

## B3 EDUCATION, CHILDREN & FAMILIES

**We want all people in Sheffield to feel safe, happy, healthy, and independent: to love living here. We want them to have access to a wide range of educational opportunities to support and enable them to achieve their full potential.**

Director: Meredith Dixon-Teasdale (Strategic Director of Children's Services)

This Committee ensures the Council supports children, young people and their families. It has six key areas of focus:

1. Giving everyone the best start in life
2. COVID-19 recovery for children and young people
3. An exemplar in children's services and support our Children Looked After to achieve their full potential
4. Delivering effective Special Educational Needs and Disabilities (SEND) services
5. Reducing exclusion in all its forms
6. Maintaining schools to ensure they are safe, warm, and dry.

Every single person in Sheffield should be able to achieve their full potential. However not all children and young people have the start in life that they deserve, and there are increasing numbers of vulnerable children whose safety we have serious concerns about. Despite huge strides over recent years, substantial educational inequalities remain in the city and are likely to have been exacerbated by the pandemic – this will be a key focus for our work.

As in the rest of the country, we face a significant and unresolved crisis in children's social care, with the complexity and demand for services increasing, an increasingly stretched workforce, and a decade-long underfunding of services by central Government.

In the longer term, we want people to be able to take charge of their wellbeing and support them to stay fit and healthy throughout their lives, so fewer people reach crisis point. That should mean more children able to live safely at home, more children who have had an excellent start in life, more people with physical and learning disabilities able to play a full part in society. This does not mean that we will stop being a council that provides excellent quality care and support for those who need it – that will always be a core part of who we are – but if we are able to make that shift it will result in fewer people needing that intensive support.

A significant element of our Capital Programme must be prioritised around ensuring the Council meets its statutory duty to provide sufficient good quality school places in environments that are fit for purpose. Over the years we have delivered state of the art education facilities, including Oasis Don Valley, Astrea Academy, Mercia Academy, and the expansion of Ecclesall Primary. These are shining examples of the new education facilities available to Sheffield children.

Our capital investment strategy is currently centred on four key areas:

- A. **Building condition** of our school estate
- B. **Basic need** – ensuring there are enough mainstream school places to meet demand
- C. **SEND sufficiency** – ensuring the right provision in the right place for pupils with special educational needs and disabilities
- D. **Children Looked After** – ensuring the right facilities are in place for children in residential care.

This section will address each of these areas in turn.

# A Building condition – maintaining our school estate

Head of Service: Mark Sheikh | Head of Business Strategy

## 1 Background and context

The Council has a responsibility to ensure the school estate for which it is responsible (community schools) is fit for purpose. The backlog of maintenance remains significant. However, progress is being made with a programme of projects to address key issues, prioritised through a survey programme and funded by the annual Schools Condition Allocation (SCA) of capital grant funding. The need far outweighs the funding allocated annually and continues to present a significant challenge. The maintenance backlog is estimated at £45m for 64 maintained schools.

It is important to maximise all capital grant funding available to the Council. This includes successful application to the Department for Education School Rebuilding Programme to rebuild Brunswick, Pipworth, Lydgate Junior, Carfield, Ballifield, and Lowfield Primary schools. The capital strategy has been amended to reflect this programme.

## 2 How do these activities contribute to 'net zero'?

The primary environmental impacts of this area centre on our key assets – buildings and transport.

The environmental impact of our school estate is a key concern for the Council. However, the high levels of both essential and backlog maintenance mean there is limited funding to also increase environmental performance. We will tackle this by seeking external grant funding wherever possible to supplement our own funds, and by considering whether we can improve the environmental performance of our buildings at the same time as undertaking repairs or planned replacements. The scale of this challenge cannot be underestimated. Further information is contained in the 'Essential compliance and maintenance' priority later in this Strategy.

### 3 Projects completed in 2023/24

	Project and value	Impact
1	Nether Green Junior Roof - £2.2m	Safe secure and water tight building
2	Waterthorpe Roof - £0.3m	Safe secure and water tight building
3	Abbey Lane RAAC Roof planks - £0.62m	Safe secure and water tight building
4	FRA Works x 4 sites - £1.6m	Fire safety enhancements to properties
5	Heating Programme x 5 sites - £1m	Warm / energy efficient buildings

### 4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Window and Door Replacement works 2 x sites	£0.95m	2023-25	2023-25
2	FRA Works x 4 sites	Costs TBC at feasibility stage only	2023-25	Fire safety enhancements to properties
3	Roofing works 3 x sites	Costs TBC at feasibility stage only	2023-25	2023-25

### 5 Potential investment pipeline over the next 10 years

Priority / Project	Impacts	Potential funding source(s)

1	Building Condition	Programme of repairs and upgrades to a range of schools. Maintaining schools to ensure they are safe, warm, and dry. This includes ongoing monitoring of asbestos, radon gas and RAAC.	Capital Grant – Education and Skills Funding Agency
2	School Rebuilding Programme	Programme to rebuild schools in the highest condition need. Providing new state of the art buildings that are built to meet net zero targets	Department for Education funded project
3	Pfl Expiry	Programme to revert asset control to the relevant responsible body, either Academy Trust or Local Authority, for the first 6 schools built via Pfl contract. The contracts expire in 2026.	
5	School Condition Survey Programme	Programme of ongoing school condition surveys of all maintained schools across the school estate to inform prioritisation within the capital programme.	Revenue funded

## 6 Our forward look to the 2050s

We envisage a critical tipping point in building repairs will be reached if a target baseline on mounting backlog of maintenance is not set and achieved. The condition of our school estate continues to decline, with insufficient funding to tackle the backlog of maintenance and repairs.

There is also a possibility that all schools could be transferred to Academy status.

## 7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	Backlog maintenance is currently estimated at £45m for 64 maintained schools.	Prioritise repairs on a 'worst first' basis, whilst aggregating requirements wherever possible to maximise efficiency of delivery. Continue to lobby DfE for additional funding. Consider making funding requests to the Corporate Investment Fund to tackle this backlog, Opportunities for SCC Schools to be
2	Existing resources of around £3m annually are largely absorbed by reactive maintenance and essential programmes such as Fire Risk mitigation. Using current SCA allocation it	

	would take us over 12 years to fully implement lifecycle maintenance.	included in DfE funded significant refurbishment and rebuild programmes will be maximised
3	Annual reduction to the Building Condition Grant allocated to Local Authorities as more schools' transfer to Academy Status. Demands on the capital budget will also decrease proportionately. However, significant challenges relating to the condition of the primary estate remain.	

## B Basic need – ensuring sufficient mainstream places

Head of Service: Matthew Peers, Head of Commissioning – Education and Childcare, Integrated Commissioning Service

### 1 Background and context

A significant element of our Capital and Growth Programme must be prioritised around ensuring the Council meets its statutory duty to provide sufficient good quality school places in environments that are fit for purpose. In previous years we have delivered state of the art education facilities, including Oasis Don Valley, Astrea Academy, Mercia Academy, and the expansion of Ecclesall Primary.

The total funding available to support any primary and secondary expansions as outlined in the expansion strategy (approved by the Committee in July 2023) is approximately £31.8m. For the primary school projects, we estimate that approximately £2.6m will be utilised for the expansion proposals. For the secondary expansions, we cannot provide any estimates until the Capital Delivery Service have undertaken site-based feasibility studies at several schools. Assuming the costs of primary places are as initially estimated, this leaves £29.2m for secondary places. The above capital will be supplemented by any Section 106 developer contributions secured as part of the Local Plan.

Solutions to meet demand for school places may be temporary or permanent, depending on whether the demand is sustained for five+ years or only required for one or two years. Over the next five years we estimate we need to provide the following mainstream school places:

Year	Planning Area	Number of Forms of Entry	Number of Places	Funding
2024/25	5 (East)	0.5 (permanent)	105 (15 x 7)	We estimate that approximately £2.6m will be utilised for the Primary expansion proposals.
2024/25	2 (North)	0.33 (permanent)	70 (10 x 7)	

Year	Planning Area	Number of Forms of Entry	Number of Places	Funding
2024/25	1 (Southwest)	2 (permanent)	300 (2 x 30 x 5)	Assuming the costs of primary places are as initially estimated above, this leaves £29.2m for secondary places.
2024/25	5 (East)	2 (permanent)	300 (2 x 30 x 5)	

2024/25	2 (Northwest)	1 (permanent)	150 (1 x 30 x 5)	<p><b>Funding for school places up to 2024/25:</b> £9.8m of Basic Need funding for the purposes of school places expansion is due to be received by the Council this year for the creation of school places up to 2024/25. Existing commitments from this and balance brought forward from previous years leaves £5.7m available for investment. Please note: the planned expansions in 2024/25 are likely to exceed the £5.7m capital available, so funding available for future years (2025/26 onwards) will need to be utilised. We are unable to provide accurate estimates of the total Capital requirement until the Council's Capital Delivery Service have undertaken site-based feasibility studies.</p> <p><b>Funding for school places from 2025/26 onwards:</b> £26.09m of Basic Need funding for the purposes of school places expansion from has been announced. This funding would be used to support any building refurbishment, temporary or permanent expansion projects</p>
2025/26	NA	NA	NA	
2026/27	3 (North)	1 (temporary)	30 (minimum)	
2027/28	1 (Southwest)	2 (temporary)	60 (minimum)	
2027/28	7 (South)	2 (temporary/permanent)	300 (2 x 30 x 5)	
2028/29	1 (Southwest)	3 (temporary)	90 (minimum)	
2028/29	5 (East)	2 (temporary)	60 (minimum)	

Any expansions are subject to change dependent on the forecast position.

The Department for Education's formula for funding the creation of new secondary school places grants approximately £22k per place. The £29.2m that is estimated to be remaining following primary school expansions, therefore, would be expected to deliver 1,327 places. Current estimates of secondary places required are between 1,050 and 1,500, dependent on assessments into current capacity of existing sites. This would indicate that funding allocated is of a reasonable magnitude to accommodate the likely expansion requirements. However, until detailed feasibility work is completed on specific sites these figures only represent an estimate based on average costings. Once the figures for secondary expansions are confirmed, this will be presented to the Finance Committee and processed as part of the business cases for individual expansion projects as they progress.

### Primary Sufficiency

Most of our primary schools will be experiencing falling rolls and have surplus places due to a period of low birth rates. We are working with the sector to manage this decline in demand and remain sustainable. Since the 2012 peak, births have been falling resulting in an increasing number of surplus places across Sheffield's primary schools since 2015/16. This has begun to impact on some schools' budgets and continues to worsen with each year's lower cohort. Reception cohorts are expected to continue to decrease, reaching a low point in 2025/26.

However, there are some pockets of primary place deficits, especially in areas where there has been regeneration and substantial new housing development. Increased demand for Primary places in Planning Areas 2 (North) and 5 (East) as new housing developments are completed and homes occupied, means that intervention is necessary to ensure that children can access a place at a local school within statutory walking distance (2 miles) of their home. Two small projects are therefore being considered for small scale expansions to meet localised demand in these areas. Section 106 monies are available to contribute towards these

projects, however until feasibility studies are complete, we will not know if the Section 106 funding will cover all the costs, so other funding will be required.

## **Secondary Sufficiency**

Following the 2022/23 data review, forecasts are showing a sustained deficit of secondary school places from 2024/25 up until the end of the decade. This recent citywide data review forecasts another peak year in 2027/28. Increased housing developments within specific planning areas, including those within the city centre, and increasing inward migration are leading to high levels of population change throughout the forecast period.

We estimate we will need to build a minimum of approximately 7 Forms of Entry / 1,050 places (7 x 30 places x 5 year groups = 1,050) and potentially up to a maximum of approximately 10 Forms of Entry / 1,500 places (10 x 30 places x 5 year groups = 1,500) to address the forecast deficits. However, we will need to keep reviewing the data as forecasting is relatively dynamic and housing, inward migration, and other factors will influence the total number of places needed.

Without intervention, there will be a sustained shortfall of secondary school places across specific areas of the city from 2024/25 until the end of the decade and beyond. Further additional capacity, via temporary and permanent refurbishment and/or new build expansions, is needed to accommodate the demand.

- Planning Area 1 (Southwest) – approximately 2 Forms of Entry / 300 places (2 x 30 places x 5 year groups = 300) will be required from 2024/25.
- Planning Area 5 (East) – approximately 2 Forms of Entry / 300 places (2 x 30 places x 5 year groups = 300) will be required from 2024/25, rising to a one off peak of 4 Forms of Entry in 2028/29, before dropping back to 2 Forms of Entry.
- Planning Area 2 (Northwest) – approximately 1 Form of Entry / 150 places (1 x 30 places x 5 year groups = 150) will be required from 2024/25.
- Planning Area 7 (South) – approximately 2 Forms of Entry / 300 places (2 x 30 places x 5 year groups = 300) may be required from 2027/28.
- Planning Area 3 (North) – potential need for a temporary expansion of approximately 1 Form of Entry / 30 places (1 bulge class only) for 2026/27.

After 2028/29, surpluses are then forecast to develop across the city and we will need to plan for this, so we make effective use of the school estate. For example, we may seek to utilise surplus space for Post 16 or SEND provision, and there may be a capital requirement for this.

## **New Housing**

Sheffield’s Local Plan aims to deliver 2,100 new homes per year between 2019 and 2039. We need to plan for and potentially provide additional primary and secondary places where new housing developments increase the pupil yield. We will seek to maximise developer contributions where additional school places are necessary, but other funding may also be required.

## 2 How do these activities contribute to ‘net zero’?

Climate Impact Assessments are completed for all school expansion proposals. Expanding schools in areas of high demand means children can access a local school and thus reduces travel needs. The Capital Delivery Service, Finance and Commercial Services and the Sustainability Team will ensure that climate impacts are considered and mitigated wherever possible.

## 3 Projects completed in 2023/24

	Project and value	Impact
1	Silverdale School Expansion - £7.5m	Permanent expansion to accommodate additional 60 mainstream pupils per year group plus additional Post 16 and SEND places
2	King Ecgbert School Expansion - £6.5m	Permanent expansion to accommodate additional 47 mainstream pupils per year group plus additional Post 16 and SEND places

## 4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Manor Lodge Primary School Expansion	£1.25m	2022/23 – 2024/25	Permanent expansion to accommodate additional 15 pupils per year group
2	Wharnccliffe Side Primary School Expansion	£1.47m	2022/23 – 2024/25	Permanent expansion to accommodate additional 10 pupils per year group

## 5 Potential investment pipeline over the next 10 years

Priority / Project		Impacts	Potential funding source(s)
1	Statutory Delivery of mainstream school places	Expansion of secondary school places within the city, particularly in the East and Southwest for sustained peaks in demand. Further expansions outlined above are also being explored.  Expansion of primary school places within the city, particularly in localised hotspots of high demand.	Department for Education (DfE) / Education & Skills Funding Agency (ESFA) / Sheffield City Council  Section 106 funding to be utilised where possible
2	Post 16 Sufficiency Review	Potential consideration of capital investment to support Post 16 sufficiency depending on outcome of review.	DfE / ESFA / Council

## 6 Our forward look to the 2050s

- Local Plan ambition to deliver 2,100 new homes per year between 2019 and 2039 – we need to analyse the plans and calculate likely pupil yield as we may need to provide additional primary and secondary school places where pupil yield is increased.
- Uncertain migration patterns as a result of Brexit, climate change and continued significant global events such as Ukraine, Hong Kong and Afghanistan, impacting demand for school places.

## 7 Key challenges and how we are addressing them

Challenge		Actions to address
1	<p><b>School Places:</b></p> <p>The Local Authority has a statutory duty to provide sufficient pupil places. However, there is a risk that the Basic Need capital grant allocated to support expansion projects will be insufficient – the allocation for the city is fully committed until 2024/25.</p>	<p>An ongoing review of all pupil places.</p> <p>A review of the current 3% uplift in secondary forecasts.</p> <p>Continue to raise the profile of statutory duties and to lobby national government.</p> <p>The Local Plan has improved our opportunities to secure developer contributions through Section 106.</p>

	The DfE provide updated capital allocations annually. We are expecting the next funding allocation confirmation in Spring 2024. We will then receive the funding allocation in 2026/27.	
2	<p><b>Post 16 Capital:</b></p> <p>Following Post 16 Sufficiency Review there may be insufficient capital to intervene in the market if required.</p>	Ongoing capital discussions linked to sufficiency review and any future Post 16 capacity fund that may be implemented by DfE to support capital investment and growth of Post 16 places.
3	<p><b>Uncertain migration trends:</b></p> <p>Migration trends into Sheffield are uncertain. Changes in working patterns and the economy post-Covid, and major international events such as Brexit, Afghanistan, Ukraine and Hong Kong are all contributing to an uncertain migration picture. This may lead to different patterns than what has been experienced previously. Increasing inward migration trends to Sheffield could lead to higher than forecast pupils within the city, across all year groups.</p>	<p>Review of migration trends and population changes across the city.</p> <p>A review of the current 3% uplift in secondary forecasts.</p>

## C SEND provision – ensuring appropriate provision for children with special needs

Director: Joe Horobin, Director of Integrated Commissioning

### 1 Background and context

Under the 2014 Children and Families Act, the Local Authority has a statutory duty to provide sufficient school places for children and young people with special educational needs and disabilities (SEND). Since 2014, Sheffield has seen significantly increasing demand for specialist places for children and young people with SEND.

Since 2018, the number of special school places in Sheffield has been increased by 20%. Looking ahead, continued pressure is expected, with 300 additional special places forecast to be needed in the next five years (there are currently approximately 1500).

This rising demand presents key risks, include the potential for an increase in high-cost independent placements due to lack of physical capacity in Sheffield. Capital investment must be managed carefully, as the allocation from the Department for Education does not appear to be sufficient.

To do this, strategic work is focusing on long-term sustainable solutions, this includes focusing on mainstream, developing special free school bids to provide sustainable special school places, and improving post 16 provision.

### 2 How do these activities contribute to 'net zero'?

The primary environmental impacts of this priority area centre on our key assets – buildings and transport.

The environmental impact of our school estate is a key concern for the Council. However, the high levels of both essential and backlog maintenance mean there is limited funding to also increase environmental performance. We will tackle this by seeking external grant funding wherever possible to supplement our own funds, and by considering whether we can improve the environmental performance of our buildings at the same time as undertaking repairs or planned replacements.

For SEND, a key contributor is the significant use of buses and taxis outside the Council's own fleet for transportation for SEND pupils. These issues are being considered when identifying the location of new schools and targeting activity in mainstream – to reduce travel across the city.

### 3 Projects completed in 2023/24

	Project and value	Impact
1	Malin Bridge Integrated Resource (IR) - £0.5m	20 Integrated Resource places
2	Stannington Infant IR - £0.36m	10 Integrated Resource places
3	Greenhill Primary IR - £0.15m	12 Integrated Resource places
4	Hallam Primary IR - £0.08m	16 Integrated Resource places
5	Adaptations – £0.1m	Ensure children’s access to education

### 4 Current projects already in delivery

	Project	Budget (£) (all years)	Year(s)	Outputs
1	Special Free School 2	£0.8m (contribution to DfE delivered scheme only)	2026-27	80 special school places for SEMH
2	The Sheffield College Peaks Campus Post 16 SEND Provision	TBC (feasibility on-going)	2024-25	Up to 300 post 16 SEND places
3	Primary Integrated Resource Growth	£0.8m	2024-25	77 Primary Integrated Resource Places
4	Secondary and Post 16 Integrated Resource Growth	£1m	2024-25	73 Secondary and Post 16 Integrated Resource Places

Capital values shown are subject to change.

## 5 Potential investment pipeline over the next 10 years

			Priority / Project	Impacts	Potential funding source(s)
1	Integrated Resource and Special Led Hub Growth	Double number of IR places in the city – 300 place increase, reduce demand on special through mainstream places. Some places may be delivered via special led hubs which see a special school satellite based in a mainstream.	High Needs Capital		
2	Joint Special Free School bid with Barnsley	100 additional special school places for children with complex autism. Profile of school matched to high-cost independent settings to reduce expenditure on independent and out of area places.	High Needs Capital		
3	Alternative Provision Free School bid	100 new alternative provision school places – places will be designed to prevent exclusion and escalation of needs to settings such as Social, Emotional Mental Health special school or independent places.	High Needs Capital		
4	Relocation of Kenwood School	Need to relocate as Moncrieffe and Kenwood buildings not suitable in long-term. Impact of high quality local special school provision, possible capital receipt from Moncrieffe and Kenwood.	High Needs Capital Capital receipt		

5	Reconfiguration of Special Schools to support sufficiency	Changes in the presenting needs of children and young people with SEND mean that some special schools may need capital investment to reconfigure spaces to better meet the needs of young people and provide places.	High Needs Capital
6	Adaptations	Accessible maintained schools for children with complex needs.	High Needs Capital

## 6 Our forward look to the 2050s

It is likely that pressure relating to SEND will continue for the foreseeable future, growth in demand for SEND places is currently bucking wider trends such as falling birth rates. This doesn't appear likely to change in the immediate future.

The national policy direction in this area is unclear, The Government has produced a Green Paper, with a greater emphasis on inclusion, but the timing of implementation is not clear. A possible change of Government in 2024 may also impact on the policy direction in this area.

The legacy of Covid in relation to SEND should become fully apparent in the next few years. There is a risk of greater demand relating to SEND, due to significant periods of missed school, as well as other factors such as family loss and trauma.

Despite the uncertainty, through all our work we are looking to bring the SEND system onto a stable footing, with a clear focus on delivering sustainable, long-term schemes, whilst managing day to day pressures.

## 7 Key challenges and how we are addressing them

	Challenge	Actions to address
1	High demand for SEND places	Development of integrated resources and special led hubs to meet need earlier in mainstream settings.

		Long term sustainable developments to increase special places in a controlled manner – Free School bids, post 16.
2	Insufficient capital funding from the Department for Education	Strategic modelling of capital funding demands for next five years. Close working with corporate colleagues to identify opportunities to exploit other funding sources outside DfE to meet needs of SEND and the city.
3	Need to meet more need in mainstream.	Working with Education and Skills on Inclusion Strategy and Belonging. Working with sector to understand barriers to inclusion and address. Strategic emphasis on mainstream through developments of integrated resources.

## D Children Looked After – supporting Children Looked After to achieve their full potential

Director: Sally Williams, Director of Children and Families

### 1 Background and context

We want to be an exemplar in children’s services and support our Children Looked After to achieve their full potential. Underpinning this are five key sufficiency principles:

1. Children stay at home, wherever it is safe to do so.
2. Children are reunified with their families wherever it is safe to do so
3. Where children cannot live at home they live with connected carers
4. Only when children cannot live with connected carers they live in family-based care (foster care) which might be foster care or adoption
5. Only when children cannot live in family-based care, they live in high quality residential placements that meet their specific needs

As part of our strategic response to sufficiency, we need to maximise the use of family-based care and have appropriate access to the necessary amount of residential provision, including our own in-house residential provision. This will enable Council to meet its statutory duty ‘to secure, so far as reasonably practical, sufficient accommodation for looked after children [in their local authority

area] in order to enable a child to stay at the same school and near to family where contact can easily take place' (Section 22G, The Children Act 1989).

Nationally, numbers of Children looked after (CLA) are increasing. At the end of March 2022, they stood at 82,170 - up 2% on 2021. As a result of successful early intervention and a strong edge of care response, Sheffield has lower rates of CLA than both national and statistical comparators. We have 55 looked after children per 10,000 children, our statistical neighbours have 94 looked after children per 10,000 children and nationally the rate is 70. However, we are seeing increased complexity and need across our looked after children cohort.

There is a clear increase in demand for residential placements for children with increased complexity, who we struggle to find suitable placements for in private sector accommodation. Over the last 24 months we have experienced increasing challenge in sourcing placements for young people with a high complexity and levels of need, making matching children in larger homes unrealistic and unsafe. Young people who have high levels of complexity are often rejected by private providers as too complex, or, if accepted, there are swift placement breakdowns. The unit cost of in-house provision is heavily influenced by occupancy levels which averaged 74% in 2021/22 and 2022/23.

There is a clear business case for a change to the children's social care residential estate, moving towards smaller homes with higher occupancy rates which are able to meet the needs of our most complex children. However, challenges around the revenue costs of existing in-house residential provision make the case for prudential borrowing very challenging.

To ensure that we develop in-house provision that meets the long-term needs of Sheffield children in the complex financial climate we will:

- undertake a full assets review, looking at the disposal of existing provision which does not meet service need
- refine the current residential estate
- develop a refined workforce strategy, strategically placing children's homes close enough together to maximise workforce/management oversight to ensure best value for money.

This approach will maximise funding for any potential development opportunity, and best enable us to access prudential borrowing, external grants or the Council's Corporate Investment Fund as appropriate. Changes to our internal residential estate will be done in several stages.

## 2 How do these activities contribute to 'net zero'?

First and foremost, buildings to increase provision of children's social care residential placements within the City will reduce the need for out-of-city travel.

The main climate impacts associated with increasing Sheffield’s children’s homes residential estate are the building construction specification, including energy efficient design and impact of materials used. It is proposed to take a ‘fabric first’ approach to ensure the building envelope is as efficient as possible. Air source heat pumps will be considered for heating, which will have a significant impact on carbon emissions (especially as grid electricity decarbonises more and more over time).

We will trial methodologies to investigate the embodied carbon of materials used in construction as any design develops and understand the scope to use lower embodied carbon materials used where possible. Full Climate Impact Assessments - specifying suitable mitigation measures - will of course be conducted as projects move into more detailed business case and design.

**3 Projects completed in 2023/24**

	Project and value	Impact
1	Aldine House Improvements (Security upgrades and Corner infill) - £0.9m	Improved facilities and additional teaching space

**4 Current projects already in delivery**

	Project	Budget (£) (all years)	Year(s)	Outputs
1	2/3 bed smaller group living children’s home for young people with complex needs	£590K	22/23/24	Deliver a new build 2-bedroom children’s home that can scale up to provide support for 3 young people with additional vulnerabilities

**5 Potential investment pipeline over the next 10 years**

	Priority	Impact	Potential funding source
1	Extend current provision to open 1 bed children's home/unit on site for children with complex disabilities.	<ul style="list-style-type: none"> <li>• Ensure we fulfil our statutory duty</li> <li>• Provide much needed capacity in the estate for highly complex children and young people who require a solo placement</li> <li>• Reduce reliance on independent provision</li> <li>• Stabilise placement overspend</li> <li>• Care for young people in Sheffield, reducing out of city placements</li> </ul>	<p>Current external placement costs for residential placements for children with very complex disabilities exceed the cost of renovation of this property.</p> <p>Therefore the immediate costs will be met by the sufficiency budget</p>
2	2 bed children's home for young people with complex need.	<ul style="list-style-type: none"> <li>• Improve our placement choice for children and young people</li> <li>• Increase the number and range of local, in city care placements, including improved occupancy across existing residential estate</li> <li>• Care for young people closer to home</li> <li>• Support a return for children and young people to Sheffield in line with their Care Plan</li> <li>• Reduce reliance on independent provision</li> <li>• Stabilise placement overspend</li> <li>• Alleviate future year pressures</li> <li>• Provide stability for children and young people</li> <li>• Ensure that children and young people's Care Plans are progressing particularly in relation to step-across into fostering, with residential being an intervention not a destination</li> </ul>	<p>Department for Education (DfE) capital match funding, in conjunction with a proposal to utilising land value and identified capital funding via the Corporate Investment Fund.</p>
3	<p>2 bed placements for children with exceptionally complex needs requiring smaller group living.</p> <p>We anticipate opening one two-bedroom home in phase one. Upon completion - and review of</p>	<ul style="list-style-type: none"> <li>• Meet our sufficiency duty</li> <li>• Increase the number and range of local, in-city care placements, including improved occupancy across existing residential estate</li> <li>• Care for young people closer to home</li> </ul>	<p>Current revenue costs for in-house placements are high as a result of low occupancy rates and young people who cannot be placed in private provision – this makes the comparison of in-house and private delivery costs misleading.</p>

	<p>need and market - it is likely that we will seek to open another two bed provision during phase two.</p>	<ul style="list-style-type: none"> <li>• Support a return for children and young people to Sheffield in line with their Care Plan</li> <li>• Reduce reliance on independent provision where this does not best meet need</li> <li>• Stabilise placement overspend</li> <li>• Alleviate future year pressures</li> <li>• Provide stability for children and young people</li> <li>• Ensure that children and young people's Care Plans are progressing - particularly in relation to step-across into fostering, with residential being an intervention not a destination</li> </ul>	<p>If in-house residential delivery costs can be reduced, or if the external residential costs continue to increase, then there may be a case for prudential borrowing against savings to the placement budget.</p> <p>Alternative Corporate Investment Fund (CIF).</p>
4	<p>Loans for carers who provide family-based care, to support maintaining placements, or increasing the number of children that a carer is able to provide a placement for.</p>	<ul style="list-style-type: none"> <li>• Increase number of stable placements for young people in family-based care.</li> <li>• Reduce the use of Independent Fostering Agencies (IFAs) and residential placements where the barrier to family based care is the home</li> <li>• Maximise available beds from our current foster carer cohort.</li> <li>• Under the scheme carers may apply for a loan to extend or adapt their home to support additional foster / Special Guardianship Order (SGO) placements or prevent placement breakdown. Loans are secured as a legal charge for 5 years, after which the loan will not be repaid if conditions have been adhered to.</li> </ul>	<p>The cost of this measure is anticipated to be met by diverting funding from the placement budget by reducing the need for IFAs and residential placements.</p> <p>There may also be a case for prudential borrowing when the loan prevents an inevitable movement of the child into a residential setting.</p>

It is difficult to predict longer-term changes in the area of Children Looked After. However, we anticipate we will not be immune from the Council-wide challenges of maintaining our corporate estate and achieving net zero.

**7 Key challenges and how we are addressing them**

	<b>Challenge</b>	<b>Actions to address</b>
1	<p><b>Increased complexity</b> - there is an increased demand for placements that meet the needs of looked after children with very complex needs, including increasingly poor emotional wellbeing among young people, presenting with complex and challenging behaviours, requiring placements that provide an intensive trauma informed approach and young people with extremely complex learning difficulties and disabilities.</p>	<p>Long-term sustainable developments that provide care closer to home.</p> <p>Increased sufficiency will reduce the reliance on the external placement market.</p> <p>Ensure children in residential care have the same access to reunification opportunities as children in family-based care settings.</p>
2	<p><b>Lack of market capacity</b> - the capacity in both the in-house placements and the independent sector has not kept pace with demand. This has resulted in reduced choice of placements and therefore proportionately more young people being placed in residential accommodation and proportionately fewer children placed in foster families. This can be further impacted by providers exiting the market leaving the LA in a position to identify alternative provision at little or no notice.</p> <p>The Placements Team are searching for a high number of placements from the external sector, competing with other Local Authorities.</p>	<p>Consider development of further in-house provision realigned to meet the needs of our cohort.</p> <p>Current residential overspend to be addressed through review and realignment of staffing structures.</p> <p>A clear business case approach to capital investment will focus on ensuring the impact of any changes is effectively monitored and achieving the outcomes set out.</p>
3	<p><b>A 'dysfunctional' market</b> - the Competition and Markets Authority (CMA) report, March 22, confirms that the market in care placements has become increasingly 'broken'. It found:</p> <ul style="list-style-type: none"> <li>• a shortage of appropriate places in children's homes and with foster carers,</li> <li>• children are not getting the right care from their placement,</li> <li>• children are being placed too far away from where they previously lived,</li> <li>• children being placed away from their siblings</li> <li>• lack of placements means that high prices are often being paid by local authorities.</li> </ul>	

	<ul style="list-style-type: none"> <li>• the total income of the largest 20 providers was more than £1.6bn.</li> <li>• the top 10 children’s homes providers make up 33% of private homes</li> <li>• the top 10 providers of children’s social care placement made more than £300m in profits in the last year.</li> </ul> <p>Currently 83% of the children’s residential care market is owned and operated by the private sector.</p> <p>The recently published Independent Review of Children’s Social Care May 2022 identified</p> <ul style="list-style-type: none"> <li>• Weak Oversight - the Competition and Markets Authority (CMA) has expressed concern about the risk of unmanaged exit by large children’s home providers due to their levels of debt and dominance of the market.</li> <li>• High cost and Profiteering - the average operating profit made by private residential children’s home providers has increased over time. The CMA found that profits in the children’s residential home sector increased from £702 to £910 per child per week, between 2016 and 2020 averaging 22.6%.</li> </ul>	
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