

OPEN

Children and Families Committee

09 June 2025

Supported Accommodation for 16–25- year-old Children in Care and Care Leavers

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

Report Reference No: CF/26/25-26

Ward(s) Affected: All

Decision

Purpose of Report

- 1 This report is to update on the Supported Accommodation project established in response to ILACS improvement plan recommendations.
- 2 The report provides details of the planned recommissioning activity and co-production with the stakeholders (including care experienced young people) to shape the future service offer. Detailed is the work completed to date, including the current service pressures and proposed future pathway.
- 3 To secure approval to proceed with the implementation of the model described in detail in sections 24 - 40 of this report.
- 4 This service falls under Commitment 2 of The Cheshire East Plan 2025-29 - Children and young people thrive and reach their potential with targeted support when and where they need it and highlights the need to deliver the priorities in the Cared for Children and Care Leavers Strategy 2022-26.

Executive Summary

- 5 Our mission is to provide the right accommodation and support to our children in care and care experienced young people, preventing homelessness and ensuring our young people have the best life chances.
- 6 The Council has a duty to ensure that children in care and care leavers are appropriately and safely accommodated. Current contractual options for accommodating 16-25-year-old children in care and care leavers in Cheshire East continues to be challenging due to levels of demand for this type of accommodation, which often results in spot purchasing beds at a significantly higher cost.
- 7 The supported accommodation model needs to be specifically designed for children in care and care leavers aged 16-25, focusing on achieving key outcomes such as Education, Employment, Training (EET), Health and Wellbeing and Independence. The model will comprise of a variety of property types and support levels to meet diverse needs across the Borough.
- 8 The provision of additional accommodation with support as part of block contracted arrangements will enable vulnerable young people to remain close to their local connections and provide local, good quality outcomes and cost-effective placements.

RECOMMENDATIONS

The Children and Families Committee is recommended to:

1. Review and approve in principle the new service model and pathway for supported accommodation.
2. Delegate authority to the Executive Director of Children's Service's in consultation with the Monitoring Officer and Section 151 Officer to procure and award the Supported Accommodation contracts for 16–25-year-old Children in Care and Care Leavers Service.

Background

- 9 As corporate parent for over 600 care leavers, Cheshire East Council needs to ensure that a sufficient number and range of quality accommodation is available to support the emotional / physical well-being of every care leaver, ensuring that they reach their full potential in adult

life, and are able to thrive, without unnecessary recourse to further long-term support. The model and configuration of our commissioned supported accommodation offer plays a vital role in delivering against the Council's sufficiency duty under Section 22G of the Children Act 1989.

- 10 In addition, section 22G places a duty on local authorities to take strategic action by requiring them to secure sufficient accommodation within their area which meets the needs of their cared for and care leaver cohort, so far as reasonably practicable (the sufficiency duty).
- 11 The 2024 ILACS inspection found that we needed to improve our support around accommodation for care leavers:
 - (a) For care leavers who live out of the area, accessing suitable housing is challenging and some wait for extended periods in supported accommodation until suitable permanent accommodation becomes available.
 - (b) A small number of care leavers are homeless. This group includes some care leavers with the greatest needs, including those who struggle with their mental health, those who are not in education, employment or training (NEET) or those who are in unsuitable accommodation, or have no fixed abode.
 - (c) Information about where young people are living is not routinely updated. This means that the Council cannot be assured that these vulnerable young people are safe and well cared for.
- 12 The Council currently commissions Crewe YMCA to operate in the south of the Borough, and People Potential Possibilities (P3) to operate in the north. The current contract runs from 2 January 2021 to 1 January 2024 with an option for two additional years to 1 January 2026. The total cost is circa £610k per annum. The commission covers 29 beds in total, and includes three emergency beds, 10 semi-supported accommodation units at Gresty Road in Crewe and Watermill House in Macclesfield, and 16 dispersed one bed properties across Cheshire East. These contracts have been extended beyond their initial term and will run until the 31 March 2026.
- 13 There is currently no bespoke accommodation offer to post 18-year-olds. Since the ILACS inspection we have seen an increase in those 18-year-olds not moving on and remaining with their Ofsted regulated Supported Accommodation provider.
- 14 Work has focused upon sourcing additional capacity at lower rates than our spot purchased rates and transferring young people into this new accommodation. This has resulted in three additional emergency beds for post 18 at the YMCA Gresty Road in Crewe, three additional one bed

dispersed properties across Cheshire East, all at current contracted rates.

- 15 It was also agreed in October 2024, for a pilot of six beds at Apollo Education UK in Crewe for post 18 Migrant Young People, who were previously placed in children's regulated placements. These young people have been accommodated at the Apollo Crewe site since December 2024 with support from the YMCA. To date, young people have settled well into this accommodation enjoying the wider offer on campus and planned activities the YMCA have provided. This work has saved the Local Authority £0.300m per annum.
- 16 As of December 2024, there were 155 young people aged between 16-25 placed in supported accommodation. 62 of these young people are 16-17 years old, with the remaining 93 post 18. 81 young people placed in supported accommodation are migrant young people.
- 17 The budget for cared for children and care leavers external agency placements is under significant pressure. The allocated budget for supported accommodation stands at **£7.3 million**. However, the projected commitment for the financial year 2025/26 amounts to **£8.7 million**, resulting in an anticipated overspend of **£1.4 million** on supported accommodation placements. The current 'spot purchased' placements cost is approx. **£1.5k per week** on average. The current value of the two commissioned contracts with Crewe YMCA and P3 are circa **£610k**, with an average cost per bed approx. **£400 per week**.

Consultation and Engagement

- 18 During the review of the supported accommodation offer the Council has consulted and engaged with care leavers, providers of supported accommodation, professionals and other local authorities to shape the future intentions of a commissioned offer. During the evaluation stage of the recommission, we are hopeful that our Care Leaver Ambassador will form part of an interview panel for prospective providers, where their scores will be included in the award of future contracts.
- 19 The consultation and engagement included the following activities:
 - a) The Council gathered care leaver feedback in collaboration with the Youth Support Participation Team, a Care Leaver Ambassador and Care Leaver Service via a Care Leaver Survey.
 - b) The Care Leaver Survey was shared with commissioned providers, the Care Leaver Service and Pure Insight who are the current contracted provider for Care Leaver Mentoring.

- c) The Children's Commissioning Team have consulted and engaged with providers of supported accommodation via a Market Engagement questionnaire.
- 20 Additional feedback has been gathered from the Local Offer review in 2024, where care leavers highlighted pathway plans, housing, preparing for adulthood and specific support areas i.e. financial, mental health, life skills as areas of need.
- 21 Results from both surveys were mixed, with 28 responses for the Care Leaver Survey and 12 responses for the Provider Market Engagement questionnaire.
- 22 The Care Leaver Survey highlighted the below themes in response to how the current service could be enhanced:
- a) Independence preparation should be gradual and start before the age of 16, with support from foster carers, residential staff, and semi-independent housing providers. This could include skills-building around managing a household, cooking, and budgeting.
 - b) There should be more housing options available to young people and in the areas that they want to live. There needs to be better understanding and support with the Cheshire Homechoice process. A dedicated housing officer within the team could act as a mediator between the Leaving Care Service and Housing.
 - c) Young people told us they would like 'trainer flats' that are semi-independent. Shared living/accommodation with support are also highlighted, sharing with 1-3 people to learn new skills together.
 - d) Young people feel that they require supported accommodation until they are mentally, physically and financially ready to move on. This could take anywhere between 12 months to a few years.
 - e) Young people would like to be close to town centres i.e. Crewe, Congleton, Macclesfield which include colleges/education settings.
 - f) Young people told us that a good service offers support, from appropriate staffing levels and prepares them for independence. 24/7 access to support was also highlighted to help with feeling isolated. Mental health support in becoming 'adult' ready was highlighted within the responses i.e. mental health support, counselling.
- 23 The Provider Market Engagement questionnaire highlighted the below responses:

- a) All 12 providers told us that they would be interested in delivering across Cheshire East, but this would be mainly dependent on suitable accommodation being readily available, and funding available with the contract.
- b) The types of accommodation that could be achievable are Semi-independent living (16–18-year-olds) including 24/7 onsite support, Independent Living (18-21 years old) with lower less intensive support and Full Independence (21-25 years old) with mentoring and aftercare support. Emergency accommodation with specific move on plans would also be achievable within the right budget.
- c) By providing tailored accommodation, preventative support, person-centred planning through the correct pathways, and strong partnerships, providers can ensure that young people in Cheshire East are supported to avoid homelessness and achieve the best possible life chances.
- d) Every young person should receive an initial assessment, shaping their personalised support plan ensuring their participation, with regular weekly key working sessions to track progress. More formal reviews at intervals agreed with the young person would work towards positive transition to adulthood.
- e) Mental Health and Wellbeing Team, who support trauma-informed practice and good connection to specialist agencies.
- f) Challenges that providers will face include demand and capacity issues, with the rising numbers of care leavers and UASC putting pressure on available placements, availability of suitable properties, sustainable funding – longer term contracts would be beneficial for providers to build a sustainable offer.

Service Model

Service Review Key Findings

- 24 The current service offer for our 16–25-year-old young people has been reviewed. It has recognised service demand pressures, including increased demand for post 18 accommodation with support, and the increasing needs of young people pre and post 18.

Housing

- 25 Current demand for social housing through Cheshire Homechoice has resulted in waiting list of 9-12 months or more for our tenancy ready care leavers. In 24/25 there were 61 care leavers registered for social housing with 35 care leavers finding successful accommodation.

- 26 29 applications for general needs supported accommodation were received from care experienced young people last year. 14 were placed in supported accommodation, 9 of the 14 were successful in a positive long term outcome at the end of their placement. This tells us that there were 15 young people who were not suited to services or did not want to accept a placement offered therefore we are seeing 35% of young people who enter our adult pathway fail, either through eviction or abandonment of placements.

Commissioning

- 27 Current contracts don't meet the demand and need for our young people with a vast majority of placements being spot purchased as demand has grown over the life course of the commissioned contract.
- 28 Increased complexity has led to difficulty finding appropriate placements for some young people with Cheshire East then having to pay a premium for placements with little confidence outcomes are being worked towards and achieved. The highest weekly cost placement stands at circa £8k per week.
- 29 With no current offer for post 18 care leavers that offers accommodation with support Cheshire East trails behind many local authorities who offer their young people this type of service, as part of their Corporate Parenting responsibilities.
- 30 Cheshire East has seen, over the last 12 months, an increase in post 18-year-olds not exiting supported accommodation to move into their own tenancies. Reasons cited include young people not being tenancy ready at 18, late entrants into care in Cheshire East, shortage of social housing with extended waiting lists. As at December 2024 Children's Services has 93 post 18-year-olds in supported accommodation placements.
- 31 Cheshire East is also seeing many placements out of borough. 34% (46) placements are outside the borough.

Proposal

- 32 The proposal is to block contract a range of accommodation types with levels of support to match for our cohort of 16–25-year-olds. Ensuring that accommodation meets need and moves individuals on to independence is the overall aim.
- 33 It is likely that the commission will seek to block contract 126 beds across the borough, with the number of beds scaling up across the life of the contract as young people can transition into them.
- 34 Table 1 – Split of block and spot purchased beds 2026/27 to 2028/29

	2025-26 (Current) £m	2026-27 £m	2027-28 £m	2028-29 £m
Block	0.9	2.2	2.9	3.9
Spot	7.8	5.8	3.9	1.5
Total Supported Accommodation	8.70	8.02	6.88	5.38
Block	40	66	92	126
Spot	103	80	54	20
Total Supported Accommodation	143	146	146	146
Budget (Subject to MTFS Item 26T - £1.1m Budget Saving in 2025-26 and a further £0.7m in 2026-27)	7.3	6.6	6.6	6.6
Comparison to Budget	1.39	1.42	0.28	-1.22

35 The table above outlines the projected spend across Supported Accommodation for years 1 to 3 of the proposed block commission. The current spend for this cohort is £8.7m against a budget of £7.3m. Budget reduces to £6.6m with the MTFS adjustment for 2026/27.

36 The above shows a projected spend of £8m in 2026/27, £6.9m in 2027/28 and £5.4m in 2028/29 when the block contract is at capacity. By year three the block contract proposes to save £1.2m against budget for 2028/29.

37 Contract management of 126 new beds will require continued investment within the Children's Commissioning Team from 1 April 2026, for the initial 3 years of the new contract(s). This will ensure beds are mobilised and occupancy levels achieve 95-100%. Currently, a Project Manager post is leading on the recommission funded from the ILACS Improvement budget, however this post ends on 31 March 2026.

38 The table below shows the cost of continued investment of a Project Manager role in Children's Commissioning to mobilise, develop and maximise service delivery:

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

- 39 The above table slightly affects the savings against the supported accommodation budget. By year three the block contract still proposes to save £1.1m against budget for 2028/29.
- 40 The pathway for accommodation is shown in appendix 1. The pathway outlines the range of accommodation types and levels of support that young people may receive. Whilst the pathway has several accommodations types, young people may only have 2-3 moves before the final stage, their own independent tenancy.
- 41 The pathway/model shows the distinguishment between pre and post 18-year-olds. Additional support and wrap around for 16–17-year-olds in regulated placements followed by accommodation funded through Enhanced Housing Benefit for post 18-year-olds with appropriate levels of support that meets their needs.
- 42 The needs of Unaccompanied Asylum Seeking Children (UASC) are to be recognised as a distinct cohort with their own needs, often being different to that of the general population, therefore there needs to be a specific offer to this cohort and a pathway to support their needs.
- 43 The review needs to ensure that internal systems and processes; including decision making and support offer, meets the needs to this cohort and contributes to the desired pathway and outcomes.

Procurement Timelines

- 44 A procurement process will need to be undertaken in accordance with the Procurement Regulations 2024 and the Council's own Contract Procedure Rules.
- 45 To date provider engagement has taken place via the Chest. It is proposed that further market engagement takes place over the Spring.
- 46 It is intended that the tender will be advertised during September and October 2025 for a period of 35 days, with applications evaluated by cross-organisational representation. The contract will be awarded in December with a start date for the 1st of April 2026.

Reasons for Recommendations

- 47 The ILACS inspection and associated action plan developed in response in early 2024, found that Cheshire East needed to improve our support around accommodation for care leavers. This project recommends a model to support our children in care and care leavers through a pathway to independence providing accommodation with support through to their own independent tenancy.

- 48 In addition, section 22G of the 1989 Act places a duty on local authorities to take strategic action by requiring them to secure sufficient accommodation within their area which meets the needs of their cared for and care leaver cohort, so far as reasonably practicable (the sufficiency duty).
- 49 This project aims to provide our children in care and care leavers with accommodation and support that meets their needs and provides choice,
- a) Address the sufficiency issues across Cheshire East Borough for Children in our Care and Care Experienced young people
 - b) Provide value for money in our commissioning of supported accommodation
- 50 This model sees fewer spot purchased beds for supported accommodation across Cheshire East. It gives greater value for money opportunities and greater control over price, with spot purchase providers currently starting to request annual uplifts to price.
- 51 The current forecasted spend for this cohort is £8.7m in 2025/26 against a budget of £7.3, this then reduces to £6.6m in the MTFs for 2026/27. The do nothing position will likely see this cost remain overbudget. This model proposes to reduce that spend over time to a spend of circa £5.4m by year 3 (2028/29) of the contract.

Other Options Considered

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

Option	Impact	Risk
Do nothing, do not reprocure contracts for this area.	The council will be at significant risk of non-compliance with its legal obligations. Future service demand/needs for children may not be met. No change in the current pathway for 16-25 year old cared for and care leavers. Unsuitable, unregistered or poor quality accommodation may need to be used for this group.	Continued high costs against the children's social care budget. Reputational damage and higher spot purchase costs through Placements Northwest framework. No offer to post 18 year olds meaning they potentially remain in high cost Ofsted Regulated placements.
Commission a range of accommodation with support options for 16-18,	The broad offer of accommodation with support for 16-25 year old will see the	Young people will need to be carefully managed through the pathway to

exercise their discretion in favour of allowing them to do so, subject to time constraints and the effective conduct of the meeting.

- 55 The proposed service accommodation offer, answers to all the duties owed to Children and Young People under the Children Act 1989 and all subsequent legislation which mentions local authority duties to this cohort and the prevention of homelessness. The report also deals appropriately with the Cheshire East Plan, the ILACs improvement plan and the impact on the Council's budget.
- 56 Legal and procurement advice and support will be with a view to ensuring that the procuring and award of the supported accommodation contracts is in line with the Councils contact procedure rules and relevant procurement legislative requirements.

Section 151 Officer/Finance

- 57 The financial implication of this report varies depending on the mix of purchased beds between block and split rates in the proposal included in paragraph 34. Year 2 begins to demonstrate a significant change in overspend to budget.
- 58 The risk of a timely transition to the new block beds may result in occupancy rates of block beds being lower and spot beds being higher for longer which are at a higher cost. A further consideration is the likelihood of delays in movement on from supported accommodation which will increase demand above capacity, creating insufficient accommodation for future demand.
- 59 The risk of an occupancy rate of 85% results in an overspend in all 3 years as included in the table below. This risk will be managed by the service area via contract monitoring meetings, expectation is occupancy would be running at 95%-100%.

Scenario 1 - 15% underoccupancy on non E-Beds Block - movement of more into	2025-26 (Current)		2026-27 £m		2027-28 £m		2028-29 £m	
Block	0.9	10%	2.2	25%	2.9	38%	3.9	59%
Spot	7.8	90%	6.5	75%	4.9	62%	2.8	41%
Total Supported Accommodation	8.7		8.7		7.8		6.7	
Block	40	28%	66	43%	92	58%	126	77%
Spot	103	72%	89	57%	67	42%	38	23%
Total Supported Accommodation	143		155		159		164	
Comparison to Budget	1.39		2.08		1.22		0.09	

- 60 Assuming start date 1 April 2026 is achieved, Year 1 continues to show the same level of overspend as 2025/26.

- 61 Inflation has been excluded from all years relating to current commitment and future costed contract arrangements.
- 62 The budgets stated are excluding any cross-directorate savings yet to be allocated.
- 63 This project supports MTFS 26T, to reduce costs in relation to accommodation with support offer for 16-25 young people, which is scheduled to generate a saving £1.1m 2025/26 and £0.7m in 2026/27. This financial saving is only achieved in year 3 with a cost of £5.4m against a budget of £6.6m.
- 64 The transformation project is combining this MTFS saving with 2 others and progress outturn will be managed together (26T 27T 28T total saving of £2.92m).
- 65 The paper proposal does not provide any savings for the current year, 2025/26, budget, however an early forecast position should include an updated position of the current projected overspend of £1.4m. This will be offset by the grant contribution for UASC and LC from the Home Office. The UASC current rate of £114pn has been announced to increase to £143pn and LC £270.
- 66 Contract values will be included in the future budgets which are targeting to reduce level of costs in future years until reach MTFS level in 2028/29.
- 67 This is an alternative accommodation provision and not an additional provision in order to achieve savings included in the MTFS and reduce current spending levels. As this currently stands, a contract cannot be awarded until an appropriate budget has been provided. This will need to be undertaken prior to Recommendation No.2 being implemented.

Policy

- 68 The Cheshire East Plan 2025-29 has 3 main commitments under its vision enabling prosperity and wellbeing for all in Cheshire East:
- Commitment 1: Unlocking prosperity for all
 - Commitment 2: Improving health and wellbeing
 - Commitment 3: An effective and enabling council
- 69 Commitment 2 - Children and young people thrive and reach their potential with targeted support when and where they need it and highlights the need to deliver the priorities in the Cared for Children and

- 70 Our mission is to provide the right accommodation and support to our Children in Care and Care Experienced Young People, preventing homelessness and ensuring our young people have the best life chances. Our supported accommodation model needs to be specifically designed for care leavers aged 16-25, focusing on achieving key outcomes such as Education, Employment, Training (EET), and Independence. This initiative is structured around a variety of property types and support levels to meet diverse needs across the borough. It will also provide stable housing and tailored support to help young adults transition smoothly into independent living.

Equality, Diversity and Inclusion

- 71 All public sector authorities are bound by the Public Sector Equality Duty as set out in section 149 of the Equality Act 2010. An Equality Impact Assessment will be carried out early in the re-commissioning cycle and the needs of persons with protected characteristics as set out in equalities legislation will be considered.
- 72 A refreshed Equality Impact Assessment will be completed for the overarching review/recommission of the Supported Accommodation offer for 16–25-year-olds.

Human Resources

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

Risk Management

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

Rural Communities

- 77 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)

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

Public Health

79 Cared for children and Care Leavers are more at risk of health inequalities than their peers. The proposals are expected to improve the awareness and response in respect of these health needs, with support staff from Apollo and the YMCA working towards improved outcomes.

Climate Change

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

Consultation

Name of Consultee	Post held	Date sent	Date returned
<i>Statutory Officer (or deputy) :</i>			
Sal Khan	Interim Director of Finance, Deputy Section 151 Officer	22/05/25	23/05/25
Janet Witkowski	Acting Governance, Compliance and Monitoring Officer	22/05/25	25/05/25

<i>Legal and Finance</i>			
Adrian Leslie	Principal Lawyer	14/04/25	30/04/25
Angela Bosiacki	Principal Lawyer	14/04/25	29/04/25
Diane Green	Finance Manager	14/04/25	29/04/25
<i>Other Consultees:</i>			
<i>Executive Directors/Directors</i>			
Claire Williamson	Interim Executive Director of Children and Families	22/05/25	27/05/25
Richard Nash	Interim Director Family Help and Children's Social Care	07/05/25	07/05/25
Mark Lobban	Interim Director of Commissioning and Transformation	08/04/25	08/04/25

Access to Information	
Contact Officer:	Martyn Baggaley Martyn.baggaley@cheshireeast.gov.uk
Appendices:	Appendix 1 – Draft Supported Accommodation Pathway

Appendix 1

Supported Accommodation Pathway:

