council.
- A further price increase is likely to be necessary depending on how quickly the service could be ceased.

**B. Retain the current traded service and ensure it is self-funding**

- Charging a price that removes any “subsidy” element.
- Further increasing the school meal prices in 2024/25 to reduce the shortfall in funding.
- Restructure/revamp of workforce/management structure to facilitate service transformation.
- Consider the development of a partnership board to provide oversight and joint ownership (schools and CEC, including adult services).
- Align closely with the APSE recommendations, including potentially developing new business.

The options below have not been explored for the following reasons:

**C. Outsource the service with council involvement**

- This option was not explored as it would require the retention of a Cheshire East Management team which would continue to require core funding, requiring the retention of the subsidy.

**D. Do nothing**

- This would mean that the subsidy from the council would remain in place and this is not a legal position as it would mean that the council is potentially subsidising schools, not necessarily children and families.

**E. Set up as an ASDV (alternative service delivery vehicle) or Teckal company<sup>1</sup>**

- Given the current financial position of the council, there is unlikely to be the investment of time and money needed to make this happen
- The development of new ASDVs is not in line with current direction of travel of the council.

## Consultation and Engagement

- 24 The removal of the council’s subsidy to the school catering service is included in the budget proposals for 2024/25 that are subject to public consultation.
- 25 In addition to the public consultation, a survey was sent out to those schools who buy into the school catering service on the 11 January 2024. This survey sought responses to the primary options and payment rates and initial findings are set out below.
- 26 **Responses** - as of 18 January 2024, a total of 64 schools responded (90% primary, 6.67% special schools and 3.33% other).
- 27 **Price of FSM/paid meal** - the data currently shows that 81.97% believe the price of a FSM meal should be the same as a paid meal and 81.9% either agree or strongly agree that all schools should pay the same price for meals, with 11.5% indifferent, 3.3% disagree and 3.3% unsure.

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<sup>1</sup> The current public procurement regime applies the Teckal exemption where a contracting authority contracts with a legally distinct entity – usually this will be a company that the authority has set up, either on its own or in concert with others – to provide services.

- 28 **Service options** - from our current responses, 20% of schools support retaining the service and making it self-funding and 18.33% propose closing the service down as a whole, whilst 61.67% responses were unsure / don't know.
- 29 **School response to price increase** - in response to how schools would respond to price increases to make the service self-funding 6.56% said they would pay the price, 40.98% said they would seek alternative provision, 8.2% said they would deliver catering inhouse, 36.07% said they were unsure / don't know and 8.2% were 'other'.
- 30 Analysis of the data suggests that we received a strong response rate to the survey, with 64/87 schools (74% of those surveyed) responding to the survey. There is also a consensus that pricing for FSM and paid meals should be the same, alongside a fixed pricing schedule for all schools. There are additional comments made by schools expressing concern that the implementation of this may have a disproportionate impact on schools with high FSM percentages, and that the increased pricing may have a negative impact on uptake which may have repercussions for economies of scale for the service.
- 31 The survey data also shows that generally schools would prefer the service to remain being provided by the local authority, however the price required to pay to make the operation self-sufficient would drive a lot of schools into considering alternative options. Of the schools who were unsure about their next steps, their comments largely suggested the price rises would be unaffordable but also that they need further support to expand their awareness of the wider catering market.
- 32 Respondents have expressed various concerns and opinions on potential changes, including price increases and the possibility of the local authority withdrawing the subsidy for school meals. A summary of the key points are:
- 33 **Affordability for families** - concerns about price increases being too much for families and the potential impact on families with low incomes who may not qualify for Free School Meals (FSM).
- 34 **Financial impact on schools** - worries about the financial burden on schools, especially smaller ones, if they have to cover the costs or seek alternative catering services.
- 35 **Equality and pricing** - calls for consistent pricing across all schools to avoid discrimination. Concerns about the impact on schools in areas of high deprivation.
- 36 **Consideration of alternatives** – suggested we explore alternative providers or options, including obtaining contracts for multiple schools to benefit from bulk purchases. There were concerns about the lack of clear direction and the 6-month notice required for changes.

- 37 **Impact on meal uptake** - observations of a reduction in children accessing school dinners after recent price increases. Fears that further cost increases may lead to a decline in service use.
- 38 **Quality of service** - some respondents mention dissatisfaction with the current service, including the presentation of meals, portion sizes and staff.
- 39 **Council's role** - disappointment with the local authority's inability to provide affordable meals. Calls for the council to consider maintaining responsibility and exploring cost-efficient solutions.
- 40 **Communication and information** - requests for more detailed information before making informed decisions. Some respondents express surprise at receiving information about high costs with short notice. Concerns about the lack of clarity in the council's direction, making it difficult for schools to plan.
- 41 **Service viability**- worries that a significant price increase may lead to the service becoming unviable. Suggestions to explore other ways to subsidise the service rather than increasing prices.
- 42 **Smaller schools** - concerns about the challenges faced by smaller schools in terms of meal numbers and staffing costs.
- 43 It is evident that there are diverse opinions and concerns among the respondents, reflecting the complexities and challenges associated with school catering services. We propose to support schools to mitigate against the risks of the above issues.

## Reasons for Recommendations

- 44 A decision about the future delivery of the school catering service to remove the council's subsidy is needed as soon as possible to remove the financial pressures of the service.
- 45 As a non-statutory service, the school catering service needs to be self-financing as the council is effectively subsidising schools. However, significant transformation would be required to transform the service, including financial investment, major recruitment drives to fill catering vacancies, and internal project management resource to restructure, recruit and implement the APSE recommended transformations. Alongside this investment, the local authority would also need to continue to subsidise the service during transformation (for potentially many years), whilst also accepting the risk the service may still not be commercially competitive post transformation.
- 46 School catering is a privatised, profit generating enterprise. This has attracted many commercial providers to the space, who have the expertise to deliver school catering at a more competitive price than the local authority, whilst retaining food standards in schools. Over half of Cheshire East's schools currently use alternative arrangements to the local authority's catering service, with many local authorities across the nation ceasing to provide catering internally and successfully delivering it externally.

- 47 There has not been a plan to extend the service outside of the borough or to actively market the current offer, so Cheshire East's Catering service has experienced a slow decline in usage over time, from over 2.8 million meals provided 10 years ago, to currently around 2.2 million.

### Other Options Considered

- 48 A number of options for increasing charges are set out at Appendix 1.

### Implications and Comments

#### *Monitoring Officer/Legal*

- 49 If after a consideration of the options in Appendix 1 Members support the recommendation that the council cease school meals provision; then consideration needs to be given to the contractual provision.
- 50 For schools where school meals are currently provided there is in place a service level agreement which would in the first instance govern any exit arrangement. The agreement requires notice to be given in any given year by not later than 30 September, being a notice to terminate with effect from 31 March in the following year. This notice period is of a suitable length to allow schools to find alternative arrangements. If arrangements are proposed to be terminated by the end of December 2024; then this will have to be agreed with individual schools on a case by case basis; if sufficient notice to secure alternative arrangements is given; then it would be hoped that schools would be amenable to this; but it will require agreement, it should be noted that the service level agreement provides for price review and price setting as follows; it is understood that this mechanism has been deployed to provide for the increases already instituted and if further increases are proposed would be applied again.

#### **4 Price and Charging**

- 4.1 The SLA price will be estimated annually and reviewed at the end of each term to take into account the effect of inflation, tariff changes, any service improvements, any decisions taken by the school that effect the trading position, changes in pupil numbers on roll, and any changes to legislation.
- 4.2 This process will provide a rolling agreement between Cheshire East Catering and the School identifying the outcome for the previous term, likely outcome for the following term, and an agreed and joint plan of action. It will be based on open access by the School to the income and expenditure analysis relating to Catering in the School.
- 4.3 The SLA price will represent a price net of income and will be charged on a bi annual statement , which will include:-
- Calculation of the SLA charge or payback
  - Details of the charge for any staff meals supplied
  - Details of the charge for any pupil free meals supplied
- 51 If the council ceases its catering provision, there will be staffing implications to consider. Approximately 270 staff are engaged in the catering service. Assuming the schools and extra care services find alternative providers, it is likely that TUPE could apply to transfer the employment of CEC staff to the new provider(s). For TUPE to apply there needs to be an organised grouping

of employees who are essentially dedicated to the service, and the service needs to remain fundamentally the same after the proposed transfer. TUPE imposes strict legal obligations on consultation and engagement with affected staff which will need to be adhered to or risk claims for failure to consult. It is unlikely that TUPE would apply to management positions and so there will need to be redundancy consultation for any staff not subject to TUPE. Redundancy costings should be sought and consideration of any suitable alternative employment.

- 52 There will likely be on-going pension costs to consider as the Council will need to enter into a pass-through admission agreement arrangement with any new provider regarding their admission into the Local Government Pension Scheme for transferring staff. Further information and costings should be sought from the Pension Fund regarding this.

### *Section 151 Officer/Finance*

- 53 Significant work has taken place to increase the financial monitoring of the service and to therefore understand the cause and effect of changes in forecasts in order to achieve a better year end position.
- 54 In 2023-24, the council has contributed £515,580 to the schools catering service budget. Forecasts as at quarter 3, suggest that there is an estimated pressure on the budget of approximately £422,955, so an overall projected subsidy of approximately £938.5k.
- 55 The January increase should offset this year's school catering shortfall by approximately £207,600 in 2023/24 and provide a full year increase of around £709,900 in 2024/25. However, the increased charge will not support its long term viability. A further increase in charges or change to the delivery model will need to be made in order for the service to be fully self-funding and remove the subsidy, as there is still a remaining forecasted gap after the January 2024 uplift, plus the costs to deliver the service will increase in 2024/25 linked to pay increases and inflation on costs. This increase would need to happen in order to remove the local authority subsidy for this non-statutory service.
- 56 A summary of year end figures for 2022/23 are shown below resulting the loss of £51,782 over and above the £361,775 council contribution and £100,000 Public Health contribution of so a total subsidisation of £513,557.

Row Labels	2022/23 Outturn		
	Sum of Budgets £	Sum of Actuals £	Sum of Variance £
Employees	3,361,581	3,851,925	490,344
Income	-5,270,506	-5,643,484	-372,978
Premises-Related Expenditure	0	14,198	14,198
Public Health Contribution	0	-100,000	-100,000
Supplies & Services	2,242,470	2,271,012	28,542

Transport-Related Expenditure	28,230	19,906	-8,324
<b>Grand Total</b>	<b>361,775</b>	<b>413,557</b>	<b>51,782</b>

- 57 The quarter 3 budget forecast for this financial year (2023-24) is set out below.

Row Labels	Sum of Budgets £	Sum of Forecast Outturn	Sum of Variance £
Employees	3,924,090	4,045,820	121,730
Income	-5,617,774	-5,362,499	255,275
Premises-Related I	36,725	41,788	5,063
Supplies & Service	2,152,712	2,186,722	34,010
Transport-Related	19,827	26,704	6,877
<b>Grand Total</b>	<b>515,580</b>	<b>938,535</b>	<b>422,955</b>

- 58 The factors that impacted on the shortfall in 2022-23 have continued in 2023-24 have largely been external factors and the service has worked to make changes and mitigate against these. Issues include:

- **Higher than expected pay increases** (as many staff working in schools are some of the lowest paid, there have been increases of 10% in some cases)
- **Cover for staff absence** - the levels of additional hours which are needed to cover staff absence/shortage. This has been significant as the service is unable to operate without certain staff.
- **Increase in the cost of supplies and services.** Considering the impact of the significant rises in foodstuffs over the previous 12 months, this has not been as significant as it could have been as the service has managed expenditure of food items and undertaken close liaison with suppliers to minimise the impact on service delivery.
- **An annual increase in charges has not been implemented** – if a charge had been introduced from September 2023 or last year, the impact on the budgets would have been significantly less.

- 59 A high level business case has been proposed in the recent 2024/25 MTFS to remove the council subsidy from the school meals service from 2024/25.
- 60 Projections for 2024/25 indicate that there will continue to be a shortfall in the budget for school catering unless there is a significant further price increase for school meals. If we take existing assumptions and assume inflationary increases for staff and meal costs, even with an increase in all school meal prices (both free and paid for) to £3.15 in September 2024, there would still be an estimated shortfall of almost £220k next financial year up to the end of December. This would rise to nearly £430k by the end of December if there were no further increases next financial year. To end the contract in March 2025 would have a further impact on the budget shortfall for 2024/25.
- 61 These figures are based on estimated levels in inflation in costs, as well as estimated numbers of school meals. As this is an activity based income stream it is not possible to accurately say what the actual income will be.

- 62 The school catering service promotes the council's commitment to becoming a more open and enabling service and one which empowers and cares about people especially in terms of providing nutritious foods for our young people.
- 63 Any future delivery option decided for school catering is likely to impact on the council's policy.

*Equality, Diversity and Inclusion*

- 64 An EIA has been completed.

*Human Resources*

- 65 All proposed options are likely to impact on approximately 270 staff employed by the Catering Service. Based on the recommendation to cease the service, there would be significant work required to put in place TUPE arrangements for those staff based in schools, along with redeployment or redundancy for staff in the central team.

*Risk Management*

- 66 There are a number of risks associated with each option. These are set out in more detail at Appendix 1.
- 67 There is a risk that Cheshire East schools either struggle to find an alternative provider for their school meals or that this is only available at a much higher cost, putting further pressure on our schools and their budgets. It is difficult to make comparisons with competitors as prices tend to be prepared on a school by school basis and is commercially sensitive information. The APSE report produced in 2023 stated that the UIFSM grant is 'considered to be inadequate by LACA, the body representing school caterers, and other industry groups. In Wales the UIFSM funding is at £2.90 and in Scotland it is £3.30. According to APSE Performance Networks for the North West on Performance Indicator 11c, the average total cost per lunchtime meal excluding corporate overheads is £3.04'.
- 68 One of the risks of introducing a further charge to schools is that they may decide that the service is unaffordable or no longer want to trade with the council and seek an alternative provider before January 2025. Parents whose children buy meals may also decide that they cannot afford the increased price and so do not buy a meal. In both cases this would increase the gap between income and expenditure.
- 69 There are risks that the cost of running the school catering service will continue to increase and we will need a charging policy that ensures that these costs are not met by the council. If the service continues to operate up to March 2025, the pressure on the budget is likely to increase.
- 70 There is a risk that uncertainty around the future of the service will impact on the workforce. Turnover and sickness of staff in schools is already an issue, which means that the school catering team often end up supporting delivery

rather than managing or developing the service. Council staff may choose to leave the service unless there is a clear future plan.

*Rural Communities*

- 71 There have been challenges to maintain school meal services in some smaller and rural schools and this will need to be carefully considered in wanting to maintain strong and viable performance in such schools. These schools may experience more challenges in getting an alternative school meal provider.

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

- 72 Cheshire East's current catering offer supports children and young people with a healthy and nutritious meal each day. This is particularly important for those children who are eligible for free school meals, who are more likely to experience food poverty at home.

*Public Health*

- 73 Work has been done with Public Health colleagues acknowledging food security is an important determinant of health and wellbeing, ensuring the provision of nutritious meals to best meet the needs of Cheshire East families especially those who are vulnerable. Whilst previous budget contributions were made by Public Health, there is no expectation that this will be available in future years.
- 74 Analysis on provisional data showed 64% of primary and special schools in the borough use the catering service, with an average number of meals provided per school at 24,023. Of the schools the catering service deliver to, 65% are in the top 20 for highest poverty rates in Cheshire East, with a high mean of 29,884 at each school. For excess weight factors, the school catering service currently deliver in 75% of the highest 20 scoring schools.
- 75 The analysis showed no clear correlation between poverty levels and the service operating in the school, additionally, no correlation could be drawn between excess weight and the school catering service. As a result, changes to the subsidy may have an impact on some of the schools most challenged by poverty and excess weight, but not all. Additionally, from a strategic perspective, the funding has not been sufficiently targeted to the high poverty areas, meaning there is an argument that we have not been subsidising our most vulnerable through this service during a period of high need.

- 76 The Tartan Rug<sup>[1]</sup> and Poverty JSNA<sup>[2]</sup> highlight the extent of inequalities across Cheshire East. Provisional analysis by the Public Health team noted that whilst some of the schools in the most challenged areas were receiving catering provision via the council, there was also provision to other schools. Firstly in changing catering provision arrangements, it will be important to consider any potential negative impacts in health and wellbeing outcomes for schools, particularly in terms of our residents that experience more challenged lives and higher levels of deprivation. It will also be important to consider rural inequalities and challenges with food accessibility. These impacts cannot be fully understood without understanding the quality and cost benefits of the existing provision compared to that of alternative options. However, these impacts could potentially be monitored in our schools with higher volumes of our more vulnerable populations to ensure that alternative solutions are not impacting negatively.

### *Climate Change*

- 77 The need to cover staff in school across Cheshire East when they are absent has increased travel for identified staff. The use of local providers is a real effort to reduce travel of food goods to schools on a weekly basis.

<b>Access to Information</b>	
Contact Officer:	Gill Betton, Head of Children's Developments and Partnerships  <a href="mailto:Gill.betton@cheshireeast.gov.uk">Gill.betton@cheshireeast.gov.uk</a>
Appendices:	Appendix 1 – Assessment of proposed options
Background Papers:	APSE review of Cheshire East School Catering arrangements

<sup>[1]</sup> Cheshire East Council (2023). Health profiles for electoral wards plus primary health and social care areas. Available from: <https://www.cheshireeast.gov.uk/pdf/jsna/ward-profile-tartan-rug/tartan-rug-2022.pdf> (Accessed 15 January 2024).

<sup>[2]</sup> Cheshire East Council (2023) Poverty JSNA. Available from: <https://www.cheshireeast.gov.uk/pdf/jsna/healthier-places/poverty-jsna-full-report.pdf> (Accessed 15 January 2024).

### Catering Service Review - Assessment of Options

<b>Option A – Stop trading the catering service (Preferred option)</b>
<ul style="list-style-type: none"> <li>- CE to exit the market and require schools to establish their own catering arrangements.</li> <li>- TUPE arrangements would be required to be satisfied.</li> <li>- Approx 1 – 2 years to fully implement.</li> </ul>
<b>Pros</b>
<ul style="list-style-type: none"> <li>- The cost saving for this option would be fully recovered and achievable within 1-2 years.</li> <li>- To close the service internally would provide the most assured way to achieve budget neutrality. This option would provide the maximum reduction to our overheads and release all budget responsibility.</li> <li>- We would be removing ourselves from a highly competitive, non-statutory commercialised industry, where we do not have the expertise, allowing us to focus on high priority statutory areas.</li> <li>- This option would transfer responsibility to schools to provide/commission their own catering service.</li> <li>- This option provides the simplest long term logistical solution for Cheshire East.</li> <li>- This option would be more likely to support schools to access cheaper school meal provision.</li> </ul>
<b>Cons/Risks</b>
<ul style="list-style-type: none"> <li>- Removing the service may not be supported by members.</li> <li>- Without proper communication, this option could be expressed as Cheshire East neglecting the community and abandoning schools/extra care provision. There would be a risk of reputational damage if we were seen to be non-supportive or dismissive of vulnerable individuals/families who get free school meals.</li> <li>- There would be TUPE and ongoing pension costs incurred with this option.</li> <li>- It would be likely that those not eligible for TUPE would be required to be redeployed. This would increase the likelihood of redundancy fees and any HR issues which may arise in the process. Any redundancy costs associated with the service may be high due to the current makeup of the service.</li> <li>- We would lose control around the quality of food delivered in most of our schools – this may have wider impacts on the wider determinants of health.</li> <li>- Closing the service may be unpopular with internal staff. This would include catering service staff, who would be consulted on the plans, and their positions taken into account.</li> <li>- There is a risk that as schools are smaller bodies, without procurement departments, that their ability to procure on would likely not be as developed as the local authorities. This would impact how advanced their contractual agreement would be and may lead to unoptimised contracts.</li> <li>- Existing catering contracts would need to be taken into account, and if there were any wider impacts to reducing these contracts or terminating/not extending.</li> <li>- There is a risk that schools end up paying even higher costs in the private sector as we do not have access to accurate information around competitor prices.</li> </ul>

### **Option B – Retain the current traded service and ensure it is self-funding**

- Increasing the school meal/extra care charge to remove the council's subsidy of the service.
- Consideration would need to be given to the most appropriate pricing structure.
- The increase from the existing/pre-January price is likely to be significant and over 40% in some cases, which is very challenging for schools and parents/carers to manage.
- This would require yearly increases to match inflation and wage increases.
- There would be a need to restructure the workforce/management structure to facilitate service transformation.
- A detailed transformation plan and capacity would be needed to drive this.
- This proposal would align closely with the APSE recommendations and associated transformation costs, including the following priorities:

#### **Priority One (workforce)**

- Recruit to all vacancies, management of absence to keep more staff in work, revised staff contingency planning and ongoing induction, coaching and training of new staff.
- Introduce a new management infrastructure.
- Review job descriptions to make sure they are fit for a modern service
- Re-visit rates of pay, particularly the differential between responsible and support grades in kitchens.

#### **Priority Two (financial)**

- Fresh Catering requires trading information that is fit for a commercial catering organisation's use and the ability to conduct commercial sensitivity analysis of both SLA and tender pricing.
- Re-cost the service from the bottom up, offering greater transparency of pricing to schools and encourage schools to understand the importance of increasing uptake.

#### **Priority Three (marketing)**

- Focus marketing on what the customer wants to support income, and reputation with both parents and clients.
- Conduct survey/market research with parents and repeat annually.
- Ensure new management, staff in kitchens that are remote and clients understand Fresh Catering's method of operation and rationale and that communication is two-way.
- Support clients to contract manage using the SLA in order to manage perceptions and expectations of the service.
- Ensure different forms of marketing/communications including traditional print, electronic and face-to-face marketing.

#### **Priority Four (client focus)**

- Maintain accurate client (headteacher and school business manager) and stakeholder lists
- Conduct termly meetings that share objectives.
- Complete an annual report so clients know what the service has been working on
- Set up a partnership board for strategic issues

- Annual client satisfaction survey

#### **Priority Five (menu planning)**

- consistent involvement of the client and cook supervisor in menu planning for each school.
- Benchmark menus to see how other providers apply School Food Standards (nutritional guidelines) and Food For Life Served Here.

#### **Pros**

- This option is the closest to the 'status quo' in the catering service. It is also the most 'positive' in terms of its ambition to make the catering service the best it can be.
- Lowest 'transformation' cost to schools in comparison to the two other proposed models as most of the service transformation will be done by the catering service.
- Retaining the service internally would allow for more flexible use of it in the future if additional requirements were presented.
- Less impact on staff. Provides stability for around 270 Cheshire East employees on local authority terms and conditions (T&Cs) and pay grades.
- Provides quality assurance of school meals for the majority of primary/special schools in Cheshire East. Currently, food standards provided by the catering service are a highest standard than those provided by the private sector. There may be negative impacts on the community if these standards are not upheld.
- Potential for the service to produce a surplus/profit with the right business model.

#### **Cons/Risks**

- The implementation of the APSE recommendations have not yet been costed and would add further to the costs of delivering the service, certainly in the short term.
- This option would result in a significant increase in the pricing of the service and impact mainly on smaller schools and those who currently pay a lower price per meal if we moved to a standard price.
- There is a higher cost of delivering in house due to council pension costs and T&Cs.
- The workforce is currently understaffed, with limited capacity to deliver standard management processes.
- Continued Cheshire East terms and conditions will create a difficult environment to compete with the private sector on price. As 64% of the total budget expenditure of the catering budget is on workforce – having higher workforce on-costs will impact the competitiveness of the business.
- Training and development of the workforce would require significant recruitment drives, restructuring and training to realise this option.
- Recruitment to some of the positions could pose a significant risk, as acquiring the skills to implement the transformation will be a difficult challenge.
- The existing workforce may not be as highly trained in commercial skills to compete with private market competitors.
- APSE recommendations include 2 additional senior roles within the team to support these transformations, including 1 x G9 Commercial Manager and 1 x HR Manager. This would require resourcing and appropriate appointments if this transformation of the service was to be successful. This would increase the price of school meals etc further.
- The timeline to transform this element of the service could take up to two years or longer to create a surplus/profit.

- No certainty delivering this option is commercially feasible, as we may lose too many schools to the wider market – every school that drops out, increases the costs for other schools (the survey to schools is expected to gauge appetite to stay with CEC catering)
- Food inflation remains high, staffing cost increases all create a difficult market to obtain accurate forecasting for a route to profit. Complexities in committing to a price may cause additional frustrations amongst schools.
- Forecasting to profit relies on the retention of business, which is likely to be outpriced by the private market. During this period of high budgetary pressures, schools will have additional appetite for cost reductions and are less likely to continue to use the service with increased prices.
- Significant community backlash has been noted in other local authority areas when prices have been increased to similar levels that we are suggesting (please see: [Hundreds back fight against 95p Derbyshire school meal price hike - Derbyshire Live \(derbytelegraph.co.uk\)](https://www.derbytelegraph.co.uk)).
- Cheshire East’s proposed charge is likely to be higher than those charged locally. A national report suggests the average for school catering meals is £2.65 (please note these figures do not include project inflation and wage increases for 2024/25 and onwards).
- This option would impact on the extra care service, as two of their locations are currently catered for by the catering service. They currently pay the cost price for the meals; however true cost recovery is very difficult and would potentially impact on the adults budget.
- We may implement the transformation programme and still struggle to achieve a net positive budgetary position, which would have financial implications for the council.

**Option C - Outsource the service**

- Work with an outside organisation to provide the service on behalf of the council.
- Cheshire East supported commissioning exercise (via catering service framework)
- TUPE existing staff into new roles
- Schools to hold budget and Cheshire East to support the procurement with internal resource.
- Approx. 1 – 2 years to implement

**Pros**

- Significant reductions on the £1m budget deficit would be returned within a short time frame (1 – 2 years). The reductions would be a result of CE no longer holding the budget.
- The ‘Catering Service DPS – 879’ is currently active until 31 March 2025 ([Food and Catering | Catering Services DPS - 879 \(ypo.co.uk\)](https://www.ypo.co.uk)). This would allow for effective procurement via DfE approved providers, reducing the need for an open procurement exercise to be completed.
- Cheshire East would remain as active players within the sector, providing us with the footing to continue to steer the direction of travel.
- With the close association between diet and life chances, it would be beneficial we retained some dedicated resource to monitoring the sector’s performance and direction.

- Supporting a commission may help retain healthy relationships between schools and the local authority. This may occur by us demonstrating our continued commitment to supporting them to deliver.
- By providing support with a commission, or utilising Cheshire East established commissioning frameworks, it will provide continued assurance of the food and delivery quality in our schools. Currently, we follow school food standards, which although are not statutory – we could continue to enforce if we were so inclined.
- We would protect staff associated with schools and minimise redundancies by utilising TUPE regulations.
- In the event of a large commission, we would be able to utilise economies of scale to negotiate the lowest price.
- A commercial provider would likely have significant experience within the sector, meaning they would be experts in the food sector and the benefits that come with this in terms of delivery, efficiency, optionality, and pricing.
- We wouldn't be liable for any future redundancy payments for staff who TUPE to external organisations.
- This option may support schools to access cheaper school meal provision. In the event of Cheshire East continuing to deliver, there are significant financial requirements to ensuring this delivery. By facilitating schools to resource their own arrangements from the market, they will be able to reduce the financial burden school catering creates.

**Cons/Risks**

- Cheshire East staff would still be involved in supporting a discretionary service.
- We would continue to have to have management and oversight costs, as we would need to resource staff to support the commission. This would prevent the budget from obtaining budget neutrality.
- There would be TUPE costs to the council in transferring the staff.
- A TUPE consultation would need to occur, creating delays and requiring staff resource to conduct the consultation.
- Management staff, not associated with school delivery, would be required to be redeployed or made redundant.
- If we supported the commission of catering suppliers, we would likely be reputationally responsible if any grievances were raised between the supplier and the schools.
- Conducting a procurement exercise with 87 schools would be a complex. This would require procurement resourcing and would also propose reputational risk if any issues arose.
- If we conducted the procurement, we would be required to satisfy public procurement regulations, causing additional timescales to be satisfied as well as assurance and insurance frameworks. Schools would need to satisfy these arrangements in the event of delivery, but if we chose to support this option then we would need to resource the exercise.
- There is potential we could see a drop in food standards if cheaper private sector providers are to find the opportunity attractive. This may have public health implications on our community.
- As schools will have to enter into contracts with their chosen provider, this is an additional requirement of schools in comparison to their current arrangements. They

will also have to manage the contracts and ensure they continue to achieve budget neutrality.

- Existing catering contracts would need to be taken into account, and if there were any wider impacts to reducing these contracts or terminating/not extending.
- Schools would be responsible for communicating this with pupils and their families, which could be a risk to our reputation if the messaging is not appropriate.
- Extra Care housing service currently use the catering team to deliver food in two locations (Oakmere and Willowmere).

#### **Option D – Do nothing**

- This option is not feasible as it would require Cheshire East to continue to subsidise, which our legal department have commented on as being in breach of the Subsidy Control Act (2022).
- This option would also result in continued financial pressures.

#### **Option E – ASDV/Teckal**

- Many of our schools are academies which would impact the 80/20 ASDV business differential.
- This option would require significant investment into service transformation, to supply the service with the commercial expertise and
- Continued Cheshire East terms and conditions will create a difficult environment to compete with the private sector on price. As 64% of the total budget expenditure of the catering service budget is on workforce – having higher workforce on-costs will impact the competitiveness of the business.

OPEN

## **Children and Families Committee**

**12 February 2024**

### **Consultation on changes to the school transport policies for children and young people**

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#### **Report of: Deborah Woodcock, Executive Director of Children and Families**

**Report Reference No: CF/47/23-24**

**Ward(s) Affected: All wards.**

#### **Purpose of Report**

1. This report provides a brief overview of progress to date against the plans to transform travel support for children and young people. It also provides a review of existing areas of discretionary transport and seeks approval from the committee on proposed changes to the school transport policies.

#### **Executive Summary**

2. Significant progress has been made in relation to the transformation of travel support for children and young people since March 2023.
3. Following approval at the children and families committee in September 2023, a consultation exercise proposing amendments to the school transport policies was undertaken between 15 November 2023 and 22 December 2023. The purpose of the consultation was to understand how parents/carers may be affected by the policy changes and seek views on how the service could make improvements. Following analysis of the results, this paper sets out a number of recommendations.

### **RECOMMENDATIONS**

The children and families committee is recommended to:

1. Scrutinise the progress to date in relation to the transformation of travel support for children and young people.
2. Consider and approve the proposed changes to the school transport policies and procedures set out below at paragraphs 9 to 32, including:

- a) the move to a consistent online approach to the application and review of school transport eligibility for all children and young people;
- b) the policy changes for post-16 students to make the offer of a personal travel budget (PTB) the default method of travel support;
- c) changes to the spare seats, charging and collecting payments for school transport, including the increase in charges for both post-16 parental contribution (where PTB cannot be offered) and spare seat provision to £900 per annum from September 2024 to be collected mainly by direct debit.
- d) amendments to the policy to reflect updated statutory guidance from the Department for Education.

## Background

4. In November 2022, the children and families committee considered a report setting out the findings and recommendations from an independent review of travel support for children and young people. The committee agreed a number of recommendations to progress the transformation of travel support over the next three years.
5. A subsequent report, presented in March 2023, provided more detail and the children and families committee resolved to:
  - a) Note the progress to date on implementation of the transformation programme, including the imminent appointment of specialist professional capacity, funded from the school transport budget.
  - b) Consider and approve the proposed arrangements in relation to the post-16 home-to-school transport policy statement for 2023-24.
  - c) Approve the proposals to go out to consultation and the results of the consultation will be brought back to committee, including:
    - i. the revised payments in relation to cash grants/personal budgets for the 2023-24 academic year.
    - ii. the proposed changes to the existing school transport policies in line with the Edge review recommendations, including the review of transport charges (the post-16, spare seat and Poynton High School scheme).
  - d) Delegate authority to the Executive Director of Children and Families, in consultation with the Executive Director of Place, to make decisions in relation to progressing the milestones and activity listed in the report, with any specific actions requiring a decision by committee to be subject of a further report.
6. In July 2023, the committee approved an increase of the current mileage rate for personal travel budgets (PTBs) from 25p per mile to 45p per mile, effective from September 2023, along with changes to the school transport policies and

procedures in relation to the process for claiming PTBs, including removing the requirement for parents / carers to provide proof of attendance, arrange regular monthly payments and provide flexibility within the scheme for exceptional cases.

7. In September 2023, the committee:
  - a) Approved the redesignation of the Willaston to Brine Leas Academy and Prestbury to Fallibroome Academy routes as 'Available Walking Routes'.
  - b) Approved the pupil eligibility changes that will be necessary as a result of the redesignation in line with the council's 'Compulsory School Age Education Travel Policy' to remove school transport from 75 pupils, following a 12 week notice period.
  - c) Approved the review of other sites across the borough which are currently designated as 'unavailable walking routes' for any financially viable improvement schemes which could make those routes 'available walking routes' to be brought back to committee for future approval.
  - d) Approved the proposal to go out to consultation on the current school transport policies, including the review of charging for post-16, spare seats and the Poynton High School scheme and for the results of the consultation to be brought back to committee.
  
8. Since the last paper considered by the committee in September 2023, the following progress has been made:
  - A dynamic purchasing system (DPS) has been established with the framework live on the council's procurement portal, ProContract. Following an exercise to review and optimise routes in the south of borough during October 2023, routes were tendered on a 'best priced bid' to commence in January 2024. We are currently reviewing how/if to run eAuctions for future tender exercises.
  - The offer for personal travel budgets (PTBs) was amended and the new arrangements were launched in September 2023, including an increased rate for existing parents.
  - Affected parents were made aware of changes to eligibility of the two routes that were assessed as safe to walk by the committee in September and free transport was withdrawn in January.
  - Work is underway to review other available walking routes to identify what remedial work is needed to re-classify routes currently deemed as unsafe to make them safe to walk and a paper will be presented to committee in April 2024.
  - Review and route optimisation exercise has commenced for routes in the north of the borough. These routes will be tendered in February 2024 to commence after the Easter holidays.

## Proposed changes to school transport policies

9. Following approval from the September committee, a consultation exercise took place between 15 November 2023 and 22 December 2023 and focused on the following policy proposals:
- The application and review process
  - Travel support for post-16 students
  - Spare seats, charging and collecting payments
  - Travel support for children under 5 years old
  - Updating Cheshire East's policy following guidance from the Department for Education
10. In addition, the consultation also sought suggestions for general improvements to the service, to be taken into consideration for future initiatives.
11. The current and proposed arrangements in relation to the policy changes are set out below.

### a) The application and review process

12. The application and review process for travel support is not currently consistent for all parents/carers. It is also not robust in ensuring that the right children and young people continue to get travel support in line with their needs. It is proposed to amend the process to provide consistency and clarity, including how applications are made, the eligibility for assessment, the provision of travel support and the process for appeals.

Current arrangements	Proposed arrangements
Applications are received through various routes. Parents/carers apply for mainstream education and post-16 through an online portal, whereas applications for SEND or social care transport are made via the relevant internal teams.	We are proposing that all applications, reapplications and reviews of entitlement are made by parents/carers online, with support provided for those who are unable to complete applications online.
Once a child/young person is approved for travel support, it is assumed that this will continue unless any changes are notified to the team.	Parents/carers will be asked to reapply for travel support whenever there is a change in the phase of education e.g. when moving from primary to secondary education.

### b) Travel support for post-16 students

13. Each council is required to publish its arrangements for transport provision for young people of sixth form age and adults aged 19 and over in education and training in an annual transport policy statement. This includes those with an Education, Health and Care plan (EHCP). This is a discretionary service, which means that councils can make arrangements which suit their own specific local needs and so this transport provision varies across local areas.

14. The Department for Education (DfE) has published statutory guidance that local authorities must consider when making their transport policy statements.
15. Currently, parents/carers of post-16 students in Cheshire East who are continuing in education or training beyond compulsory school age can apply for travel support. Most eligible students are provided with school transport and only a small number access a PTB.
16. Increasingly councils are looking at how they can deliver discretionary services at a lower cost. Several councils have reviewed how they deliver travel support for post-16 students. In Cheshire East, the following options have been considered:
  - (i) Continue with the current parental contribution and increase the charge
  - (ii) Only offer a personal travel budget, based on individual home to school/college mileage, for all eligible students to enable parent/carers to make their own travel arrangements for all but exceptional cases.
  - (iii) End all travel support for 16-19 year old students.
17. It is proposed that Cheshire East adopts option (ii) to move to an offer of personal travel budgets for all but exceptional cases. A number of councils have already moved to this approach, Some examples of these are below:
  - For one council it took several years to implement their policy change due to a judicial review, which found in their favour and a subsequent appeal, which they also won, as their policy was simplified and they were able to demonstrate that it considered school transport provision for exceptions. This council has seen an increase in the number of appeals and administration needed to process PTBs.
  - The second council only applied the policy for new post-16 students and their PTB is based on pence per mile. They have not been as flexible with appeals and are stricter at applying the policy; subsequently they have very few post-16 students on transport (mainly children in care).
  - A third local authority, a London borough, consulted on changes to its post-16 policy and now also offers PTB as its default method of travel support. It will consider exceptional circumstances and will also place pupils on existing transport if this is considered the cheapest option.
18. Whether applying an increased parental contribution or having the default option of a PTB it is important to look at any potential exceptions to policy and how parents / carers could show exceptional circumstances. It is expected that this is likely to be through medical need, distance to college, family circumstances, need for a specialist vehicle or low income.
19. Cheshire East's policy for PTBs was recently amended following consultation and a committee decision. Findings from this consultation suggested that the main barriers to taking up a PTB was the distance and time taken to get to school which as well as being potentially an exceptional circumstance, could be taken into consideration when placing children. The second highest barrier was that the PTB payment rate at the time did not cover costs – this has since been increased from 25p per mile to 45p per mile.

20. Amendments to the policy for post-16 students could potentially have a significant impact on parents/carers, but could also improve the experiences of young people and also provide significant savings. A focus on changing how we deliver travel support options for this cohort is critical and the decision to amend the policy should be made explicit in the next post-16 travel support statement to be published before the end of May 2024.
21. For those students who remain on transport as a result of exceptional circumstances or cheaper options available, such as colleges own transport being available, it is expected that the proposed increased parental contribution will apply (see section below on charging).

Current arrangements	Proposed arrangements
<p>Where the offer of a PTB is declined by a parent/carer, the local authority will arrange suitable transport to the nearest suitable establishment</p>	<p>The parent/carer will be expected to accept a PTB, except where:</p> <ul style="list-style-type: none"> <li>• It is more cost-effective for the young person to travel in a vehicle carrying compulsory age children where there is a spare seat</li> <li>• It is more cost-effective for the child to travel in vehicle carrying post-16 children who have met the exceptions criteria and where there is a spare seat</li> <li>• There are exceptional circumstances in relation to medical need, distance to college, need for a specialist vehicle or low income.</li> <li>• Parent/carers can prove that they are unable to accept a PTB.</li> </ul>
<p>The parent/carer makes a financial contribution to transport for 16-19 year olds.</p> <p>Where it is decided that it is necessary to provide transport for adult learners (aged 19 and over), this must be provided free of charge, although the local authority has the flexibility to contribute to, fund or charge for other transport solutions,</p>	<p>The parent/carer makes a financial contribution to post-16 transport where they are unable to accept a PTB due to exceptional circumstances or a more cost-effective solution is in place.</p> <p>The following applies when the young person is attending a course which they started after their 19<sup>th</sup> birthday (adult learners):</p> <ul style="list-style-type: none"> <li>- Where the local authority makes such arrangements, any transport provided must be free of charge. Where the local authority decides not to provide transport arrangements in a particular case, they still have discretion to pay all or part of the reasonable travelling expenses for the student.</li> </ul>

c) **Spare Seats, charging and collecting payments**

22. The provision of a spare seat is a discretionary service that not all local authorities provide. However, as spare seats are only offered where there is existing transport in place, any income from these charges are generally used to offset the cost of the transport for eligible children. Although the current charge for a spare seat is £460, it was previously £930. This was reduced some years ago to encourage further take up, however the number of pupils accessing the spare seat scheme have not increased significantly.
23. Eligible post-16 pupils may have to make a financial contribution towards any transport provision. This is currently set at £450 per year, which equates to approximately £2.50 per day. Current charges have not been reviewed or been subject to an inflationary increase since 2018 and represent a small proportion of the average cost to the council, which is currently £9,840 per annum for a post-16 student.
24. Information from other local areas suggests that Cheshire East's current charges are low. In a recent survey undertaken by another local authority of those areas who seek a parental contribution for post-16 travel, 83% of the 42 councils responding had higher charges than Cheshire East with the highest being £1550 per annum and the average £640 per annum. A neighbouring authority currently charge £880 per annum for spare seat transport.
25. It is also important to consider the charges to other children who access post-16 transport. Cheshire East colleges offer subsidised transport for their students and this ranges from free to £570 based on this year's charges. The main commercial bus operator in Cheshire East provides an annual student ticket for £490 per year.

Current arrangements	Proposed arrangements
<p><b>Spare seat</b> - parents/carers can purchase a spare seat for students that are not eligible for free home-to-school travel assistance on existing contracts if they are available. This provision is non-statutory. The price of a spare seat is currently set at £460 per year and has not increased since 2018.</p>	<p>The council would continue to offer spare seats to ineligible pupils where there is space available on existing contracts. The charge for a spare seat would increase to £900 per annum from September 2024.</p>
<p><b>Post 16</b> – parent/carers can apply for post-16 transport. There is an annual parental contribution of £450 levied for eligible 16-19 year olds. A parental contribution cannot be levied for adult learners in receipt of home-to-school/college transport. The provision of free or subsidised travel assistance</p>	<p>The charge for post-16 transport would be £900 per annum from September 2024 for those parents who were not able to take a PTB due to exceptional circumstances.</p> <p>Families on low income are encouraged to apply for the 16-19</p>

<p>will not normally be provided for mainstream students.</p> <p>Families on low income are encouraged to apply for the 16-19 bursary which is available from the post-16 educational provider.</p>	<p>bursary which is available from the post-16 educational provider.</p>
<p><b>Poynton High School scheme</b> - The council operates a bespoke scheme for Poynton High School. Transport Service Solutions (TSS) previously provided the high school with a school transport service. For students who are not eligible for free school transport they may purchase an annual bus ticket priced at £700 per year. When TSS ended in March 2022, its services transferred to the council, who have continued with the same transport providers and comparable arrangements. Eligible and ineligible pupils are transported to the school on the same vehicles.</p>	<p>Poynton High School are responsible for the price to be levied for this service.</p>
<p><b>Payment methods</b> - Parents/carers currently have the choice to pay online for school transport, in advance, either annually, termly or half-termly.</p>	<p>Payment will be made through direct debit to limit the administrative burden. Payments will be made monthly, in advance, and will therefore commence in August through to June inclusive.</p>

d) **Travel support for children under 5 years old**

26. The statutory duty for councils to provide travel support commences the term after a child reaches 5 years old up to age 16. Cheshire East currently provides support to 70 children under 5 on a discretionary basis, usually travelling with older pupils on contracted transport. The council could consider removing travel support for this cohort of children or make a spare seat charge.
27. Removal of travel support for under-fives would result in either savings through potentially being able to procure smaller vehicles or additional income by applying a charge.
28. As at some stage during a school year it is expected that the child would become eligible for free transport, it is feasible that the service may have to reprocur these routes more often. This would potentially have a negative effect on price and less efficient operationally.

29. There is a risk that some parents may choose to delay their child starting school to avoid the cost of transport. This would also disadvantage those children who live in rural areas and do not have a local school nearby.

Current arrangements	Proposed arrangements
To be eligible for travel support children must be of compulsory school age which commences at the term following the child's 5 <sup>th</sup> birthday. However, the policy states that as children may start in reception class in September following their 4 <sup>th</sup> birthday, they should also be considered eligible.	No change proposed

e) **Updating policy following guidance from Department for Education**

30. In June 2023, the Department for Education (DfE) updated the statutory guidance to help local authorities perform their functions in relation to home to school travel for children of compulsory school age. This has been analysed to understand whether there are elements of the current policy that does not reflect the latest guidance.
31. The areas where Cheshire East propose to amend its policy are set out below.

Policy area	Proposed arrangements
Parental preference schools	<p>Local authorities should take into account the cost of travel when deciding whether it would be incompatible with the efficient use of resources to name the parent's preferred school in the EHCP.</p> <p>The local authority should clearly record their decision to name the parent's preferred school on the condition that, with agreement from the parent, the parent arranges or pays for the travel. It should be made clear that they may review the school named in the EHC plan if the parent is then unable or unwilling to arrange or pay for the travel. Transport should not normally be recorded in a child's EHCP. We therefore recommend that the local authority records this information in a formal letter to the parent.</p>
Foster carers	Foster carers receive an allowance to cover the cost of caring for a child. Being in receipt of foster care allowance does not affect a child's eligibility for free travel to school, but a local authority may meet their duty in respect of an eligible child by including

	additional funding in the foster care allowance, provided this is agreed with the foster carer.
Pick up points	It may not always be necessary to provide children with 'door to door' transport in order to meet their needs. Many will be able to walk to a suitable pick-up point to be collected, provided they would be able to do so in reasonable safety, accompanied by their parent, if necessary. Some children's needs will mean they need to be collected from their home. Local authorities should not have a policy that they never provide door to door transport and should make decisions on a case-by-case basis.
Temporary mobility problems	A child may be eligible because of temporary mobility problems but, due to the short-term nature of some mobility problems, it may not always be practicable for the local authority to make travel arrangements before the child has recovered.
Where a student is at risk of permanent suspension from a school, a managed move may be arranged with an alternative school for a trial period. Responsibility for transport to the alternative school is that of the school and/or parents.	Where they are suspended (temporarily excluded) from a school (but remain a registered pupil of that school) and attend an educational establishment that is not a qualifying school and is not within the statutory walking distance of their home, then that educational establishment must be treated as if it were a qualifying school for the purposes of eligibility for free travel.
New travel support options.	The legislation permits local authorities to meet their duty in respect of an eligible child in a range of alternative ways, provided they have the consent of the parent. For example, with the agreement of a parent, the local authority might: <ul style="list-style-type: none"> <li>• provide expenses to enable the parent to make their own travel arrangements for their child;</li> <li>• pay a cycling allowance to enable a child to cycle to school;</li> <li>• provide independent travel training to a child where it is appropriate to do so;</li> </ul>

	<ul style="list-style-type: none"> <li>provide someone to escort the child, for example when they are walking or wheeling to and from school.</li> </ul>
Establishing students permanent home address.	<p>It is proposed that the wording in the compulsory school age policy mirrors the current wording in the post-16 statement.</p> <p>The student's permanent home address must be in the Cheshire East administrative boundary. The student's place of residence will be the address of the parent with whom the student is permanently resident. Supporting information may be requested to verify the place of residence. To ensure a fair process, administrative checks may be undertaken, which may include verifying addresses against Council Tax records. Where a student lives between two addresses, the permanent home address will be taken to be where the student wakes up for the majority of the week (Monday to Friday) and it is this address that will be used for transport purposes. If it is not possible to determine which is the permanent address by this test, then residence will be determined based on where the student is registered for purposes of child benefit (if applicable) or where the student is registered for GP purposes.</p>
For post-16 students offered travel support rather than a PTB, rules on school transport timings to be aligned with compulsory school age.	<p>For eligible children, the local authority will provide travel assistance for the start and end of the school day only. Travel assistance during the day between schools or to other specialist provision is the schools' responsibility. Travel outside the usual school start and finish times will be the parent's responsibility. The local authority will consider travel support for students on part-time timetables.</p>

## Consultation and Engagement

32. Between 15 November 2023 and 22 December 2023, a consultation exercise was undertaken on the above proposed changes to the existing policy. The purpose of the consultation was to understand the impact these proposals may have on those who are currently eligible for free home to school travel support or who purchase a spare seat.
33. The consultation was targeted at parents and carers who would be likely to be affected by these proposals. Links to the consultation were shared widely with parents / carers schools and Cheshire East staff. The service also engaged with the Parent Carer Forum prior to consultation to promote responses. In summary:

- **Responses** - the exercise generated 444 consultation responses; 439 completed the survey directly and a further 5 sent email responses. Nine out of 10 responses were from students, or parents / carers of children currently receiving school transport.
- **Application and review process** - the proposal to make the application process 'digital by default' was endorsed by the majority of responders – 63%, whereas 17% opposed this. 29% of respondents supported the proposal to make people reapply for travel support whenever there is a change in the phase of education, but 54% opposed this.
- **Post-16 travel support (PTBs)** – there was a mixed response to proposals to amend post-16 travel arrangements.
  - 49% preferred to see existing arrangements continue even with a higher contribution from parents.
  - 25% would like to see a PTB offered and a further 23% would like to see some other proposal offered.
  - Just 3% stated that travel support for post-16 students should end
  - The most positive responses from the survey were around creating exceptions to the policy for post-16 travel support, where certain criteria were met. A large number of respondents felt that all four exceptions should be considered. Results are shown in the following table:

Criteria	Percentage agreeing should consider exception
A specialist vehicle is required for accessibility	79%
Students' medical needs require provision of passenger assistant	78%
Most suitable college/school is a long distance from home	71%
Family income is low	71%

- **Post-16 charges** – In response to post-16 charges:
  - Most respondents (65%) felt that post-16 travel charges should be increased and reviewed every 2 years.
  - Only 9% felt that charges should be increased and adjusted by inflation each year and backdated to 2018.
- **Spare seat charges** – responses included:
  - The majority of respondents (66%) would like to see the spare seat scheme retained – 10% opposed it.
  - There were mixed responses to aligning payment with post-16 (42% in support, 30% opposed).
  - 62% felt that charges should be increased and reviewed every 2 years”.
  - Just 9% felt charges should be increased and adjusted by inflation each year and backdated to 2018.

- **Payments** - 75% of respondents supported the council's proposal to collect charges monthly by direct debit, 7% opposed this proposal.
- **Travel support for under-fives** - 31% of respondents supported the removal of travel support for under 5 year olds, whereas 48% opposed this proposal.
- **Improvements to home to school transport** - the consultation asked whether there was agreement with a list of suggested ways to improve home to school travel support. Most responses agreed with the initiatives as detailed below:

Suggested Improvement	Percentage agreed/ disagreed
Encourage transport operators to introduce more bus services where there is demand	83% / 8%
Work with schools / colleges to enable them to increase capacity within their own fleet of vehicles	72% / 13%
Develop a programme for independent travel training	51% / 22%

## Reasons for Recommendations

34. Free travel to school is a valuable service for many families, but budget pressures mean that the council often has to make difficult decisions about how to make best use of the limited resources available to them. The council must comply with their duty to arrange free travel for eligible children, but it has some discretion in how they do this.
35. Like many councils across the country, Cheshire East Council currently spends a significant amount of its budget on providing transport for children and young people. As these costs are expected to continue to rise, it will adversely affect the level of service we are able to provide to children and their families. Many school travel charges have not been reviewed or been subject to inflationary increases since 2018. Therefore, changes are required to enable the council to continue to deliver its statutory duties in a cost-effective manner.
36. There were some changes as a result of the publication of the updated statutory guidance in June 2023 that have been taken into consideration in the review of Cheshire East's policies.

## Other Options Considered

37. The option of not implementing any of these recommendations has been considered. Unfortunately, due to the financial pressures experienced by councils across the country, difficult decisions must be made particularly in relation to non-statutory services and the level of service provided.

38. The council could decide to remove free travel support for children aged under five. However as set out above, there are risks associated with this proposal and it would also be unfair to those children who live in rural areas of the borough.
39. The council could consider removing all post-16 transport. However, this would leave the local area open to challenge in how it is facilitating the attendance of all persons of sixth form age receiving education or training set out in the statutory guidance.
40. The council could decide to phase the introduction of the increase in charges, for example, by increasing the charge to £700 in September 2024 and then rising to £900 in September 2025. This would reduce the amount of income from charging on options B, C and D in the table at paragraph 50 by over 50%, for example, spare seat income would reduce from £11,550 to £5,250 in 2024/25 (7/12ths of the year) and from £19,800 to £9,000 for a full year.
41. The council could decide to introduce a higher increase to the charges for post-16 and spare seat transport. Given the cost of living crisis and that many young people will be in existing arrangements or have made plans for September, a significant increase is likely to have a negative impact on their plans.
42. The council could reduce the charge for post-16 and spare seat transport. Given the council's current financial position and that Cheshire East's charging rates are currently lower than most other areas, reducing charges would put further pressure on the school transport budget thus reducing the council's ability to deliver its statutory duty in respect of school transport.

## **Implications and Comments**

### *Monitoring Officer/Legal*

43. The local authority is required by the Education Act 1996 as amended by the Education and Inspections Act 2006 to make suitable travel arrangements for eligible children to attend school. This includes the duty to promote sustainable modes of travel for children and young people of compulsory school age. The government issued statutory guidance around home-to-school travel and transport in 2014. This was updated in June 2023.
44. This means that a local authority is under a duty to have regard to it when performing their duties in relation to home to school travel and transport and sustainable travel.
45. The local authority's transport duties apply in respect of arrangements for young people aged 16-18 years and those continuing learners up to 19 years. Under Section 509(AA) Education Act 1996 the local authority has a duty to set its own transport policy, details of transport arrangements and financial assistance in respect of reasonable travelling expenses that the local authority considers it necessary to ensure access to education or training for learners of sixth form age. The local authority must publish the statement before the 31 May and publishing by that date would demonstrate adherence with the law.

46. Section 509 (AB) (1) Education Act 1996 requires local authorities to set out how their transport statement facilitates the attendance of young people with SEND.
47. Local authorities must publish their transport policies on their “local offer” as required under s30 of the Children and Families Act 2014.
48. The local authority has a legal duty to ensure that any decision it makes is transparent and has been made applying the Wednesbury principles and has a rationale for the decision made. When carrying out a consultation certain guiding principles (‘The Gunning principles’) must be followed. The Gunning Principles are a set of rules for public consultation that were proposed in 1985 by Stephen Sedley QC and accepted by the Judge in the Gunning v LB of Brent case, which was a case that centred on a school closure consultation. Prior to this very little consideration had been given to the laws of consultation. In delivering his judgment, Sedley defined that a consultation is only legitimate when these four principles are met:
  - Consultation must take place when the proposal is still at a formative stage
  - Sufficient reasons must be put forward for the proposal to allow for intelligent consideration and response
  - Adequate time must be given for consideration and response
  - The product of consultation must be conscientiously taken into account

#### *Section 151 Officer/Finance*

49. The current arrangements for providing travel support for children and young people are unsustainable. The transport budget accounts for almost 20% of the budget for children’s services. Any savings made against this budget will be reinvested into children’s services and used to target those children and young people most in need.
50. Budget proposals relating to the transformation of travel support form part of the council’s medium term financial strategy 2023-27 (MTFS 24). This included funding a net increase for home to school transport costs of £5.4m over the next four years, but changing eligibility criteria to maintain a sustainable service. These proposals are a key part of this change and would help realise a proportion of savings that are included in the £2.1m proposed savings, which are included within the net +£5.4m MTFS, over the next four years.
51. The 2024-25 MTFS includes a proposed additional savings target of £0.4m relating to post-16 travel support. This discretionary transport is being reviewed to consider alternative arrangements, as outlined in this paper, in order to deliver the MTFS saving.
52. A breakdown of the school transport budget for 2023/24 is set out below:

Budget Area	£'000
Direct Transport - Home to School Contracts	15,237
Commissioning Budget - School Crossing Patrol & Flexi link	395
Staffing	525
Spare Seat and Post 16 Income	-57
Further Mitigation - Challenge process SEND	-500
Estimated savings put forward by Edge	-545
<b>Total Budget</b>	<b>15,055</b>

### Financial implication of amending policy for post-16 students

53. The annual spend for post-16 students was £1.342m in 2022/23 with current spend forecast to be £1.355m for 2023/24; this figure does not include any post-19 students. Most of the 130 16-19 year old students receive transport, although some do share with post-19 / compulsory school age children, and a number already take the PTB option. Parental contributions for 110 students result in income of £49,500 per annum.
54. If all 16 to 19 year old students were offered and took up a standard PTB the spend would reduce to approximately £596k per annum. Considering the loss of income from the parental contribution being removed, the council could achieve a net saving of approximately £709.5k.
55. If the council continued providing existing services but decided to increase the parental contribution from £450 to £900 per annum from September 2024, the additional income would be £28,875 in 2024/25 and £49,500 in 2025/26, based on the current cohort.
56. If only half of the current cohort converted to PTB with the rest remaining on transport, savings could still be achieved in the region of £355k, plus any additional parental contribution charges if an increase were applied.

### Financial implication of raising spare seat charge

57. There are currently 45 students who are ineligible for free transport but purchase a spare seat at a cost of £460 per annum. An increase to £900 from September 2024 would generate additional income of approximately £11,550 in 2024/25 and £19,800 in 2025/26 based on the current cohort.

### Financial implication of amending policy for pupils under 5 years old

58. Changing policy to end travel support for under 5s would have little impact on the number of journeys undertaken as they are usually travelling on transport with older eligible pupils. If charging was introduced in line with the above up until the term after the child's 5<sup>th</sup> birthday additional income is estimated at £27,200 for 2024/25 and £40,500 for 2025/26.
59. Below is a summary of the various options detailed above. These estimates are based on current child numbers, as this is an activity based service these figs can only be estimates based on current information.

Option	Potential change	Estimated savings/income in 2024/25 financial year (7/12ths)	Estimated savings/income in 2025/26 financial year
<b>A</b>	<b>Post-16 all PTB</b>	£413,870 saving	£709,500 saving
<b>B</b>	<b>Post-16 increased charge for all</b>	+£28,875 income	+£49,500 income
<b>C</b>	<b>Post-16 – 50% PTBs and 50% increased charge</b>	£206,930 saving +£14,438 income	£354,750 saving +£24,750 income
<b>D</b>	<b>Spare seat increase</b>	+£11,550 income	+£19,800 income
<b>E</b>	<b>Charge for under 5s</b>	Up to £27,200 income	Up to £40,450 income

### *Policy*

60. If the recommendations in this paper approved, it would require a change in the school transport policies.
61. This proposal support's the following council's priorities and aims.

<b>An open and enabling organisation</b>	<b>A council which empowers and cares about people</b>	<b>A thriving and sustainable place</b>
<p>Ensure that there is transparency in all aspects of council decision making</p> <p>Listen, learn and respond to our residents, promoting opportunities for a two-way conversation</p> <p>Support a sustainable financial future for the council, through service development, improvement and transformation</p>	<p>Ensure all children have a high quality, enjoyable education that enables them to achieve their full potential</p>	<p>A transport network that is safe and promotes active travel</p>

### *Equality, Diversity and Inclusion*

62. An equality impact assessment has been completed in relation to the proposed changes.

### *Human Resources*

63. There are no HR implications as a result of these recommendations.

### *Risk Management*

64. A risk management framework has been established as part of the transformation programme for travel support.
65. There is a risk that initially moving to PTBs for 16-19 year olds will create additional administration work and increase the number of appeals. This can be mitigated by administration savings through the collection of charges through direct debit and the experience of other councils shows that appeals decrease over time and the process can be streamlined.
66. There is a risk that the service may not meet the PTB conversion rate immediately due to the number of journeys to establishments outside the borough. The service is looking at ways to mitigate this by improving local provision and therefore reducing the need for long journeys.

### *Rural Communities*

67. Children and young people across all areas of Cheshire East access travel support. However, as the statutory provision of free home-to-school transport is based on distance to school, residents in rural areas of the borough are more likely to be eligible for travel support and therefore affected by any changes. Children living in rural communities often rely on travel support to access their learning and any proposals to improve the delivery and customer experience for these services supports these rural communities.
68. If members chose to approval the proposal for the removal of free transport for children under 5 year olds, this could have a disproportionate effect on children in rural communities as they constitute the majority of pupils who currently receive transport in this cohort. Any decision to change policy should take this into consideration.

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

69. Children, young people, and their parents are key stakeholders in the transformation programme. The transformation of travel support aims to improve travel options for eligible students.

### *Public Health*

70. The provision of walking and cycling routes to school and promoting active travel, including safer walking routes to school is in line with our Public Health priorities. Extending and improving the travel options available to eligible students could encourage more active and healthy methods of getting students to school.

*Climate Change*

71. These recommendations will have a limited impact on the environment, and we are actively promoting healthier and greener journeys to school.

<b>Access to Information</b>	
Contact Officer:	Gill Betton, Head of Children's Development and Partnerships <a href="mailto:Gill.betton@cheshireeast.gov.uk">Gill.betton@cheshireeast.gov.uk</a>
Appendices:	Not applicable
Background Papers:	The current school transport policies can be found at: <a href="#">School transport policies (cheshireeast.gov.uk)</a>

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OPEN

**Children & Families Committee –****12<sup>th</sup> February 2024****Sufficiency Strategy 2024-2027 - Cared  
for Children and Care Leavers****Report of: Deborah Woodcock, Executive Director, Children &  
Families****Report Reference No: CF/29/23-24****Ward(s) Affected: All Wards****Purpose of Report**

- 1 This report intends to provide the Children and Families committee with the opportunity to consider and note the Sufficiency strategy for children's social care. The strategy outlines our vision to intervene early, prioritising the safety of children by keeping them at home whenever possible. It clearly identifies our planned initiatives in children's social care and commissioning to address existing gaps in provision, emerging demands, and to stabilise family environments. At its core, the strategy encourages collaborative efforts in children's services to overcome traditional boundaries and achieve excellent outcomes for the children in our care.

The strategy provides background on some of the approaches being taken to implement demand management strategy and deliver against the medium-term financial strategy. Executive Summary

- 2 Our sufficiency strategy is based on the government's 2023 '[Stable Homes Built on Love](#)' strategy. We believe by implementing the six pillars of reform that this will lead to greater sufficiency within Cheshire East, and have therefore chosen to use these pillars as the structure for this strategy.
- 3 Cheshire East had a total of 533 Children in Care on 31<sup>st</sup> December 2023. This is the lowest number since August 2022, when we had a total of 529 children in care, and has fallen from a peak of 586 in May 2023.

- 4 The Strategy intentionally addresses our strengths and our areas for development with governance being established through a quarterly Sufficiency Board to continuously update and review this document.

#### RECOMMENDATIONS

The Childrens and Families Committee is recommended to:

1. Consider and note the 2024-2027 Sufficiency Strategy in the context of the medium term financial strategy and the cared for children and care leavers strategy 2023.

### **Background**

- 5 The Sufficiency Statement is a statutory document that all Local Authorities have a duty to update and publish on a yearly basis, in accordance with Section 22G of the Children Act 1989.
- 6 The Sufficiency Duty places a responsibility on Local authorities to have enough suitable homes for cared for children and care leavers. Local Authorities can find it difficult to meet their sufficiency duty for many reasons, and never more so than at present.
- 7 The sufficiency duty requires local authorities to ensure, so far as reasonably practicable, that it can offer enough suitable accommodation in its area to meet the needs of children who are looked after.
- 8 Local authorities must take into account the relevant statutory guidance. Two of the requirements are that local authorities:
  - I. Include the plans for meeting the sufficiency duty in their commissioning strategies.
  - II. Work with partners so that they can offer, where reasonably practicable, sufficient accommodation for children looked after in their local authority area.

### **Sufficiency Statement – Priority Actions**

- 9 The key actions are included in relevant sections of the strategy and outline 'what we will do' to improve sufficiency in that area.

### **Consultation and Engagement**

- 10 Extensive consultation with relevant teams has been continuous while developing the sufficiency strategy. This has included a wide range of

stakeholder groups including Providers, Placements North-West and relevant teams within Cheshire East Children's Social Care.

## Reasons for Recommendations

- 11 To meet the legal Duty under the Children Act 1989 to maintain an up to date Cared for Children's Sufficiency Statement.

## Implications and Comments

### *Monitoring Officer/Legal*

- 12 The Children Act 1989 places a general duty on Local Authorities to safeguard and promote the welfare of children within their area who are in need and so far as is consistent with that duty to promote the upbringing of such children by their families. Where inconsistent with that duty, a child must be placed within their area if at all possible.
- 13 The sufficiency duty contained in Section 22G Children Act 1989 requires local authorities to act strategically in respect of cared for children who are provided with accommodation in their area and to ensure there is sufficient accommodation that meets their needs and is within their Local Authority area. Publishing a sufficiency strategy evidences compliance with the sufficiency duty.

### *Section 151 Officer/Finance*

*Medium Term Financial Strategy savings this Strategy and associated activity will be required to deliver:*

<i>Action</i>	<i>Saving</i>	<i>Budget</i>
Review of commissioned services across the Children and Families Directorate.	£0.1m	£1m for commissioning contracts
Increase our in-house foster placements to reduce the need for high cost independent placements, through a targeted approach to recruitment and retention. This will be supported by the involvement in a regional programme for foster care recruitment and an internal focus on family networks.	£0.25m	£27.4m (internal and external placements)
Increase Commissioning approach to establish greater opportunities to provide accommodation for 16+ young people through block contract commissioning.	£0.4m	£3m

Review of high-cost low outcome external residential placements to support effective and safe stepdown.	£1m	£27.4m (internal and external placements)
Total savings	£1.75m	

*Policy*

- 14 The recommended option directly supports the priorities within the Cheshire East Council's Corporate Plan 2021-2025.

**Priority****Aims and objectives**

A council which empowers and cares about people

- Work together with residents and partners to support people and communities to be strong and resilient
- Increase the life opportunities for young adults and adults with additional needs
- Be the best Corporate Parents to our children in care

An open and enabling organisation

- Promote and develop the services of the council through regular communication and engagement with all residents
- Support a sustainable financial future for the council, through service development, improvement and transformation

*Equality, Diversity and Inclusion*

- 15 Equality Impact Assessment accompanies the Strategy as an additional Appendix to this report – completed between November 2023 & January 2024.

*Human Resources*

- 16 There are no HR implications to this report

*Risk Management*

- 17 There is an explicit expectation under the Children Act 1989 and Ofsted inspection regimes to meet the sufficiency duty and to set out how Cheshire East intend to meet needs for children and families. If we do not have an up to date sufficiency statement this can form part of the basis for a limiting judgement.

*Public Health*

- 18 No significant impact on Public Health.

*Climate Change*

- 19 Nil impact.

<b>Access to Information</b>	
Contact Officers:	Samantha Derbyshire – Head of Service for Children’s Provision  <a href="mailto:Samantha.derbyshire@cheshireeast.gov.uk">Samantha.derbyshire@cheshireeast.gov.uk</a>
Appendices:	Appendix 1 –Sufficiency Strategy 2024-2027  Appendix 2 – Equality Impact Assessment to accompany (and part-inform) Sufficiency Strategy 2024-27
Background Papers:	N/A

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# Sufficiency Strategy

January 2024 - 2027



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# Foreword

In Cheshire East, we consider the care of our children and our role as corporate parents to be a crucial responsibility held by councillors, senior leaders, and everyone across the partnership who works with children and young people.

We are committed to providing the best support for children and their families as soon as they need it. It is our aim to keep children and young people within their families and their communities when it is safe to do so. When children need to be cared for by the local authority, we need to ensure they receive love, nurture, and opportunities in safe and stable homes. This three-year strategy outlines our intention to secure every child a stable, love-filled home - fostering the childhood everybody deserves.

When children are in care, the local authority assumes the role of the child's corporate parent - a responsibility we approach with privilege and significance. This collaborative role is well-understood, with councillors and practitioners working together to offer high support and challenge for excellent care and support, maintaining high aspirations for our children and young people's futures, but there is recognition that we could always do more. Therefore, my plea is for anyone reading this strategy to share its contents far and wide,

raising awareness of the vital role of foster carers and support services, to ensure our children have loving homes in which to thrive into young adults.

Our sufficiency strategy highlights our strengths but also our plan of action for the coming three years to improve the sufficiency and choice of homes to support our children and young people. Our approach is flexible, diverse, and influenced by the feedback of our children and young people. Thank you for taking the time to read it.



**Deborah Woodcock**  
Executive Director of Children's Services, Cheshire East Council

# Introduction

Our aim is for this sufficiency strategy to support us to achieve resilient and responsive services, so we can support the well-being and potential of every cared for child or young person. At the heart of this strategy lies a collective call to action, urging children's services to unite in collaborative efforts that transcend traditional boundaries during these unprecedented times.

We believe that embracing the government's 2023 '[Stable Homes Built on Love](#)' and implementing the six pillars of reform will lead to greater sufficiency within Cheshire East, and have therefore chosen to use these pillars as the foundation for this strategy. This vision is underpinned by the fundamental principle of the Children Act 1989 that children's welfare is paramount. Stable Homes Built on Love outlines that the ***“best way of promoting children's welfare is very often by supporting children's families and the loving relationships around them. To achieve this vision, we need to rebalance children's social care away from costly crisis intervention to more meaningful and effective help for families, so that it achieves the outcomes children deserve. Achieving this will require a major reset that puts love and stable relationships at the heart of what children's social care does”***.

Our strategy champions early help: strategically designed to provide timely support, guidance, and resources to families in need. We believe that children are best supported within their families and their

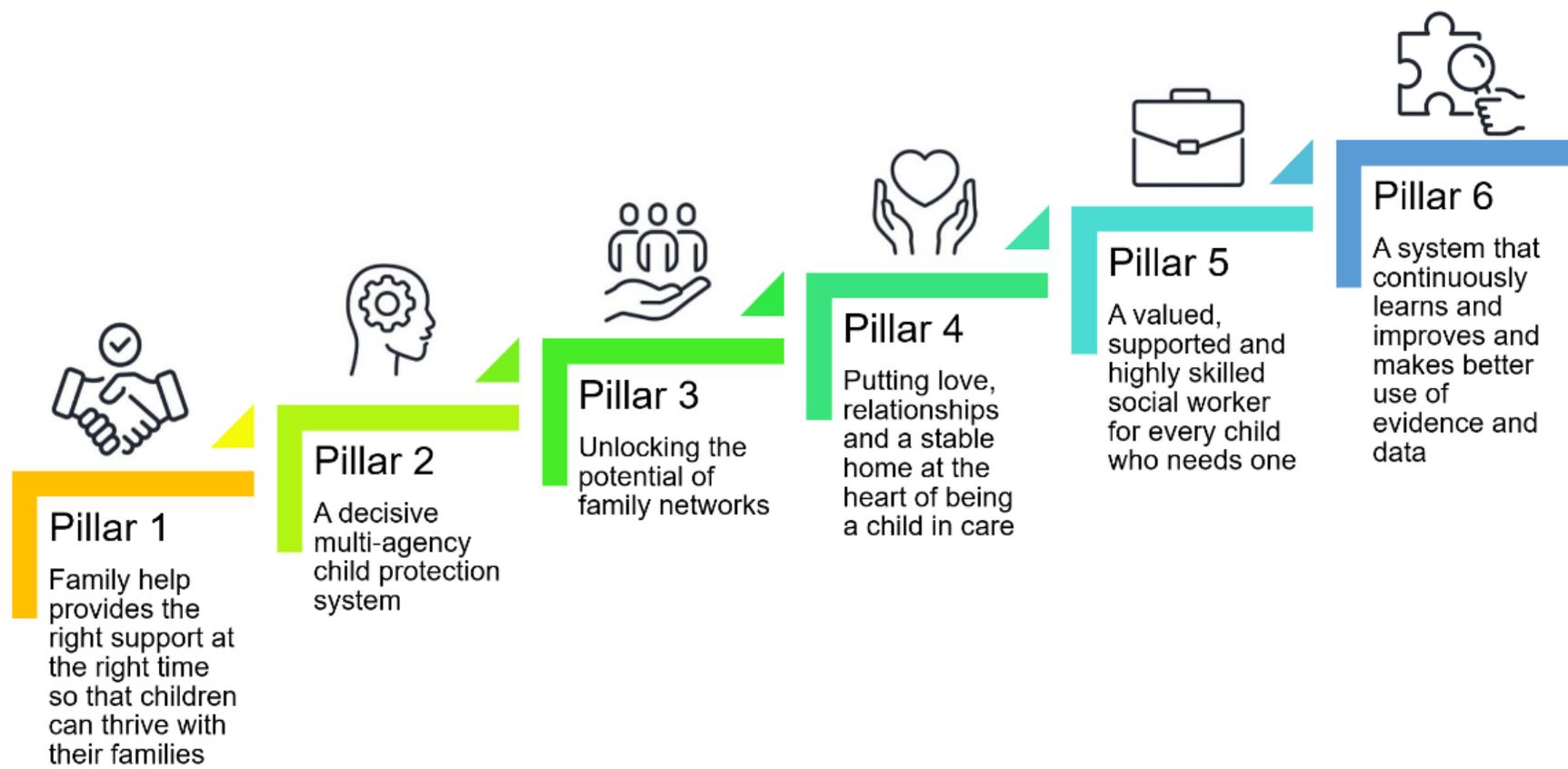
communities, and we want to keep children within the nurturing embrace of their family homes when it is safe to do so, reinforcing familial bonds and fostering stability. Our drive to work with families, hand in hand, to ensure children stay with their family or return to their families as quickly as possible, is a clear driving force for this strategy.

In addition, to meet the diverse sufficiency needs of our cared for children and young people, we have embarked on an ambitious journey to increase the number of foster carers, empowering our communities to play a pivotal role in the care and development of our cared for children. We are also cultivating our own residential children's home portfolio, ensuring that every child requiring residential care experiences an environment that mirrors the warmth and familiarity of a nurturing home.

Our collaborative action extends to a close partnership with local residential and supported accommodation providers, fostering a network of interconnected support structures that enable seamless transitions for our children and young people. The 'staying put' initiative within foster care is championed, recognising the significance of maintaining stability and consistency during crucial developmental stages, alongside our new 'staying close' offer, which aims to mirror the support for children leaving residential care.

Our commitment extends beyond our immediate borders as we actively build relationships with providers of children's placements across the country, to ensure our wider sufficiency needs are met and to prevent the need to call on unregulated provision. By establishing strong ties with these providers, we aim to create a network that keeps our children within their local communities, reinforcing the bonds that ground them in familiar surroundings, whilst providing the very best, regulated care.

In the pursuit of sufficiency, our strategy is not merely a roadmap; it is a testament to our unwavering dedication to the welfare of our children. **TOGETHER**, let us forge a future where every child in Cheshire East thrives within the embrace of a supportive and caring community.



## Our Journey

In 2023, Cheshire East Council's children's services became more integrated, officially uniting family help and prevention services with children's social care services under one director.

As we embarked on this transformative path, our shared goal was, and is, to work at **PACE**:

**P**roviding  
**A**ccommodation  
**C**ollaboratively  
**E**very time

This starts with our intention to see our children and young people living with their family or extended family members whenever possible.

We currently have **533** cared for children (as of December 2023) compared with 557 the same time last year in 2022 (a 4.3% decrease). The most significant increase in our cared for population was in May 2023 (appendix 1), when our cohort reached its highest number to date at 583 children. This increase took place around the time of our integration and since then we have seen a steady decline in the number of children required to be cared for, demonstrating the impact of our efforts to reform.

## Trends

A concerning trend is that appropriate, well-matched care isn't readily available for children with increasingly complex needs. A large proportion of private providers have used this to their advantage, by not only raising prices but also selectively choosing children with fewer complexities, pushing local authorities to resort to unregulated and very costly options. Children's homes, originally designed for three beds, are transforming into solo accommodation yet still charging the fee for three children for one placement, which is also skewing the national residential data.

As of 31 March 2023, there was a 9% increase in the number of children's homes (to 2,880) and a 7% increase in the number of places (to 10,818) compared with 31 March 2022. This continues the long-standing trend of the number of homes rising faster than the number of places. Regionally, the North West has the largest proportion of children's homes (26%) and 2,458 beds available ([2023 government statistical data set – table 3](#)), but this does not drill down into how many beds have been blocked by private providers choosing to charge the same amount but operate as a solo provision for children with more complex needs. As of 31 March 2023, private companies ran 85% of children's homes (2,450) providing 81% of places (8,791) compared to local authorities who only ran 12% (333) of children's homes providing 14% of places (1,529), highlighting a worrying imbalance that has ultimately significantly driven up costs.

We are also observing a concerning trend where children aged 10 to 15 face challenges in securing foster homes as part of their care

plan. While Cheshire East has a sizable cohort of foster carers for infants and toddlers and utilises supported accommodation for those aged 16 and above, the children aged between 10 and 15 can often end up in residential care or experience a number of moves, due to insufficient options to meet their needs.

To address the rising demand for suitable, nurturing homes, the council will open three of our own children's homes by April 2024 with plans for additional homes within a 12-month period. This initiative aims to provide a total of nine beds and one emergency bed, supporting our goal of keeping children within their communities. It will also allow us to work on an exciting project to support young people in residential care to move into specialist foster care (known as the STRETCH programme - stepping through residential enabling transition in Cheshire East).

We take pride in successfully implementing our PACE ethos and we have a clear protocol to avoid using unregulated placements. While on rare occasions unregulated placements may be used as an absolute last resort, we act swiftly to move our children into matched placements where they can begin to thrive.



# Pillar 1: Family help provides the right support at the right time so that children can thrive with their families

We want to provide support to families early so they get the support they need as soon as they need it, and to prevent issues from becoming more serious.

Cheshire East has a wide-ranging early help offer that is designed around evidenced need. We have a locality approach to delivering services so we can be responsive to local needs. The integrated front door provides a holistic whole-family approach to advice, support and referral to appropriate services across the continuum of need.

The council's early help offer is delivered through targeted family help teams and our strong start service, all aligned to the eight collaborative areas within our partnership [family hubs](#).

The council's @CT and @CE teams support our sufficiency strategy by supporting children and young people who are on the edge of care and by supporting children and young people to return home:

**@CT (Achieving Change Together)** work alongside children's social care to support children and young people on a child in need or child protection plan who are at high risk of exploitation. They also provide support to children on the edge of care, and where there is a risk of placement breakdown. Currently 80+% of children supported by @CT remain at home with their families.

**@CE (Achieving Change Early)** work with children and young people on extra family help plans or targeted family help plans to provide short term, intensive support to children who are showing multiple vulnerabilities to exploitation including: poor education attendance, missing episodes, anti-social behaviour and family conflict.

Cheshire East's youth support service, virtual school and our commissioned services, such as Change Grow Live who provide support for drug and alcohol abuse, all contribute to our integrated offer and support our sufficiency strategy by supporting children and young people to thrive with their families.



## Pillar 2: A decisive multi-agency child protection system

We have a proactive multi-agency approach to ensure that children and young people in Cheshire East feel and are safe. There are several ways we support this collaborative approach which are outlined below.

**Legal advice meetings (LAM)** - LAM is a weekly forum which consists of representation from children's social care teams, fostering service, legal service and Adoption Counts. The purpose of LAM is to consider cases where the threshold for significant harm has been met or a child is at continued risk of significant harm and agree an appropriate course of action for the child or young person.

Where this threshold is met, the council will use the pre-proceedings process as a last attempt to engage the family and to try and keep children and young people at home where possible. Within the pre-proceedings process, contingency options are explored and twin tracked, such as viability assessments of connected carers (under regulation 24) to support children to remain within their family network. At times it may be unsafe for children and young people to remain with their parents at this stage and children may be placed with connected carers under section 20 or regulation 24 arrangements during pre-proceedings. If positive change is made, the child/ young person can be rehabilitated home without the need to issue care proceedings. Where it is felt that children and young people are unable to remain with their parents, the council may need to issue care proceedings.

Children and young people who may need to come into care are considered by the **Resource and Accommodation Panel (RAAP)**. RAAP considers what resources are needed to best meet the individual needs of children and young people in a holistic and cost-effective way. RAAP meets weekly and includes representatives from across social care, early help, health, education, fostering, and partner agencies. It is chaired by heads of service and provides scrutiny, collaboration, and timely decision making to ensure the best outcomes for children and young people.

**Legal tracker** is a weekly meeting held with heads of service, fostering and our legal colleagues. Social workers and team managers also join to discuss specific children and young people. This meeting ensures that all parties are working together effectively to achieve permanence for children and young people at the earliest opportunity.

Newly formed **Triple-S (step-up, step-down, stability)** set up in July 2023 meets weekly and includes the placements team, social workers, team managers, independent reviewing officers, commissioning, fostering, and education. Triple-S considers children and young people who are experiencing issues in their current home (stability), who may need to have more support (step up) such as increased staffing or a move from foster care to residential, or who may need to move back to foster care, move on to independence or supported accommodation (step down). This panel looks at sufficiency across all areas and is chaired by the head of service for provision.

**Ignition Panel** is for young people aged 16 and over who are thinking about where and how they would like to live when they begin their transition to adulthood. Ignition is made up of a range of partners; housing, social landlords, YMCA, P3 and Forum Housing Supported Lodgings. Young people attend Ignition and describe their current situation and where they would like to be in the future. The agencies listen and then describe what they have to offer or what they could develop to meet the young person's needs. Young people can visit different provisions to inform their choices. Ignition also considers young people who have been supported to move on; this helps ensure that the home is still meeting their needs and develops our learning and knowledge of the available homes. Ignition supports us to identify any gaps and good practice and it has led to greater stability and choice for our cared for young people.

**Adoption Counts** is a regional adoption agency commissioned by Cheshire East Council which brings together professional expertise and specialist skills from four local authorities across Cheshire and Greater Manchester.

Our **improvement and impact plan** for early help and children's social care is driving improvements to our work to support children, young people and families. Progress against this plan is scrutinised by an independently chaired improvement and impact board, the Children and Families Committee and the council's chief executive through the corporate accountabilities meeting.

Ref	Action <i>What we will do</i>	Action Owner	By when
2.1	Develop a monthly step down panel to review the care plans for all cared for children who are not currently in foster care or planning to return home.	Head of Service Safeguarding and Quality Assurance	April 2024



## Pillar 3: Unlocking the potential of family networks

We want to support children and young people to stay with their family whenever it is safe to do so. Currently 22.2% of our cared for children live with a parent or family member but this number has the potential to increase. 21% of our children are accommodated under section 20 where there is a possible opportunity for them to return home or live with their family.

In January 2024 we formed a family group conferencing service. This service will support families and the people that are important to them (their family network) to build effective plans to keep children and young people safe at home or with people who already know and care about them. This service enables families and communities to support to children and young people and help keep them safe.

The family group conferencing service collaborates closely with the fostering service to conduct regulation 24 assessments for family and friends with the goal of assisting families to obtain a Special Guardianship Order (SGO) wherever possible, as we feel passionately that children's cultural and identity needs are best met within their connected family.

Ref	Action <i>What we will do</i>	Action Owner	By when
3.1	Track the impact of the family group conferencing service to ensure it is effective in supporting children to stay at home or with their extended family whenever possible. Quarterly reports to be presented to the Sufficiency Board.	Principal Social Worker	Quarterly 2024-2027
3.2	Special Guardianship Order (SGO) service to be reviewed and integrated with family group conferences so families know what is involved.	Head of Service Early Help and Prevention	Consultation in February 2024



# Pillar 4: Putting love, relationships and a stable home at the heart of being a child in care

## Foster care

We had a modest rise in approved foster carers in 2022-23 compared to the previous year but this was significantly short of our annual target. Shortage in foster carers has led to seeking options outside Cheshire East, incurring high costs for independent fostering agencies or even the need to use residential provision.

Our existing foster carers are very skilled, committed and passionate, and the addition of two mockingbird constellations has enhanced stability and matching for children and young people. To address our goals under PACE we've collaborated with seven neighbouring local authorities, establishing a unique recruitment hub and marketing package for 2024, to attract new foster carers and enhance sufficiency in our fostering service.



## What's going well:

- ✓ **Seven fostering families**, with a total of nearly **160 years' service**, were **presented with their Cheshire East long service award** at a special event in December 2023, demonstrating how committed and passionate our foster carers are.
- ✓ We have **125 children and young people living with Cheshire East mainstream foster carers** (86 fostering households).
- ✓ **92 children and young people are living with connected foster carers** - 69 are living with their extended family under an approved regulation 24 and a further 23 are living with their extended family who are waiting to be approved through our fostering panel.
- ✓ In total **217 (40.7%) children and young people are fostered with Cheshire East carers**.
- ✓ **62% cared for children are living in foster care** (including with both Cheshire East carers and independent fostering agencies).
- ✓ Cheshire East is part of a collaboration of eight local authorities that has secured over **£2.3million** in Department for Education (DfE) funding to transform fostering recruitment and retention across Cheshire and Merseyside. The funding will assist us to

recruit and retain more foster carers and improve placement sufficiency across the region.

- ✓ Our **Foster4 recruitment hub**, which will launch in April 2024, will help us to deliver a **more joined up approach to foster care recruitment** and provide an offer that is attractive and supportive to prospective carers.
- ✓ We have two **Mockingbird constellations**, with a further constellation on the way in early 2024. Mockingbird constellations offer foster carers and children and young people the additional support that families would receive through extended family members.
- ✓ We provided our foster carers with a **fee uplift in April 2023** and also increased the staying put fee. These fees will be kept under ongoing review in line with inflation.



## What isn't working so well:

- ✗ **We need to increase the number of foster carers.** We have 118 children living with foster carers from independent fostering agencies, along with young people who are ready to live in foster care who are currently living in residential. Positively 27 of these children are living within Cheshire East which enables them to stay connected to their communities, and 137 children are long-term matched with their carers.
- ✗ **We need to make better use of our capacity.** We have mainstream fostering capacity for 184 children, **however 59 of those are not being used** (we are at 67% occupancy) due to a variety of reasons from ill health, matching difficulties, or family circumstances.
- ✗ **Engaging family networks is taking place too late** so some children need a mainstream foster carer when they potentially could have lived with someone they already know. Our new family group conferencing service will support us to work with family networks earlier.
- ✗ **We are not increasing the number of foster carers fast enough.** We had two new mainstream foster carers approved in 2021-22 and three in 2022-23. However, from April to December 2023 we recruited seven new foster carers and have five applicants going through an assessment which would take the yearly total to 12.
- ✗ **Lack of emergency or weekend carers** can often force unsuitable matching or unregulated providers to be considered.

Ref	Action <i>What we will do</i>	Action Owner	By when
4.1	Support good communication between the council and foster carers, and continue to review foster carer fees to effectively support and retain our carers and increase stability.	Head of Service for Fostering	Continual
4.2	Look to build a specialist foster carer offer (PACE foster carers) to support children and young people to move from residential into specialist foster care.	Head of Service for Fostering	2024-25
4.3	Work in partnership with the other local authorities to build our Foster4 offer, ensuring there is an effective front door to the fostering service and increasing the number of foster carers within Cheshire East.	Head of Service for Fostering Service Manager for Fostering	April 2024
4.4	Understand why our current foster care capacity isn't being fully utilised and aim to achieve 85% occupancy for this coming period.	Service Manager for Fostering/ Placements	February 2024
4.5	Develop our third mockingbird constellation to increase support for foster carers and children and young people in foster care.	Service Manager for Fostering	September 2024

4.6	Promote different kinds of foster care (e.g. respite, emergency, weekend/ half term carers) during our Foster4 recruitment.	Foster4	April 2024
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## Residential Care

Currently, we have 42 children and young people living in residential children's homes. 21.4% of these are children and young people with disabilities.

Only 10 of the 42 children and young people live within Cheshire East. We know that living away from where they used to live can be difficult for children and young people and can significantly impact on contact with friends and family, education, and being part of a community. Placing children and young people away from the borough can also increase costs for the council. While the majority of the remaining 32 are on the borders of Cheshire East, there is a considerable sufficiency issue as the council doesn't have its own residential provision. To address this, plans are underway to establish three children's homes by April 2024 and an additional three by 2025. By April 2024 this will increase our sufficiency by 9 beds plus one emergency bed, but it still falls short of bringing all our children back to the borough.

Ongoing collaboration with private providers, whilst monitoring homes applying for change of use into children's homes, has begun to take place but needs more commitment to ensure we increase children's homes within our borough. Recruitment is underway for a placement service manager to spearhead these crucial conversations and to ensure private provider costs do not continue to increase outside of normal inflation.

## What's going well:

- ✓ **Only 8% of our cared for children and young people live in a residential children's home.**
- ✓ **The children and young people who live in residential care are doing well** and these homes have given them stability and nurture.
- ✓ **No children and young people are in unregulated placements** (January 2024).
- ✓ **We are planning to open our own children's homes in Cheshire East** with the first home opening in early February 2024 and a further two opening by April 2024.
- ✓ We will be **recruiting a new placements service manager** to support work with private residential care providers.
- ✓ **Some children and young people have successfully moved from residential children's homes** to their families, to foster care, or to independence.



## What isn't working so well:

- ✘ **Not having our own children's homes already**, forcing us to use external providers which is significantly driving up cost.
- ✘ **Low levels of availability for homes that can meet the needs of children with complex behavioural and mental health needs** that are affordable and sustainable.
- ✘ **Children's homes within the area are not prioritising Cheshire East children** to support them to stay within their communities.
- ✘ **Children and young people are remaining in residential care for too long** because the right home is not available for them to move to. We hope to see this improve as we implement our STRETCH programme and grow our PACE foster care offer, coupled with improvements in supported accommodation commissioning.
- ✘ **Lack of emergency provision.**
- ✘ **35.7% of our children and young people living in residential children's homes are under the age of 13** due to the lack of foster care sufficiency and specialist carers. This remains a focus area for us to work on.
- ✘ **Pressures with sufficiency for young adults (aged 16 and over) with complex needs** (learning difficulties, physical disabilities and mental health) who are not old enough for adult social care services, but there are very limited options for within children's residential care.

Ref	Action <i>What we will do</i>	Action Owner	By when
4.7	Open three Cheshire East Council residential children's homes before April 2024, which will include one emergency bed.	Head of Service Provision	April 2024
4.8	Appoint a placements manager to forge new relationships with both existing and new children's homes within the private sector and ensure there is regular quality assurance of homes.	Head of Service Provision	March 2024
4.9	Source new options in the market with a focus on supporting children with additional needs, mental health support beds (including block beds) and tight control of current provision costs.	Children's Commissioner Head of Service Provision	April 2024 and ongoing
4.10	Recruit residential staff for our new Cheshire East Council residential children's homes.	Residential Service Development Manager	March 2024
4.11	Deliver our new residential training programme, to include foster carers thinking of supporting the STRETCH programme.	Head of Service Provision Head of Service Cared for Children and Care Leavers	December 2024

4.12	Explore opening solo provisions as part of the council's residential children's home offer in 2024-25, in order to meet the more complex needs of our children who may not be suitable for foster care but cannot be matched easily in a group home.	Head of Service Provision	By 2025
4.13	Await the outcome of the regional care cooperative tender to ensure we are aligned with our statistical neighbours.	Head of Service Commissioning	April 2024



## Supported Accommodation and Supported Lodgings for 16+ and Care Leavers

We have a strong support team for our care leavers and our offer includes supported independent living, supported lodgings with host families', dispersed properties with the offer of floating support, and staying put arrangements, but there is still much more than needs to be done.

We currently have 78 young people living in supported accommodation with the majority living in Cheshire East. It is important to note that a number of our young people want to live outside Cheshire East, for example to live in a larger city where there might be greater job opportunities, or where they have extended family.

	In Cheshire East	Outside Cheshire East	Total
Supported Accommodation	53	25	78



## What's going well:

- ✓ **Young people are well supported by our strong care leavers team.** We are in touch with 98% of our care leavers (aged 17-21, as at 2 January 2024).
- ✓ **Commissioned YMCA provision** in the south of Crewe is working well and continues to **provide safe, quality accommodation** for our cared for young people aged 16 and over. This provides two emergency beds, three supported accommodation beds and 16 dispersed properties in the community.
- ✓ **Commissioned provision Watermill House (P3)** in the north of Macclesfield, consisting of one emergency bed, five supported beds, and two dispersed properties. We continue to maximise this commission and are due to review an expansion of this contract.
- ✓ **We have a commission with Forum Housing for a contract of 10 hosts** to support our young people who need more care and support with moving forward with their independence.
- ✓ **For the last four years, more of our young people have stayed put with their foster carers,** higher than our local statistical neighbours and the England average for 18-20 years olds (apart from a slight dip in 2022-23 for 18 year olds, appendix 3).

## What isn't working so well:

- ✗ **We are not maximising our commission with Forum Housing** and we need to raise awareness of this supported lodging service.
- ✗ **Our supported accommodation providers are increasingly uplifting their costs,** predominantly due to the recent requirement to register with Ofsted, which means that in some cases the cost is nearing that of residential care.
- ✗ Since our supported accommodation providers have needed to register with Ofsted, **we have seen providers become nervous about the amount of support they can offer as they fear this may be deemed as 'care'.** We have begun working with the National Association of Supported Accommodation Providers (NASAP) to outline the difference and ensure our care plans and placement requests are clear.

Ref	Action <i>What we will do</i>	Action Owner	By when
4.14	Lead on securing more provision that meets a diverse range of needs, while managing existing providers' cost expectations.	Children's Commissioner	Throughout 2024-25
4.15	Work with Cheshire Homechoice to increase the number of individual tenancies.	Children's Commissioner	Throughout 2024-25
4.16	Tender for 16+ and care leavers accommodation.	Children's Commissioner	2024

## Staying Put / Staying Close

Staying put allows our young people to remain with their foster carers until the age of 21 and it is still one of the best ways in which they can achieve permanence and stability as they enter adulthood. Whilst our current figure of 33 young people staying put represents an increase from last year, applying the DfE national averages to our population of 18, 19 and 20 year old care leavers shows that we still have more to do in this area.

A survey conducted in November 2023 of our staying put arrangements enabled us to hear from our carers and we increased our staying put fees in line with our foster fee increase.

Earlier this year we were successful in applying for DfE funding for staying close. Staying close mirrors the staying put offer for young



people who have either lived in residential care or in 16+ accommodation. It will mean that in each of the first two years, 25 of our most vulnerable care leavers will receive the additional support and stability that they need. We have recruited our staying close team and launched staying close from January 2024. This offer will support us in our sufficiency by supporting young people leaving residential care with their independence, education, employment and training, accommodation, and emotional wellbeing.

Ref	Action <i>What we will do</i>	Action Owner	By when
4.17	Implement changes in response to the feedback from the staying put survey carried out in November 2023.	Fostering Service Manager	September 2024
4.18	Increase awareness of staying put through improved information to foster carers and through collaboration at Ignition Panel.	Fostering Service Manager Care Leavers Team Manager	Throughout 2024
4.19	Continue to grow our staying close service and evaluate the impact of this offer, providing regular updates to the sufficiency strategy board.	Care Leavers Service Manager	2024-25
4.20	Secure staying close accommodation for young people aged 18+.	Care Leavers Service Manager	February 2024

## Children with Disabilities and Short Breaks

The council's children with disabilities social work team is currently working alongside 147 children and their families, ensuring their needs are met and providing necessary support. 125 of our children and young people are subject to ongoing assessment or child in need plans delivering specific support. The remaining 22 children are cared for.

As part of our efforts to recruit new foster carers for children and young people with diverse needs, we intend to leverage our marketing resources to enhance short break availability. Presently, we sporadically procure short breaks, leading to notable delays and increased costs, compounded by breaks often being located outside the area, escalating transport expenses. Upholding our commitment to keeping children local, we aim to collaborate with nearby providers to reassess our short breaks offer, empowering families to have more choices to navigate the challenges posed by a dynamic landscape.



We know we need to improve transition between children's services and adult services for young people with disabilities and will be developing a transitions strategy to support us to do this.

Ref	Action <i>What we will do</i>	Action Owner	By when
4.21	Review our current short breaks packages and look to source new local provision to increase our offer and choice.	Children's Commissioner	March 2024
4.22	Foster4 marketing to focus on attracting new foster carers who might be able to offer full time or short break care.	Foster4	June 2024
4.23	Establish a formal contract with Cheshire West and Chester Council to gain access to Pine Wood for Cheshire East families.	Children's Commissioner	August 2024
4.24	Cost and scope the opening of a Cheshire East Council children's residential home for children with additional needs.	Head of Service Provision	2025-26
4.25	Develop a strategy to improve transitions between children's, health and adult services.	Service Manager Child in Need and Child Protection /CWD	March 2024

## Unaccompanied Asylum Seeking Children (UASC)

In the past year (2023), our population of unaccompanied asylum seeking children (UASC) has grown at a significantly faster rate than anyone could have predicted. Since 2016 when we started this work in earnest, our cohort has grown to over 120 unaccompanied young people, either as cared for children or care leavers. There is naturally a growing impact on placement sufficiency and options for our UASC remain very limited. Each council in the North West regional strategic migration partnership is reporting that they are frequently struggling to find placements, particularly in foster care, and that supported accommodation often lacks the 'care' that these young people need having experienced such trauma.

Three significant factors have led to this dramatic increase:

- Improved security at the lorry and rail hubs in the French ports caused the people traffickers who organise this activity to switch their operations to the small boat crossings that now dominate much of the news agenda; as a result, many more asylum seekers have been able to cross the Channel than in previous years.
- The voluntary National Transfer Scheme rota (NTS), which was introduced in July 2021, did not work as intended; to address this in November of 2023 legislation which already existed within the Immigration Act 2016 was enacted to make participation in the NTS mandatory.

- Delays at virtually every stage of the immigration process mean that the Home Office must house large numbers of asylum seekers in hotels across the country, four of which are now located in Cheshire East and in which this summer, capacity was doubled overnight. Frequently, young people who are either clearly under 18, or who are within the borderline 17-20 age range (in which definitive age assessment is virtually impossible) are transferred to these hotels in error, and then subsequently become our responsibility under the Children Act 1989. In the calendar year so far, approximately three times as many young people have been admitted via this route than have been referred in via the NTS.

We could not have forecast the impact that Home Office hotels have had on our placement sufficiency, but to respond swiftly to this increase we are issuing a new tender to significantly expand the number of commissioned beds that we have in the borough, both for UASC and for the increasing numbers of our young people who struggle to live independently at 18 and above; this will include our new staying close project.

The disproportionate impact of Home Office hotels can be seen in our 2023 figures: in the calendar year, we received 86 referrals relating to 75 asylum-seeking individuals; of these, one was a spontaneous presentation on the M6, 10 young people came into our care via the National Transfer Scheme, 32 were admitted via the hotels while in a similar number of other cases, we rejected claimants as adults.

### What's going well:

- ✓ **We currently have an excellent, highly trained team working to ensure our UASC receive the best support once they arrive in Cheshire East.**
- ✓ **We have recruited two mainstream foster carers who specialise in supporting unaccompanied children**, a number of our existing foster carers have also supported our UASC, and our independent fostering agencies are working collaboratively with us to ensure we match our children.

### What isn't working so well:

- ✗ **Commission of new services to support our accommodation offer for UASC.**
- ✗ **We need more foster carers to support our UASC who are under 16.**

Ref	Action <i>What we will do</i>	Action Owner	By when
4.26	Commission a new tender to support our unaccompanied children and young people.	Children's Commissioner	September 2024
4.27	Work with our Foster4 collaborative to raise the profile of fostering our UASC.	Foster4	April 2024
4.28	Ensure our existing providers are upskilling their staff to meet the needs of all our children and young people, with a focus on UASC.	Placements Manager	April 2024



## Pillar 5: A valued, supported and highly skilled social worker for every child who needs one

Workforce stability is a key component of providing good quality support to families. We know that having a consistent social worker allows children, young people and families to build a trusting relationship which enables change and confidence.

Cheshire East has a strong, qualified workforce which, like other local authorities', can fluctuate at times, but for the most part remains stable. Whilst there has been a need to use agency staff at times to cover sickness and vacancies within some teams, we have had a consistent leadership team driving forward our vision and leading to greater sufficiency within the workforce.

We continue to demonstrate our commitment to our workforce by offering a comprehensive training pathway which strengthens the support we offer to children, young people, and families. We are extremely proud of our offer and recently embarked on a restorative practice model to assist us in putting relationships at the heart of everything we do.

To support our workforce to grow and develop and be sustainable long-term we have embarked on an ambitious apprenticeship training programme for those who want to become social workers, offering the opportunity to internal as well as external candidates. By using this model, we are able to 'grow our own' practitioners,

encouraging and fostering the values that we are proud to hold. Our apprentices work within our teams and study at our local universities to learn what it is to be a social worker and what qualities are required. We began our apprenticeship journey in 2020 and since that time have welcomed 22 practitioners onto the programme with six qualifying and taking up social work positions in our frontline teams.

Our integration of early help and children's social care has seen a reduction in social workers' caseloads, as work with families is starting earlier wherever possible. This reduction supports social workers to have time to develop more meaningful and impactful relationships with our children and their families, allowing for permanence to be achieved quicker, adding to our improved efficiency.

## Pillar 6: A system that continuously learns and improves, and makes better use of evidence and data

We want to continually improve the support we offer to children, young people and families. We regularly evaluate what is working well and where we need to improve to drive developments. Three examples of improvements we have achieved in 2023 include improved timeliness of assessments which improved to 94% in October 2023, a reduction in the number of cared for children, and improved quality of practice as shown through our audits with more cases judged to be good quality.

Cheshire East has a business intelligence team that supports the collection and analysis of our data. We use a system called LiquidLogic that enables us to keep information about children and families safe and secure. A tool (Power BI) enables leaders and managers to view data and trends at any time to monitor performance and evaluate outcomes for children and young people. Managers hold weekly performance clinics to review performance with their teams and ensure visits, assessments and plans are completed within timescales. This supports us to be responsive to any issues as they emerge.

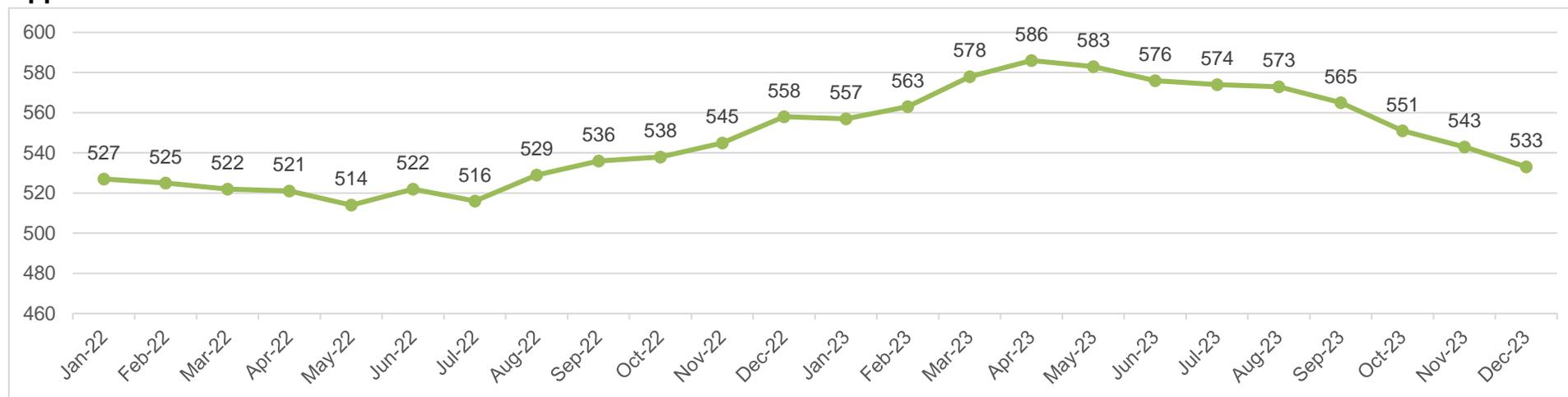
At the end of 2023 we launched a new quality assurance framework which includes monthly audits so we have an up to date picture on the quality of practice across our teams. We better understand how our involvement feels for families, and its impact, through the inclusion of visits to the family by the auditor and social worker as part of our audit process.

We are ambitious for children and are working on a number of service development projects to improve the support we offer including family hubs, embedding the restorative practice model, staying close, work with the sector led improvement programme on improving contextual safeguarding and care leaver services, and a regional project on social work recruitment.



# Appendices

**Appendix 1: Number of cared for children in Cheshire East from 2022-2023**

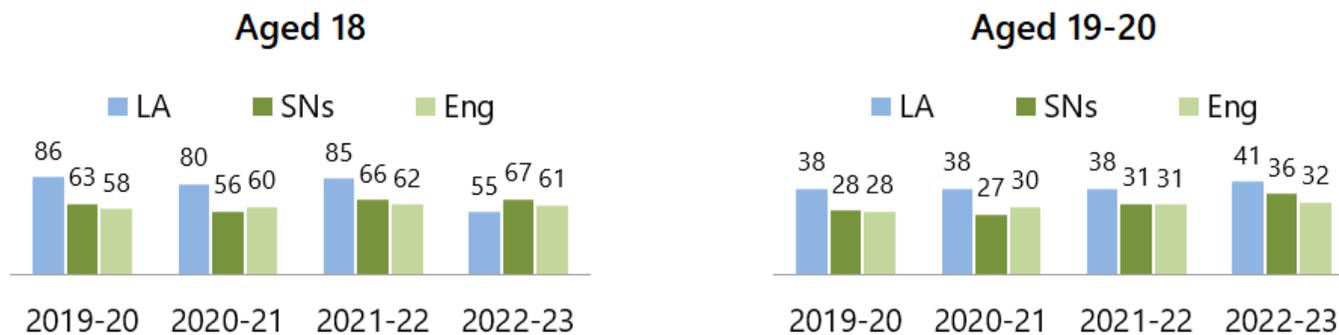


**Appendix 2: Legal status of cared for children in Cheshire East**

Age band	Interim Care Order	Full Care Order	Section 20	Placement Order granted	Emergency Protection Order	Police Protection in local authority accommodation	Remand/ trial/ sentence Local authority accommodation	Total
0 to 4	53	34	6	25	0	0	0	<b>118 (22%)</b>
5 to 10	15	63	7	7	0	0	0	<b>92 (17%)</b>
11 to 15	13	129	17	0	0	0	0	<b>159 (30%)</b>
16+	0	81	83	0	0	0	0	<b>164 (31%)</b>
<b>Total</b>	<b>81 (15%)</b>	<b>307 (58%)</b>	<b>113 (21%)</b>	<b>32 (6%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>533</b>

Appendix 3: Care leavers remaining with foster carers as of 2 January 2024

Remain with former foster carer



## Equality Impact Assessment (EIA)

### Engagement and our equality duty

Whilst [the Gunning Principles](#) set out the rules for consulting ‘everyone’, additional requirements are in place to avoid discrimination and inequality.

Cheshire East Council is required to comply with the Equality Act 2010 and the Public Sector Equality Duty. The Equality Act 2010 simplified previous anti-discrimination laws with a single piece of legislation. Within the Act, the Public Sector Equality Duty (Section 149) has three aims. It requires public bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act, by consciously thinking about equality when making decisions (such as in developing policy, delivering services and commissioning from others)
- advance equality of opportunity between people who share a protected characteristic and people who do not share it, by removing disadvantages, meeting their specific needs, and encouraging their participation in public life
- foster good relations between people who share a protected characteristic and people who do not

The Equality Duty helps public bodies to deliver their overall objectives for public services, and as such should be approached as a positive opportunity to support good decision-making.

It encourages public bodies to understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet different people’s needs. By understanding the effect of their activities on different people, and how inclusive public services can support and open up people’s opportunities, public bodies are better placed to deliver policies and services that are efficient and effective.

Complying with the Equality Duty may involve treating some people better than others, as far as this is allowed by discrimination law. For example, it may involve providing a service in a way which is appropriate for people who share a protected characteristic, such as providing computer training to all people to help them access information and services.

The Equality Act identifies nine ‘protected characteristics’ and makes it a legal requirement to make sure that people with these characteristics are protected from discrimination:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnerships
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

### **Applying the equality duty to engagement**

If you are developing a new policy, strategy or programme you may need to carry out an Equality Impact Assessment. You may be able to ascertain the impact of your proposal on different characteristics through desk-based research and learning from similar programmes, but you also need to carry out some primary research and engagement. People with protected characteristics are often described as ‘hard to reach’ but you will find everyone can be reached – you just need to tailor your approach, so it is accessible for them.

Contacting the [Equality and Diversity mailbox](#) will help you to understand how you can gain insight as to the impacts of your proposals and will ensure that you help the Council to comply with the Equality Act 2010 and the Public Sector Equality Duty.

Section 1 – Details of the service, service change, decommissioning of the service, strategy, function or procedure

<b>Proposal Title</b>	Cheshire East Cared for Children’s and Care Leavers Sufficiency Statement for 2024
<b>Date of Assessment</b>	07/12/2023
<b>Assessment Lead Officer Name</b>	Simon Riggs
<b>Directorate/Service</b>	Childrens and Families
<b>Details of the service, service change, decommissioning of the service, strategy, function or procedure.</b>	<p>To update the previous Cared for Children and Care Leavers Sufficiency Strategy for Cheshire East.</p> <p>This strategy augments the Cheshire East Cared for Children and Care Leavers Strategy 2022-26, which sets out how we will work together to advocate and champion the needs of cared for children and care leavers in everything we do, having high aspirations for their future, keeping them safe, happy, and healthy and supporting them into adulthood.</p> <p>Local Authorities are required, under Section 22G of the Children Act 1989, to publish an annual Sufficiency Statement for children in care. As an authority we recognise the importance and usefulness of a clear strategy that the service and partnership can work towards.</p>
<b>Who is Affected?</b>	<p>The proposals outlined in the Sufficiency Strategy Update affect the following stakeholders:</p> <ul style="list-style-type: none"> <li>• Children looked after (aged 0 -17)</li> <li>• Care Leavers (aged 18 - 25)</li> <li>• Unaccompanied asylum-seeking children and care leavers (aged 0 - 25)</li> <li>• Children with disabilities</li> <li>• Families of children looked after</li> <li>• Foster carers</li> <li>• Kinship carers</li> </ul>

	<ul style="list-style-type: none"> <li>• Children’s services staff – to include commissioning staff, business and finance partner support, and children &amp; families social care teams.</li> <li>• Independent and not-for-profit providers including residential care providers, independent sector fostering agencies, supported accommodation providers, and other third party support providers</li> </ul>
<p><b>Links and impact on other services, strategies, functions or procedures.</b></p>	<p>The Sufficiency Strategy is the key document to outline the ability to set out the demand for (and detail how we will meet our legal duty to provide) sufficient good quality, stable and loving homes for Cared for Children and Care Leavers in Cheshire East . This includes for example fostering placements, residential childrens homes, Supported accommodation, Adoption, other services for cared for young people and associated commissioning and operational activity.</p> <p>The Strategy is linked to the Corporate parenting strategy and builds on the principles included in that document. It aligns with the priority within the Council’s Corporate Plan 2021 – 2025 of ‘a council which empowers and cares about people’. This includes the sub priorities of ‘work together with residents and partners to support people and communities to be strong and resilient’ and ‘reducing the reliance on long term care by improving services closer to home’. Aspects of these approaches will help to meet a key aim of the Council’s Digital Inclusion Plan 2023 -2026 ‘to improve health, wellbeing and inclusion’.</p>

<p><b>How does the service, service change, strategy, function or procedure help the Council meet the requirements of the <a href="#">Public Sector Equality Duty</a>?</b></p>	<p>As corporate parents we have high aspirations for our children and young people and encourage them to have high aspirations for themselves. We want them to transition to adulthood with a sense of achievement and security, looking forward to a future where they can develop resilient community and family networks, enjoy employment, further education and training, and achieve personal goals.</p> <p>The strategy is linked to the Cared for Children and Care Leavers strategy and the Children and young people’s plan 2022-2026.</p>
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	<p>The Sufficiency Strategy Policy does not discriminate and applies equally to Children in the care and care leavers in Cheshire East.</p>
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What do you know?	What information (qualitative and quantitative) and/or research have you used to commission/change/decommission the service, strategy, function, or procedure?																																																																																																														
<p><b>Information you used</b></p>	<p>The development of the sufficiency strategy has been overseen by the Children and Families Directorate. The group has had representation from key stakeholders from children social care, business and finance, commissioning, Finance and Legal services.</p> <p>The Strategy has been informed by what we know locally, and provides guidance, practice and processes and clearly sets out the responsibilities for people accessing children services.</p> <p>The below table shows the number of children in different services.</p> <table border="1" data-bbox="456 534 1243 1361"> <thead> <tr> <th colspan="5" style="text-align: center;">Gender</th> </tr> <tr> <th>Placement Type</th> <th>Female</th> <th>Male</th> <th>Indeterminate</th> <th>Total</th> </tr> </thead> <tbody> <tr><td>Relative/Friend</td><td>34</td><td>27</td><td>0</td><td>61</td></tr> <tr><td>CE Foster Care</td><td>57</td><td>69</td><td>0</td><td>126</td></tr> <tr><td>External Foster Care</td><td>50</td><td>67</td><td>1</td><td>118</td></tr> <tr><td>CE Home</td><td>0</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>Independent Home</td><td>15</td><td>27</td><td>0</td><td>42</td></tr> <tr><td>Placed with parents</td><td>14</td><td>22</td><td>0</td><td>36</td></tr> <tr><td>Independent living / Friends</td><td>0</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>NHS/health Trust</td><td>1</td><td>1</td><td>0</td><td>2</td></tr> <tr><td>Residential School</td><td>0</td><td>1</td><td>0</td><td>1</td></tr> <tr><td>Supported Accommodation</td><td>15</td><td>61</td><td>1</td><td>77</td></tr> <tr><td>Secure / YOI</td><td>0</td><td>1</td><td>0</td><td>1</td></tr> <tr><td>Parent &amp; Child</td><td>1</td><td>1</td><td>0</td><td>2</td></tr> <tr><td>Adoption</td><td>8</td><td>12</td><td>0</td><td>20</td></tr> <tr><td>Foster to Adpt / Concurrency</td><td>1</td><td>2</td><td>0</td><td>3</td></tr> <tr><td>Section 38 (6) placement</td><td>6</td><td>7</td><td>0</td><td>13</td></tr> <tr><td>Schedule 6</td><td>0</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>Regulation 24 placement</td><td>10</td><td>27</td><td>0</td><td>37</td></tr> <tr><td>Missing</td><td>0</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>Other - relative / friend</td><td>0</td><td>2</td><td>0</td><td>2</td></tr> <tr><td><b>Total</b></td><td><b>212</b></td><td><b>327</b></td><td><b>2</b></td><td><b>541</b></td></tr> </tbody> </table>	Gender					Placement Type	Female	Male	Indeterminate	Total	Relative/Friend	34	27	0	61	CE Foster Care	57	69	0	126	External Foster Care	50	67	1	118	CE Home	0	0	0	0	Independent Home	15	27	0	42	Placed with parents	14	22	0	36	Independent living / Friends	0	0	0	0	NHS/health Trust	1	1	0	2	Residential School	0	1	0	1	Supported Accommodation	15	61	1	77	Secure / YOI	0	1	0	1	Parent & Child	1	1	0	2	Adoption	8	12	0	20	Foster to Adpt / Concurrency	1	2	0	3	Section 38 (6) placement	6	7	0	13	Schedule 6	0	0	0	0	Regulation 24 placement	10	27	0	37	Missing	0	0	0	0	Other - relative / friend	0	2	0	2	<b>Total</b>	<b>212</b>	<b>327</b>	<b>2</b>	<b>541</b>
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	Information and data provided by regional arrangements for adoption and commissioning frameworks (Placements North West) have been included as well as local LA specific data.
<b>Gaps in your Information</b>	<p>Since October 2023 the 16+ accommodation market has been formally regulated by Ofsted for the first time, and the effect this will have on the sector is not yet clear. Information on the numbers of providers that have applied and will be inline with new regulations will become apparent over the coming months. Contract management of providers should continue to ensure there is minimum impact on Cheshire East young people, and we currently do not use any unregulated placements for young people in this group.</p> <p>Cheshire East's 2023 review of the Local Offer has been completed but not yet published; information is currently being collated and will be included into the action plan when released.</p>

## 2. What did people tell you?

<b>What did people tell you</b>	<b>What consultation and engagement activities have you already undertaken and what did people tell you? Is there any feedback from other local and/or external regional/national consultations that could be included in your assessment?</b>
<b>Details and dates of the consultation/s and/or engagement activities</b>	To ensure the strategy is robust we have drawn on a wide range of available data and evidence. This includes historical trends and data; we have also drawn on evidence around best practice both nationally and from those who have a detailed knowledge of our local services. Through 2024 we will engage further with Cared for young people and Care Leavers to ensure the Strategy and emerging actions reflect the voices and views of young people with experience of the Care system. Whilst the Strategy for 2024 does include the result of this engagement a dedicated section of the 2025 Strategy will be given to this element, under the title 'You said, we did'.
<b>Gaps in consultation and engagement feedback</b>	<p>Young people should be consulted on an individual basis for placements. Further consultation with young people to engage about what types of placement they want should take place through the young peoples forum.</p> <p>Provider engagement will continue to happen through Placements Nort West and Cheshire East contract management.</p>

### 3. Review of information, consultation feedback and equality analysis

<b>Protected characteristics groups from the <a href="#">Equality Act 2010</a></b>	<b>What do you know?</b> Summary of information used to inform the proposal	<b>What did people tell you?</b> Summary of customer and/or staff feedback	<b>What does this mean?</b> Impacts identified from the information and feedback (actual and potential). These can be either positive, negative or have no impact.
<b>Age</b>	This is a Borough wide strategy to meet the needs of all children and young people in care from 0-25 years.	<i>Staff have been engaged across all teams within Cheshire East to ensure the best possible option/outcomes for young people</i>	<i>Developing our care capacity will enable us to meet needs, risks and circumstances in a more child centred manner, including where age is a factor.</i>
<b>Disability</b>	The strategy will support children and young people in care who have a disability of additional need, ensuring services are inclusive and accessible.	More placement options and effective community based support to prevent, reduce or delay additional need is needed for children with disabilities.	Developing our care capacity will enable us to meet needs, risks and circumstances in a more child centred manner, including where disability is a factor.
<b>Gender reassignment</b>	Individual children looked after and care leavers may have experienced or be in the process of gender reassignment.	Positive impact of increasing placement choice within Cheshire East for children looked after, including those who may undergo gender re-assignment	Cheshire East will continue to monitor trends and projected demand to plan provision in county to meet identified needs specific to this group
<b>Pregnancy and maternity</b>	Provision will be needed for both looked after young people and care leavers who are parents or pregnant, as well as children in parenting assessment placements and parent and child foster or residential placements.	A small proportion of looked after young people may be pregnant or parents themselves and our current mother and baby placement options in-Borough are limited.	Provision that caters for young people must meet the needs of cared for children who are parents or parents-to-be.

<b>Race/ethnicity</b>	Positive impact on children looked after from black and minority ethnic backgrounds	Published research has noted the importance of culturally appropriate placements, particularly for children in foster care (Ofsted, 2019)	Work to enhance placement choice across fostering, supported accommodation and residential children's homes placements. Matching considerations in homes with more than one Cared for child always considered prior to placement, as well as matching considerations with carers in relation to faith, gender and ethnicity.
<b>Religion or belief</b>	Positive impact on children looked after from all religions and beliefs.	Appropriate placements for children that meet their religious beliefs are needed across Cheshire East.	Work to enhance placement choice across fostering, supported accommodation and residential children's homes placements. Matching considerations in homes with more than one Cared for child always considered prior to placement, as well as matching considerations with carers in relation to faith, gender and ethnicity
<b>Sex</b>	This is a Cheshire East strategy to meet the needs of all children and young people in care, including positive strategies to support work with all young people. Carers and home providers for Cared for Children need to help support young people to understand healthy and appropriate relationships with others, and recognise the signs of unhealthy, abusive or risky	We need to develop placements and support to meet the needs of all young people. Matching considerations in homes with more than one Cared for child should always considered compatibility in relation to faith, gender and ethnicity	Developing our care capacity will enable us to meet needs, risks and circumstances in a more child centred manner, including support young people in care.  Young people in our care are safe and protected from harm  Young people in our care are supported to understand the importance of safe, age-appropriate relationships with other

	relationships, including safeguarding concerns.		young people and adults, and care/home providers understand their duties in relation to safeguarding.
<b>Sexual orientation</b>	This is a Cheshire East strategy to meet the needs of all children and young people in care, including positive strategies to support work with all young people	We need to develop placements and support to meet the needs of all young people.	Developing our care capacity will enable us to meet needs, and manage risks and circumstances in a more child centred manner, including support young people in care.
<b>Marriage and civil partnership</b>	This does not really impact the development of the strategy.	If young people in care are Married or in Civil partnerships this will be looked at on a case-by-case basis, though any safeguarding concerns will of course be paramount.	Individual teams will look at this on a case-by-case basis.

#### 4. Justification, Mitigation and Actions

<b>Mitigation</b>	<b>What can you do?</b>
<p>Actions to mitigate any negative impacts or further enhance positive impacts</p> <p>Please provide justification for the proposal if negative impacts have been identified?</p> <p>Are there any actions that could be undertaken to mitigate, reduce or remove negative impacts?</p> <p>Have all available options been explored? Please include details of alternative options and why they couldn't be considered?</p> <p>Please include details of how positive impacts could be further enhanced, if possible?</p>	<p>The Sufficiency Strategy Policy does not discriminate and applies equally to Children in the care and care leavers in Cheshire East.</p> <p>There are clear actions within the strategy, which will be reviewed by the Directorate Senior Leadership team on a quarterly basis.</p> <p>There aren't alternative options to the Sufficiency Strategy – under the Children At 1989 we have a Statutory Duty to publish and update the Strategy annually.</p>

## 5. Monitoring and Review -

<b>Monitoring and review</b>	<b>How will the impact of the service, service change, decommissioning of the service, strategy, function or procedure be monitored? How will actions to mitigate negative impacts be monitored? Date for review of the EIA</b>
<b>Details of monitoring activities</b>	Please see the actions within the strategy which set out the actions to be undertaken in 2024 to meet areas where we are currently under resourced or lack enough suitable options, as well as actions to develop new provisions to meet new and emerging needs.
<b>Date and responsible officer for the review of the EIA</b>	Delivery against the actions in the Strategy for individual officers within Cheshire East will be overseen by the Executive Director of Children and Families and Director of Children’s Social Care and Early Help, supported by the Head of Integrated Commissioning, Children, Families and Adults with Complex Needs.

## 6. Sign Off

When you have completed your EIA, it should be sent to the [Equality, Diversity and Inclusion Mailbox](#) for review. If your EIA is approved, it must then be signed off by a senior manager within your Department (Head of Service or above).

Once the EIA has been signed off, please forward a copy to the Equality, Diversity and Inclusion Officer to be published on the website. For Transparency, we are committed to publishing all Equality Impact Assessments relating to public engagement.

<b>Name:</b>	<b>Martyn Baggaley; Head of Integrated Commissioning, Children, Families &amp; Complex Needs</b>
<b>Signature</b>	
<b>Date</b>	04.01.2024

## 7. Help and Support

For support and advice please contact [EqualityandInclusion@cheshireeast.gov.uk](mailto:EqualityandInclusion@cheshireeast.gov.uk)

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OPEN

## **Children and Families Committee**

**12 February 2024**

### **Local Authority Costs and Timescales in support of a School converting to an Academy**

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**Report of: Deborah Woodcock, Executive Director of Children's  
Services**

**Report Reference No: CF/50/23-24**

**Ward(s) Affected: All**

#### **Purpose of Report**

- 1 This report is a briefing to the Children and Families Committee of a communication that was shared with Cheshire East schools on 22 January 2024 in regards the timescales and costs in relation to Cheshire East Councils (CEC) involvement in the academy conversion of a school.
- 2 The report is connected to the Council's Corporate Plan 2021-25 priority, an open and enabling organisation:
  - (a) ensuring that there is transparency in all aspects of council decision making.
  - (b) supporting a sustainable financial future for the council, through service development, improvement and transformation.

#### **Executive Summary**

- 3 The Executive Director of Children's Services has advised that full cost recovery is required to cover CEC's involvement in the academy conversion of any school.
- 4 Schools received communication in April 2021 advising of charges from mid-May 2021 were £3,000 for a standard conversion or £4,000 where

there were added facilities on site. It was noted that payroll services charged separately for conversion.

- 5 CEC have reviewed the costs and made necessary revisions. Due to the considerable work in ensuring that a conversion is completed in full compliance to agreed legislation, the current anticipated charge per school is likely to be between £5,480 to £10,995, excluding payroll and actuary fees. The CEC charges will be reviewed on an annual basis. Any academy conversions that are complex and require additional support over and above a standard conversion will be discussed on a case-by-case basis.

#### RECOMMENDATIONS

The Children and Families Committee are recommended to note the information shared with schools (see Appendix 1).

### Background

- 6 The introduction of the Academies Act in 2010 enabled schools to apply to the Secretary of State to convert to an Academy. The effect of becoming an Academy is to remove the school from the control of the local authority and enables them to become a publicly funded independent state school which is directly funded by the Department of Education. Academies are run by academy trusts which are charitable companies limited by guarantee.
- 7 Schools receive a grant of £25,000 to support their conversion. Schools and governing boards must manage the budget and report to the DfE how the money is spent.
- 8 The LA involvement in the academy conversion process requires contribution from several teams. The cost of each teams involvement in the process must be recovered against the backdrop of LA budget pressures.
- 9 Information regarding the role, key milestones, timescales, key interfaces, costs/charges and risks of each service area was presented at the Childrens and Families Directors Leadership Team meeting and Corporate Leadership Team meeting, December 2023. Following the meetings Deborah Woodcock signed an Officer Decision Record (see Appendix 2).

## **Consultation and Engagement**

- 10 Consultation with LA services involved has taken place in the production of the communication that has been shared with Cheshire East Schools.

## **Reasons for Recommendations**

- 11 The Children and Families Committee are recommended to note the information shared with schools should you receive questions or feedback from schools.
- 12 See Appendix 1 - Information for schools which was emailed to schools on 22 January 2024. The document includes a summary of the timescales and costs.
- 13 The current anticipated charge from CEC per school is likely to be between £5,480 to £10,995, excluding payroll and actuary charges. The payroll and actuary fees are currently £1,045 + VAT and £1,250 + VAT.
- 14 The timescales for completion of the local authority steps vary depending on each school situation. Following a schools academy order it is estimated that the local authority involvement will be a minimum of six months (excluding school holidays), however could be longer depending on the complexity of the conversion. For further information on timescales please refer to Appendix 1.

## **Other Options Considered**

- 15 If the local authority does not charge to recover the full cost of staff time in support of school academy conversions we are absorbing the costs within the council, adding to our pressures as we do not receive any direct funding for this work.

## **Implications and Comments**

### *Monitoring Officer/Legal*

- 16 Under the Local Government Act 2003, the Council can charge for discretionary charges for the services that it provides. Discretionary services are services where the council has the power but is not obliged to provide. The Local Government Act 2000 gave local authorities a general power to promote the economic, social and environmental well-being in local communities. The 2003 Act allows authorities to set the level of the charge for each discretionary service as they think fit within the restriction that the income from charges for each kind of service

must not exceed the costs of its provision nor can the Council charge for services that it mandated to provide or has a legal duty to provide.

- 17 The Localism Act 2011 introduced the General Power of Competence, which allows the Council to do anything an individual can do, provided it is not prohibited by other legislation. These powers have replaced the previous well-being powers; however, the use of these powers must be in support of a reasonable and accountable decision made in line with public law principles. This includes the ability to charge for services.
- 18 Under the current Constitution dated July 2023 at Chapter 2 Part 5 paragraph 33 delegation was given to all Executive Directors to determine a Pricing Strategy that articulates the level of fees or charges payable in respect of any goods or services supplied, work undertaken or the loan or use of plant, equipment or machinery. Therefore as this is a delegated power the Committee will not be asked to approve the charging strategy.
- 19 The Council has a fiduciary duty at all times to the taxpayers and must fulfil its duty in a way that is accountable to local people as to how it spends its public funds.

#### *Section 151 Officer/Finance*

- 20 Finance have contributed and agreed to the communication that was shared with Cheshire East schools.
- 21 Academy conversions do create additional workload across many departments of the Council. Schools receive a grant for conversion costs and many local authorities charge to recover their costs. Previously the council has charged but it has not recovered the costs of all staff time. If we do not charge to recover the cost of staff time we are absorbing the costs within the council, adding to our pressures as we do not receive any direct funding for this work.

#### *Policy*

- 22 The report is connected to the Council's Corporate Plan 2021-25 priority, an open and enabling organisation:
  - (a) ensuring that there is transparency in all aspects of council decision making.
  - (b) supporting a sustainable financial future for the council, through service development, improvement and transformation.

#### *Equality, Diversity and Inclusion*

23 Not applicable.

*Human Resources*

24 Human Resources have contributed and agreed to the communication that was shared with Cheshire East schools.

*Risk Management*

24 The proposed changes to the costs are required to mitigate the risk that the Council doesn't cover the costs it incurs in the academy conversion process, and therefore subsidises the cost.

*Rural Communities*

25 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)*

26 There are no direct implications for children and young people.

*Public Health*

27 There are no direct implications for public health.

*Climate Change*

28 There are no direct implications for climate change.

<b>Access to Information</b>	
Contact Officer:	<p>Joe Carter</p> <p>Education Project Manager</p> <p><a href="mailto:Joe.carter@cheshireeast.gov.uk">Joe.carter@cheshireeast.gov.uk</a></p>
Appendices:	<p>Appendix 1: Academy Conversions Information for Schools</p> <p>Appendix 2: ODR 3 Information and charges for schools converting to Academy status 181223</p>

<p>Background Papers:</p>	<p><a href="http://www.gov.uk">Convert to an academy: documents for schools - GOV.UK (www.gov.uk)</a></p> <p><a href="http://www.gov.uk">Convert to an academy: guide for schools - Guidance - GOV.UK (www.gov.uk)</a></p> <p><a href="http://www.gov.uk">Convert to an academy: documents for schools - GOV.UK (www.gov.uk)</a></p> <p><a href="http://www.gov.uk">Important dates for schools converting to academy status - GOV.UK (www.gov.uk)</a></p> <p><a href="http://www.gov.uk">Academy conversion: support grant forms - GOV.UK (www.gov.uk)</a></p>
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Cheshire East Council  
Westfields  
Middlewich Road  
Sandbach, Cheshire  
CW11 1HZ

Date: 22 January 2024

Dear Colleagues,

**RE: Academy Conversion Information for Maintained Schools and Trusts**

I am writing on behalf of the local authority to advise of an update to the charging process for local authority involvement with the academy conversion process.

**Background**

The introduction of the Academies Act in 2010 enabled schools to apply to the Secretary of State to convert to an Academy. The effect of becoming an Academy is to remove the school from the control of the local authority and enables them to become a publicly funded independent state school which is directly funded by the Department of Education. Academies are run by academy trusts which are charitable companies limited by guarantee.

The information provided is for the benefit of schools and trusts when considering academisation and is for information only. The document provides estimated timescales and costs from local authority involvement in the process and is an update to prior correspondence to schools, April 2021.

In addition, when considering academisation, please refer to the government website and seek your own professional advice.

**Local Authority Involvement**

Cheshire East Council (CEC) request that you notify the local authority of your intention to convert, at the latest when you make your application. There are several processes the local authority either lead on or contribute towards, examples include:

- transferring the employment of the staff of the school(s) from the local authority to the academy trust in accordance with the Transfer of Undertakings (TUPE).
- negotiating a commercial transfer agreement to transfer the responsibility of all the administration, including employment of personnel and pension obligations, maintenance of the school and insurance to the Academy Trust, and for the transfer of assets and contracts of the school(s) from the local authority to the academy trust.

- arranging for the academy trust to have use of the land and buildings of the school(s), usually either by way of a 125-year lease with the local authority or the transfer of the freehold of the land, as applicable.

In addition to the above, due to the constitution of the council, Childrens and Family Committee approval is sought for any academisations of schools as they are considered a significant decision in terms of the effects of the decision on communities living or working in an area comprising one ward or electoral divisions.

If your school purchases services via the Cheshire East School Services (ChESS) Hub, the way in which you pay for these services will change. Please ask your Bursar to email [ChessHub@cheshireeast.gov.uk](mailto:ChessHub@cheshireeast.gov.uk)

## Local Authority Estimated Timescales and Costs

Timescales and costs for completion of the local authority steps vary depending on each school situation. Following a schools academy order it is estimated that the local authority involvement will be a minimum of six months (excluding school holidays), however could be longer depending on the complexity of the conversion if, for example, your school has:

- a private finance initiative (PFI) contract.
- a deficit with a recovery plan agreed with the local authority.
- major building works financed by the local authority.

Like all local authorities, CEC has financial pressures and needs to ensure full cost recovery on the services we provide. In April 2021 CEC advised that charges from mid-May 2021 were £3,000 for a standard conversion or £4,000 where there were added facilities on site. It was noted that payroll services charged separately for conversion.

CEC have reviewed the costs and made necessary revisions. Due to the considerable work in ensuring that a conversion is completed in full compliance to agreed legislation, the current anticipated charge is likely to be between £5,480 to £10,995, excluding payroll and actuary charges. The charges will be reviewed on an annual basis. Any academy conversions that are complex and require additional support over and above a standard conversion will be discussed on a case-by-case basis. The charges from CEC cover the costs from a range of services including:

- Cheshire East School Services (ChESS); completing final determination and adjustments to school's ChESS Hub account.
- Finance; calculation and agreement of the final balance, and number of pre and post conversion checks.
- Education Human Resources (HR); advisor to school and representative of the LA during TUPE consultation. Costs apply where schools have not already bought the Education HR consultancy service package.
- Legal; lead on completion of Commercial Transfer Agreement (CTA) and land transaction, lead for employment matters including advice on TUPE clauses.
- Property Services; negotiation of heads of terms, site inspections, instructing legal, completion of Officer Decision Record for Lease.
- School Governance; collation of data for the DfE and update of records.
- Single point of contact project management; liaise with all parties to support the planned conversion date, including completion of the report to the Children & Families Committee, managing process until sign off and CTA and Lease finalised.

In addition to the charges from CEC services, there are also fees from Cheshire West and Chester Council in relation to the Cheshire Pension Fund and Recruitment and Pay. These are currently:

- Actuary fee; setting up new academy in the fund and calculating opening balance position. The current actuarial fee is £1,250 +VAT. This cost is reviewed every three years. Actuarial fees will also be incurred if you require an actuarial report (FRS17) for the inclusion of pension costs in your accounts. Please contact the Fund for current charges.

- Recruitment and Pay, Transactional Services, off-boarding costs; producing reports for the new payroll provider to ensure all staff paid in a timely manner. The current off-boarding package is £1,045 + VAT.

### Local Authority Contacts

The single point of contact for CE LA is Joe Carter, [Joe.carter@cheshireeast.gov.uk](mailto:Joe.carter@cheshireeast.gov.uk) Additional LA contacts for example HR, Legal, will be provided once the process has commenced.

### Government Guidance

*Please note there could be other guidance on the government website that is useful.*

If you are the headteacher or chair of governors of a local-authority-maintained school converting to an academy, you must complete the steps outlined in the DfE guide [Convert to an academy: guide for schools - Guidance - GOV.UK \(www.gov.uk\)](http://www.gov.uk/guidance/convert-to-an-academy-guide-for-schools) and refer to [Convert to an academy: documents for schools - GOV.UK \(www.gov.uk\)](http://www.gov.uk/guidance/convert-to-an-academy-documents-for-schools) for key documents and any updates to these. Schools should also refer to [Important dates for schools converting to academy status - GOV.UK \(www.gov.uk\)](http://www.gov.uk/guidance/important-dates-for-schools-converting-to-academy-status) which include key actions for schools to complete and key dates.

Schools can use the 'Academy financial support grant claim form' to claim the £25,000 support grant to spend on the conversion process and the 'Academy financial support grant certificate' form to report to the Department for Education project lead:

- how much of the support grant you have spent on converting to an academy
- whether you are carrying a portion of the grant over into your academy's budget

[Academy conversion: support grant forms - GOV.UK \(www.gov.uk\)](http://www.gov.uk/guidance/academy-conversion-support-grant-forms)

The grant has a number of conditions, including that it may only be used for the following purposes, as set out in condition 1.

- a. obtaining legal advice in respect of the conversion process;
- b. the costs of software licence transfers;
- c. HR/TUPE advice;
- d. re-branding costs; and
- e. expenses incurred in setting up of the Academy Trust.

Regards,



Claire Williamson  
Director of Education, Strong Start and Integration  
Cheshire East Council

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**OFFICER DECISION RECORD (ODR3)**

This form records an officer decision but is not required to be published.

To update charges and provide information to schools considering converting to Academy Status

<b>Date of Decision</b>	<b>18 December 2023</b>
<b>Decision Taker (including Job Title)</b>	Deborah Woodcock, Executive Director of Children's Services
<b>Specific Delegation</b>	Officer delegation under the Constitution dated July 2023 at Chapter 2 Part 5 paragraph 33 delegation was given to all Executive Directors to determine a Pricing Strategy that articulates the level of fees or charges payable in respect of any goods or services supplied, work undertaken or the loan or use of plant, equipment or machinery.
<b>Brief Description of Decision</b>	A briefing report and appendices were discussed at the Childrens and Families Directors Leadership Team meeting on 12 December 2023. The group agreed with the charges and the 'Information to Schools' document.
<b>Reasons for the Decision and alternatives considered</b>	<p>The Executive Director of Children's Services has advised that full cost recovery is required to cover CEC's involvement in the academy conversion of any school.</p> <p>Schools received communication in April 2021 advising of charges from mid-May 2021 were £3,000 for a standard conversion or £4,000 where there were added facilities on site. It was noted that payroll services charged separately for conversion. CEC have reviewed the costs and made necessary revisions. Due to the considerable work in ensuring that a conversion is completed in full compliance to agreed legislation, the current anticipated charge per school is likely to be between £5,480 to £10,995, excluding payroll and actuary fees. The CEC charges will be reviewed on an annual basis. Academy conversions do create additional workload across many departments of the Council. Schools receive a grant for conversion costs and many local authorities charge to recover their costs. Previously the council has charged but it has not recovered the costs of all staff time. If we do not charge to recover the cost of staff time we are</p>

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	absorbing the costs within the council, adding to our pressures as we do not receive any direct funding for this work.
<b>Member consultation and interests declared</b>	Not applicable.
<b>Legal Implications</b>	<p>Under the Local Government Act 2003, the Council can charge for discretionary charges for the services that it provides. Discretionary services are services where the council has the power but is not obliged to provide. The Local Government Act 2000 gave local authorities a general power to promote the economic, social and environmental well-being in local communities. The 2003 Act allows authorities to set the level of the charge for each discretionary service as they think fit within the restriction that the income from charges for each kind of service must not exceed the costs of its provision nor can the Council charge for services that it mandated to provide or has a legal duty to provide.</p> <p>The Localism Act 2011 introduced the General Power of Competence, which allows the Council to do anything an individual can do, provided it is not prohibited by other legislation. These powers have replaced the previous well-being powers; however, the use of these powers must be in support of a reasonable and accountable decision made in line with public law principles. This includes the ability to charge for services.</p> <p>Legal Officer: Mandy Withington, Principal Lawyer (Corporate Projects and Property) Date: 15 December 2023</p>
<b>Financial Implications</b>	<p>Previously a nominal amount was charged to schools converting to an academy. The charge has been reviewed and based on full recovery of staff time. If we do not charge to recover the cost of staff time we are absorbing the costs within the council, adding to our pressures as we do not receive any direct funding for this work.</p> <p>Finance Officer: Kathy Oliver – Finance Lead Business Partner Date: 14 December 2023</p>

Signed



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**Dated 18 December 2023**

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## **Children and Families Committee**

**12 February 2024**

### **Academisation of Schools Forward Plan**

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#### **Report of: Deborah Woodcock, Executive Director of Children's Services**

**Report Reference No: CF/51/23-24**

**Ward(s) Affected: All**

#### **Purpose of Report**

- 1 This report is presented to the Children and Families Committee to inform committee members of planned schools across the borough who are seeking to move to academy status and join a multi academy trust. The forward plan highlights schools that will require Committee approval at future meetings.
- 2 The report is connected to the Council's Corporate Plan 2021-25 priority, an open and enabling organisation:
  - (a) ensuring that there is transparency in all aspects of council decision making.
  - (b) supporting a sustainable financial future for the council, through service development, improvement and transformation.

#### **Executive Summary**

- 3 At the Children and Families Committee on 20 March 2023 the committee approved to receive a six-monthly update on academy conversions rather than a separate report each committee meeting.
- 4 This is the first update since the 20 March 2023 committee, following changes to the single point of contact for academy conversions within the local authority.

## RECOMMENDATIONS

The Children and Families Committee are recommended to note the forward plan in Appendix 1.

### **Background**

- 5 The introduction of the Academies Act in 2010 enabled schools to apply to the Secretary of State to convert to an Academy. The effect of becoming an Academy is to remove the school from the control of the local authority and enables them to become a publicly funded independent state school which is directly funded by the Department of Education. Academies are run by academy trusts which are charitable companies limited by guarantee.
- 6 The committee approved to receive a six-monthly update on academy conversions at the 20 March 2023 meeting.

### **Consultation and Engagement**

- 7 Consultation and engagement takes place for each school as part of the academy conversion process with both local authority staff and other interested parties.

### **Reasons for Recommendations**

- 8 The forward plan allows the committee to note schools who are planning to convert and those who have converted.
- 9 Committee approval will be sought for each academisation of a school as it is a significant decision in terms of the effects of the decision on communities living or working in an area comprising one ward or electoral divisions.

### **Other Options Considered**

- 10 The option to not inform the committee of academy planned conversions and completed conversions is not considered appropriate as each academy conversion will have varying levels of risk and the inclusion of a forward plan allows committee members to be kept aware of future changes.
- 11 School governing boards apply to the secretary of state to progress with an academy order, the alternative is to remain a maintained school. There is no requirement for a school to convert to an academy unless directed to do so through an inadequate Ofsted inspection.

- 12 Failure to cooperate could result in the Secretary of State making transfer schemes which would be binding on the council.

### **Implications and Comments**

#### *Monitoring Officer/Legal*

- 13 All legal requirements are undertaken and approved ahead of any academy conversion. On going legal support will be provided and legal advice will be given when required.

#### *Section 151 Officer/Finance*

- 14 All financial requirements are undertaken and approved ahead of any academy conversion.

#### *Policy*

- 15 The implementation of an academy conversion is undertaken in accordance with national legislation as per the various Education Acts.
- 16 The report is connected to the Council's Corporate Plan 2021-25 priority, an open and enabling organisation:
- (a) ensuring that there is transparency in all aspects of council decision making.
  - (b) supporting a sustainable financial future for the council, through service development, improvement and transformation.

#### *Equality, Diversity and Inclusion*

- 17 Not applicable for this report.

#### *Human Resources*

- 18 All HR requirements (mainly relating to TUPE arrangements) are undertaken and approved ahead of any academy conversion.

#### *Risk Management*

- 19 All associated risks are considered by legal, finance, HR and audit and risk, as part of managing the academy conversion process.

#### *Rural Communities*

- 20 Not applicable for this report.

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

- 21 There is scrutiny of multi academy trusts by the Regional Schools Commissioner to ensure the trusts have capacity to adopt the school.

*Public Health*

- 22 There are no direct implications for public health.

*Climate Change*

- 23 There are no direct implications for climate change.

<b>Access to Information</b>	
Contact Officer:	Joe Carter Education Project Manager <a href="mailto:Joe.carter@cheshireeast.gov.uk">Joe.carter@cheshireeast.gov.uk</a>
Appendices:	Appendix 1 - Academisation Forward Plan 120224
Background Papers:	<a href="#">Report for Committee 20 March 2023</a> (see page 217) <a href="#">Minutes from 20 March 2023</a> (see page 7, item 99)

<b>Key</b>	Academy conversion completed
	Academy conversion in progress
	Change of information from previous report

The following table provides the latest position on school academy conversions. Any schools logged as completed in the previous March 2023 report have been removed from the table.

School	Phase	Status	Core School information Numbers of Pupils on Roll (NoR)	Conversion Dates Proposed (P) Actual (A)	Commentary
<b>COMPLETED</b>					
Millfields Primary and Nursey School	Primary	Community Maintained	NoR: 205 from Headteacher, 31/10/23 Net capacity: 210 Ofsted: Good, January 2022	A: 01/01/24	Academy Order granted to join the North West Academies Trust Limited 30/06/23 C&F Committee Report 13/11/23 CTA finalised 06/12/23 Lease finalised 07/12/23 Funding Agreement confirmed 20/12/23
<b>IN PROGRESS</b>					
Cledford Primary School	Primary	Community Maintained (Federation with Gainsborough)	NoR: 408 Net capacity: 420 Ofsted: Good, May 2019	P: tbc	Academy convertor information form request received, 07/11/23 Form submitted to DfE, 21/11/23 North West Advisory Board, 14/12/23 Academy Order granted to join the Alexandra Academies Trust, 19/12/23
Gainsborough	Primary	Community Maintained (Federation with Cledford)	NoR: 389 Net capacity: 450 Ofsted: Good, May 2022	P: tbc	Academy convertor information form request received, 13/11/23 Form submitted to DfE, 21/11/23 North West Advisory Board, 14/12/23 Academy Order granted to join the Alexandra Academies Trust, 19/12/23
<b>CHANGE OF INFORMATION FROM PRIOR REPORT</b>					
Wilmslow Group of schools: <i>Proposing to all convert into a</i>	Secondary (1) Primary (4)	Community Maintained	NoR: 2130 Ofsted:2019: Good	P: 31/03/23	Academy Orders 07/02/19 12/12/22 – Email from Tony Smith – for TCET Planning Group. Communication

<p><i>multi-academy trust at same time. schools outlined below:</i>          Wilmslow High School, Styal Primary, Alderley Edge Primary, Ashdene Primary, Lindow Primary</p>			<p>Significant build programme currently in programme          NoR: 119          Ofsted: 2018: Good          Land ownership: National Trust          NoR: 203          Ofsted: 2014: Outstanding          NoR: 419          Ofsted: 2019: Outstanding          NoR: 210          Ofsted: 2018: Good</p>		<p>to TCET stakeholders. The Wilmslow High School governing board has taken a decision that it is <u>not in a position to proceed</u> with the planned academisation of the school and the related formation of a Multi Academy Trust (MAT) - The Collaborative Educational Trust of Wilmslow (TCET) within the timeframe currently planned.          As a result of this decision the planned academisation of the 5 schools that would make-up TCET and the MAT establishment process will be <u>paused</u>.</p>
<p>St Gregory's Catholic Primary School</p>	<p>Primary</p>	<p>Diocesan of Shrewsbury</p>	<p>NoR: 6          Net capacity: 105          Ofsted: Inadequate, February 2022</p>	<p>N/A</p>	<p>School Causing Concern, C&amp;F Committee September 2023, resolved to consider future viability of the school and responses to pre-publication consultation. School closed 31/12/23.          Chair of governors emailed DfE to request academy order revoked.          Confirmation 09/01/24 that revocation request for the Directive Academy Order has been agreed.</p>
<p>LA Established MAT, following White Paper</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>CE LA registered interest and provided report. February 2023, confirmation from Regional Directors team, no LAs taken forward for test and learn pilot.</p>

## Children and Families Committee Work Programme 2023-24

Report Reference	Children & Families Committee	Title	Purpose of Report	Lead Officer	Consultation	Equality Impact Assessment	Corporate Plan Priority	Part of Budget and Policy Framework	Exempt Item
CF/57/22-23	08/04/2024	Children centre remodelling	To remodel the purpose of some children centre sites.	Director of Education, Strong Start and Integration	TBC	TBC	Fair	Yes	No
AH/09/2023-24	08/04/2024	Direct Payments Policy	To seek approval for the Direct Payments Policy following consultation	Director of Commissioning	Yes	Yes	Fair	Yes	No
CF/41/23-24	08/04/2024	Together Strategy 4 year plan	To inform committee of the 4 year integrated strategy to deliver the together vision and achieve excellence for our children and families as described in the 2023/24 MTFS.	Executive Director of Children's Services	No	Yes	Open	Yes	No
CF/48/23-24	08/04/2024	Travel support transformation - available walking routes update	To seek approval from the children and families committee on the next phase of available walking routes to school.	Director of Education, Strong Start and Integration	Yes	Yes	Open;#Fair	Yes	No
CF/46/23-24	08/04/2024	Kingsbourne Academy, Nantwich – 12-month delay for the opening of the new school - Update	This report is to provide an update to the November 2023 committee report titled Kingsbourne Academy, Nantwich – 12-month delay for the opening of the new school	Director of Education, Strong Start and Integration	No	No	Open	No	No
CF/49/23-24	08/04/2024	Household Support Funding 2024/25	The report brings two recommendations, one which sets out 24/25 delivery plans and a second which provides an exit plan and risk matrix to mitigate in the event of no funding extension.	Director of Education, Strong Start and Integration	No	Yes	Open	Yes	No
CF/52/23-24	08/04/2024	Youth Justice Shared Service	decision for Cheshire East to enter into hosted arrangement to continue to deliver youth justice services	Director of Children's Social Care	No	Yes	Open	No	No
CF/01/24-25	03/06/2024	Service Budgets 2024/25 (Children & Families Committee)	The purpose of this report is to set out the allocation of approved budgets for 2024/25 for services under the Committee's remit, as	Director of Finance & Customer Services	No	No	Open	Yes	No

## Children and Families Committee Work Programme 2023-24

			determined by Finance Sub Committee						
CF/44/23-24	03/06/2024	Councillor Frontline Visits Annual Report	The report provides an update to committee on the themes, strengths and issues raised through councillor frontline visits to the Cheshire East Consultation Service (ChECS), Child in Need and Child Protection (CIN/CP) Teams, and the Children with Disabilities Social Work Team and Short Breaks Team over the last 12 months.	Director of Children's Social Care	No	No	Fair	No	No
AH/22/2023-24 & CF/18/23-24	June 2024	Substance Misuse Service	To provide information about the proposed substance misuse service model and for a decision to re-commission the substance misuse service	Director of Commissioning	Yes	Yes	Fair	No	No