

Children and Families Committee

Supplementary Paper

Date: Monday, 16th January, 2023
Time: 12.30 pm
Venue: Committee Suite 1,2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

6. **Medium-Term Financial Strategy 2023-27 Consultation** (Pages 3 - 30)

Report and appendices for the report which was marked to follow on the agenda.

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Children and Families Committee

Date of Meeting:	16 January 2023
Report Title:	Medium-Term Financial Strategy 2023-27 Consultation
Report of:	Alex Thompson – Director of Finance and Customer Services (Section 151 Officer)
Report Reference No:	CF/33/22- 23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1. The Children and Families Committee is being asked to provide feedback, as consultees, on the development of the Cheshire East Medium-Term Financial Strategy 2023/24 to 2026/27. Feedback is requested in relation to the responsibilities of the Committee.
- 1.2. The Medium-Term Financial Strategy (MTFS) sets out how the Council will resource the achievement of the Corporate Plan and is subject to consultation and approval on an annual basis.
- 1.3. Developing the strategy requires a wide range of stakeholder engagement, including all Members. Feedback will be presented to the Corporate Policy Committee for consideration on, 9 February 2023, before a balanced budget is presented to the full Council meeting of 22 February 2023 for final review and approval.
- 1.4. The full consultation document can be accessed on the [Cheshire East Council](#) website.

2. Executive Summary

- 2.1. Financial strategies underpin how Cheshire East Council will allocate resources, achieve the Corporate Plan and provide in the region of 500 local services every day. The strategies must be affordable, based on robust estimates and balanced against adequate reserves.

- 2.2.** In February 2021 the Council approved the Corporate Plan 2021-2025 which articulates the vision of how these services will make Cheshire East an Open, Fair and Green borough:
- 2.2.1.** Open - We will provide strong community leadership and work transparently with our residents, businesses and partners to deliver our ambition in Cheshire East.
- 2.2.2.** Fair - We aim to reduce inequalities, promote fairness and opportunity for all and support our most vulnerable residents.
- 2.2.3.** Green - We will lead our communities to protect and enhance our environment, tackle the climate emergency and drive sustainable development.
- 2.3.** Committees are responsible for overseeing the achievement of these priorities. Resources, including Revenue, Capital and Reserves were allocated by the Finance Sub-Committee in March 2022, following the budget Council. All resources are allocated to a specific Service Committee or the Finance Sub-Committee.
- 2.4.** Each Committee plays an important role in developing the Strategy before it is approved by Council on 22 February 2023.
- 2.5.** The full MTFS is provided on the Council's website along with supporting consultation material. Each Committee is receiving an extract from the Full MTFS to assist with focusing on the Constitutional responsibilities of the Committee.

3. Recommendations

- 3.1.** That the Committee notes:
- 3.1.1.** The year-end forecast outturn position for 2022/23 (**Appendix 1**).
- 3.1.2.** The financial context and proposals contained within the Executive Summary of the Medium-Term Financial Strategy (**MTFS report Annex C, Section 1**).
- 3.1.3.** Revenue Grant Funding (**Appendix 4**).
- 3.1.4.** Earmarked Reserves (**Appendix 5**).
- 3.2.** That the Committee provides feedback on the proposals within the MTFS, as related to the Committee's responsibilities, that can support and advise Full Council in fulfilling its responsibilities to approve a balanced budget for 2023/24, in the following areas:
- 3.2.1.** Revenue Proposals (Details are at **Appendix 2**).

MTFS Section 1 Ref No	Detailed List of Proposed Budget Changes – Service Budgets
Children and Families Committee	
24	School transport pressures
25	Pay inflation
26	Growth in Children’s Social Care
27	Recognise pressures in the Children's Social Care direct payments budget
28	Statutory Education Psychology Service
29	Reverse travel savings
30	Increase capacity to support statutory SEND service
31	Household Support Fund Grant
32	Household Support Fund into the Council's base budget (funded from grant)
33	Pension Costs Adjustment
34	Use of Children & Families Transformation Reserve - estimated balance
35	Integrated Children's Service Strategy
36	Holiday Activity Fund Grant
37	Holiday Activity Fund into the Council's base budget (funded from grant)
38	Review of commissioned services across the Children and Families Directorate
39	Children’s Development and Partnerships Service
40	Early Help Redesign
41	Deliver the Family Hub model
42	Review of funding streams and income opportunities within Education and Skills
43	Reduce Legacy Pension commitment
44	Revenue costs for the Crewe Youth Zone (as above) aligned to Supporting Families Funding
45	Early Help budget to support funding towards the Crewe Youth Zone

3.2.2. Capital Programme (**Appendix 3**).

4. Reasons for Recommendations

- 4.1. In accordance with the Constitution Committees play an important role in planning, monitoring and reporting on the Council's finances. Each Committee has specific financial responsibilities.
- 4.2. The Council's annual budget must be balanced. The proposals within it must be robust and the strategy should be supported by adequate reserves. The assessment of these criteria is supported by each Committee having the opportunity to help develop the financial proposals before they are approved by Full Council.

5. Other Options Considered

- 5.1. The Council has a legal duty to set a balanced annual budget taking regard of the report from the Chief Finance Officer. As such options cannot be considered that would breach this duty. Any feedback from the Committee must still recognise the requirement for Council to fulfil this duty.
- 5.2. There is no option to "do nothing". The Council has statutory obligations to provide certain services, which would be unaffordable if the Council failed to levy an appropriate Council Tax.

6. Background

- 6.1. The Council's financial resources are provided from a combination of local taxes, government grants, investment returns on assets and other direct contributions from individuals or organisations. Financial plans are based on estimated spending and income over the next four years and the report of the Chief Finance Officer brings Members attention to the processes and risks associated with developing these estimates.
- 6.2. The Council aims to achieve value for money based on Economy (how much we pay for things), Efficiency (how well we use things) and Effectiveness (how we use things to achieve outcomes). Public feedback and internal and external scrutiny create the necessary framework to hold the Council to account for achieving these aims.
- 6.3. All councils are legally required to set a balanced budget each year.
- 6.4. The Budget Setting Process 2023-2027 has enabled a set of proposals to be developed for consultation.
- 6.5. The MTFS report is based on the Provisional Local Government Finance Settlement for 2023/24. This was released on 19 December 2022. The final settlement is expected in early February 2023 with a debate by Members of Parliament in the House of Commons expected in mid-February (after the publication date of this report to Committee) to agree the position.
- 6.6. The MTFS report continues to include estimated grant allocations in relation to several Specific Grants (**Appendix C, Annex 7 and** Committee specific

at **Appendix 4** of this report). These will be refined as appropriate in due course.

- 6.7. Any changes made as a result of the engagement process and further debate will be reported to Members at the Council meeting on 22 February 2023.

7. Consultation and Engagement

- 7.1. The business planning process involved a series of events during 2022. Details of how this process was managed is included within the **MTFS report Appendix C, Annex 2**.

8. Implications

8.1. Legal

- 8.1.1. The Council should have robust processes so that it can meet statutory requirements and fulfil its fiduciary duty.

8.2. Finance

- 8.2.1. Please see all Sections of this report.

8.3. Policy

- 8.3.1. The MTFS report outlines policy and budget proposals which will impact on service delivery arrangements.
- 8.3.2. The Corporate Plan will drive and inform Council policy and priorities for service delivery. The priorities and actions listed may have direct policy implications will be considered on a case-by-case basis.

8.4. Equality

- 8.4.1. Under the Equality Act 2010, decision makers must show 'due regard' to the need to:
- Eliminate unlawful discrimination, harassment and victimisation;
 - Advance equality of opportunity between those who share a protected characteristic and those who do not share it; and
 - Foster good relations between those groups.
- 8.4.2. The protected characteristics are age, disability, sex, race, religion and belief, sexual orientation, gender re-assignment, pregnancy and maternity, and marriage and civil partnership.
- 8.4.3. Having "due regard" is a legal term which requires the Council to consider what is proportionate and relevant in terms of the decisions they take.
- 8.4.4. The Council needs to ensure that in taking decisions on the Medium-Term Financial Strategy and the Budget that the impacts on those with protected characteristics are considered. The Council undertakes

equality impact assessments where necessary and continues to do so as proposals and projects develop across the lifetime of the Corporate Plan. The process assists us to consider what actions could mitigate any adverse impacts identified. Completed equality impact assessments form part of any detailed Business Cases.

8.4.5. The proposals within the MTFs include positive and negative impacts. A separate Equality Impact Assessment has been produced and is included in **Appendix C, Annex 3**.

8.4.6. The Corporate Plan's vision reinforces the Council's commitment to meeting its equalities duties, promoting fairness and working openly for everyone. Cheshire East is a diverse place and we want to make sure that people are able to live, work and enjoy Cheshire East regardless of their background, needs or characteristics.

8.5. Human Resources

8.5.1. A number of the proposals will impact on staff. See **MTFS report Appendix C, Section 1** for full list of change proposals.

8.6. Risk Management

8.6.1. The steps outlined in this report mitigate the four main legal and financial risks to the Council's financial management arrangements:

- The Council must set a balanced Budget.
- Setting the Council Tax for 2023/24 must follow a compliant process.
- The Council should provide high quality evidence to support submissions for external assessment.
- That Council borrowing will comply with the Treasury Management Strategy which is underpinned by the Prudential Code.

8.6.2. A risk assessment of the significant proposals being put forward has been carried out by each service and is included as part of the planning process.

8.6.3. It is important to note that the Council faces significant financial challenges in achieving its desired outcomes. Management of risk is embedded within the organisation to ensure the Council can seize opportunities, introduce new, innovative models of service delivery, focus on improving outcomes for residents and review its range of services whilst identifying and controlling any resulting risks. The approach to risk management will continue to be assessed as the Council's plans and financial strategy are implemented.

8.6.4. See **MTFS report Appendix C, Annex 4** for further information.

8.7. Rural Communities

8.7.1. The Corporate Plan, along with the ‘Green’ aim and supporting priorities will have direct and indirect implications for our rural communities across Cheshire East. These impacts will be considered and reported through individual work programmes as they are developed.

8.7.2. The MTFS report provides details of service provision across the borough. See **Appendix C, Section 1.**

8.8. Children and Young People/Cared for Children

8.8.1. The Corporate Plan, along with the ‘Fair’ aim and supporting priorities will have direct and indirect implications for children and young people and cared for children which will be considered individually and in line with the actions required. These impacts will be considered and reported through individual work programmes as they are developed.

8.8.2. See **MTFS report Appendix C, Section 1.**

8.9. Public Health

8.9.1. The Corporate Plan, along with the ‘Fair’ aim and supporting priorities will have direct and indirect implications for public health which will be considered individually and in line with the actions required. These impacts will be considered and reported through individual work programmes as they are developed.

8.9.2. See **MTFS report Appendix C, Section 1.**

8.10. Climate Change

8.10.1. The Corporate Plan has a very strong environmental thread throughout with a specific aim for the Council to be ‘Greener’.

8.10.2. A number of priorities and activities are listed which will support the Council’s commitment of being carbon neutral by 2025, including the ongoing delivery of an Environmental Strategy and a Carbon Action Plan.

8.10.3. Also see **MTFS report Appendix C, Annex 3** for further information.

Access to Information	
Contact Officer:	Alex Thompson Director of Finance and Customer Services (Section 151 Officer) Email: alex.thompson@cheshireeast.gov.uk
Appendices:	Appendix 1 – Forecast Outturn 2022/23 Appendix 2 – Revenue Budget Changes for the Period 2023/24 to 2026/27 Appendix 3 – Capital Programme 2023/24 to 2026/27 Appendix 4 – Revenue Grant Funding Appendix 5 – Earmarked Reserves

Background Papers:	<u>Outturn Report 2021/22 (Finance Sub Committee Meeting)</u> <u>Medium-Term Financial Strategy 2022-26</u> <u>First Financial Review (Corporate Policy Meeting)</u> <u>Financial Review 2022/23 (Finance Sub-Committee)</u> <u>Financial Update 2022/23 (Corporate Policy Meeting)</u> <u>Council 14 December 2022: Domestic Taxbase Report and Council Tax Support Scheme</u>
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Appendix 1 - Forecast Outturn 2022/23

- The Council aims to operate a financial cycle of planning, monitoring and reporting throughout the year. The First Financial Review 2022/23 was reported to Corporate Policy Committee on 6 October 2022 with a Financial Review 2022/23 report going to all other Committees during November.
- A Financial Review Update was presented at Corporate Policy Committee on 1 December. A forecast outturn of £8.7m net overspend was reported at this meeting (The full report can be found [Agenda for Corporate Policy Committee on Monday, 1 December, 2022, 10.00 am, Item 10 | Cheshire East Council](#)).
- The outturn position is now forecast to be an overspend of £7.7m. Table 1 shows a summary of the forecast outturn by Committee.

Table 1: Forecast Outturn 2022/23 summary by Committee

2022/23	Revised Budget	Forecast Outturn	Forecast Variance	Change since Second Review
(GROSS Revenue Budget £474.2m)	(NET) £m	£m	£m	£m
Service Committee				
Adults and Health	121.1	130.0	8.9	0.0
Children and Families	74.2	77.7	3.5	(0.5)
Corporate Policy	40.6	41.0	0.4	(0.0)
Economy and Growth	23.6	22.8	(0.8)	(1.0)
Environment and Communities	44.4	47.3	2.9	1.2
Highways and Transport	13.8	13.6	(0.2)	(0.7)
Sub-Committee				
Finance Sub	(317.7)	(324.7)	(7.0)	-
TOTAL	-	7.7	7.7	(1.0)

Table 2: Forecast Outturn 2022/23 for Children and Families Committee

2022/23	Revised Budget	Forecast Outturn	Forecast Variance
(GROSS Revenue Budget £474.2m)	(NET) £m	£m	£m
SERVICE DIRECTORATES			
Directorate	1.0	0.6	(0.4)
Children's Social Care	47.0	49.5	2.5
Strong Start, Family Help and Integration	7.7	6.0	(1.7)
Education & 14-19 Skills	18.5	21.6	3.1
Children and Families Committee	74.2	77.7	3.5

- The forecast overspend of £3.5m for Children and Families Committee is due to the following changes:
 - The Children and Families Directorate forecast has improved by -£0.5m. Additional costs of home to school transport from increasing SEND demand, fuel costs and contract costs is being offset by charging additional amounts to transformation costs to capital receipts and additional underspending in Strong Start from holding vacancies. This forecast assumes that £1.6m of resettlement funding will be applied to costs incurred in 2022/23. Pressure remains on the DSG high needs block as a result of the growth in the number of pupils with an education, health and care plan. The Council holds an unusable reserve to manage DSG balances without impacting on the Council's General Reserves. The balance on the DSG reserve is forecast to be at least £45.6m deficit as at 31 March 2023.

5. This forecast outturn may be subject to variation in the final quarter, as budget managers will continue to take robust actions to control costs and reduce non-essential expenditure to improve this position further.

6. Individual pressures identified above are reflected in the MTFS for 2023/24 to 2026/27. Any betterment to the forecast outturn position should be utilised to replenish reserves in line with the priority of the Corporate Plan.

Appendix 2 - Revenue Budget Changes for the Period 2023/24 to 2026/27

Executive Director Commentary:

The Children and Families Directorate is responsible for delivering the Council's statutory duties and responsibilities in respect of children in need of help, support and protection and ensuring they have access to a high-quality education and learning experience.

These duties are spread across three directors for: Strong Start, Family Help and Integration, Children's Social Care and Education and Skills.

The Directorate brings together the Council's duties in relation to children identified and assessed to need help, support, protection, cared for by the Council and young people with care experience (leaving care service).

It includes a range of targeted services to support families and help to avoid the need for children to become 'looked after', together with Youth Justice Services and adoption services. 27% of the overall Children's budget is committed to meeting the costs of care for our cared for children linked to the cost of placements.

The Education budget represents the Council's responsibilities for education and learning funded by the Dedicated Schools Grant (DSG) and Council's revenue budget. The Council budget includes school admissions, place planning, home to school transport and school improvement.

Transport services make up 61% of the Education and Skills budget. 15% of the budget is given to support children with SEND such as short breaks and respite care. The remaining budget is for services such as attendance and education psychology. The service also supports inclusion and other groups of vulnerable children and the education of children looked after through the virtual school.

In addition to the £74.3m Council budget for the Children's Directorate the service also oversees the £331m DSG budget of which £181m is given to academies and £74m is earmarked for Council-maintained schools. £76m is used by the Council and settings for education services such as admissions, early years education and special educational needs placements.

Despite growth allocated within the MTFS process, significant in-year pressures are evident. These are primarily a result of unforeseen inflationary impacts and increases in demand and are centred in the main, on children's placements, post -Covid complexity of need and school transport budgets.

Whilst in year mitigations and activity to avoid spend and reduce costs are in place, the forecast for the end of year is a deficit position. All indications are that demand, complexity and cost will continue to increase and therefore it is vital that the directorate and the service committee reviews its options to address the financial challenges for 2023/24 and beyond.

The Children's Directorate is committed to increasing the pace of implementing reforms and service improvements to make financial savings by reducing demand for expensive, reactive services. We will consider savings proposals and decisions to

refocus and realign non statutory services to both modernise and future-proof our delivery model and ensure that spend is delivering best outcomes for children and best value.

This includes:

- A review of commissioned services.
- A review of delivery models and buildings in line with the Family Hub model.
- A review of the leadership and wider structure.
- A refreshed sufficiency strategy for children's placements with an ambitious programme to support children within their families where it is safe to do.
- Ongoing activity to avoid spend and reduce cost and support children to live close to home when they need care.
- Investing in capacity and innovative practice to support this agenda.

Proposals to vary the Budget in the Children and Families Budget are focused on these areas:

Children and Families Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[24] School transport pressures [MTFS 22-26 [62]]</p> <p>This growth proposal reflects the increase in special education needs and disabilities (SEND) demand and increasing costs of fuel and contracts. This line includes removal of the temporary £1.2m investment in 2022/23 and factors in savings identified in the external review, the SEND review work and ensures travel support is provided in line with policy and statute.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	+4.000		+0.600	+0.800
<p>[25] Pay inflation [MTFS 22-26 [3&4]]</p> <p>This proposal includes incremental increases for eligible staff and nationally negotiated pay awards. Average increases are forecast at c.5% for 2023/24. This may not apply evenly across pay bands due to implications of the Living Wage. The proposals recognise the additional delayed impact of the 2022/23 pay negotiations that also affect the 2023/24 budget.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	+3.059	+1.230	+1.056	+1.082
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2022/23 Subsequent years are the incremental change from the previous year</i></p>				

Children and Families Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[26] Growth in Children’s Social Care [MTFS 22-26 [41]]</p> <p>This growth proposal reflects the ongoing budget pressures associated with support to prevent children coming into care and where they need care, finding suitable placements and reflects the significant increase in costs associated with this activity.</p> <p>The service has plans to open residential children’s homes in 2023 and are forecasting a gradual reduction in reliance on external placements where they are identified to be high cost with low outcomes for children.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	+1.900	+1.800	+1.700	+1.600
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2022/23 Subsequent years are the incremental change from the previous year</i></p>				

Children and Families Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[27] Recognise pressures in the Children's Social Care direct payments budget [NEW]</p> <p>Direct Payments are used by local authorities to support children and adults with disabilities to access support to meet their needs. The approach operates within a preventative model and responds to need early, avoiding escalation into more costly care arrangements. Demand for direct payments in previous years has increased creating pressure on the budget.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	+0.743			
<p>[28] Statutory Education Psychology Service [MTFS 22-26 [47]]</p> <p>This growth proposal is to deliver the medium-term plan for the Educational Psychologists service to offset the increase in costs due to rising demand.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	+0.600			
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2022/23 Subsequent years are the incremental change from the previous year</i></p>				

Children and Families Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[29] Reverse travel savings [MTFS 22-26 [29]]</p> <p>Reversal of travel savings that cannot be achieved whilst meeting statutory service delivery levels.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	+0.430			
<p>[30] Increase capacity to support statutory SEND service [MTFS 22-26 [42]]</p> <p>This growth proposal is in recognition that additional capacity is required due to the growth in the numbers of Education Health and Care Plans and the need to comply with statutory timescales. The growth is aligned to the management plan that the local authority is working on with the department for education.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	+0.300			
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2022/23 Subsequent years are the incremental change from the previous year</i></p>				

Children and Families Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[31 & 32] Household Support Fund into the Council's base budget (funded from grant) [NEW]</p> <p>Recognising the impact of the grant in the Council's budget - and ensuring adherence to the grant conditions.</p> <p style="text-align: right;"><i>Additional Ring-fenced Grant income =</i> -4.400</p> <p style="text-align: right;"><i>Impact on Service Budget =</i> +4.400</p>				
<p>[33] Pension Costs Adjustment [NEW]</p> <p>This item relates to pension contributions funded by the Council. Contributions can be reduced now. This results from a successful financial strategy to secure stability in the funding of future pension liabilities. The effect is a reduction in overheads in pay cost budgets following a change in the employer's contribution rate confirmed by the Cheshire Pension Fund.</p> <p style="text-align: right;"><i>Impact on service budget =</i> -1.964</p>		-0.465	-0.487	
<p>[34] Use of Children & Families Transformation Reserve - estimated balance [NEW]</p> <p>The Children's and Families Directorate is facing the challenging decision to remove funding allocated for service transformation to achieve a balanced budget for 2023/24.</p> <p style="text-align: right;"><i>Impact on service budget =</i> -1.065</p>		+1.065		
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2022/23</i> <i>Subsequent years are the incremental change from the previous year</i></p>				

Children and Families Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[35] Integrated Children's Service Strategy [NEW]</p> <p>This savings proposal is to reduce the establishment and realign service areas to maximise the offer to children and families by reducing duplication and delivering efficiencies in a leaner, integrated structure across the Children and Families Directorate. This will include a review of leadership structures and realising all opportunities including MARS and existing vacancies.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.950	-0.500	-0.200	-0.200
<p>[36 & 37] Holiday Activity Fund into the Council's base budget (funded from grant) [NEW]</p> <p>Recognising the impact of the grant in the Council's budget - and ensuring adherence to the grant conditions.</p> <p style="text-align: right;"><i>Additional Ring-fenced Grant income =</i></p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.900 +0.900			
<p>[38] Review of commissioned services across the Children and Families Directorate [NEW]</p> <p>Ensure the service is receiving value for money from targeting our resources to maximise service impact.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.450	-0.100		
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2022/23 Subsequent years are the incremental change from the previous year</i></p>				

Children and Families Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[39] Children’s Development and Partnerships Service [MTFS 22-26 [50]]</p> <p>Refocus the service on priority areas including transformation activities, improvement and maximisation / delivery of grant funding.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.300			
<p>[40] Early Help Redesign [MTFS 22-26 [48]]</p> <p>This savings proposal is to reduce the early help establishment by a redesign of Early Help Services into a locality model including developing a team around the school programme, aligned to school-based services.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.200			
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2022/23</i> <i>Subsequent years are the incremental change from the previous year</i></p>				

Children and Families Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[41] Deliver the Family Hub model [NEW]</p> <p>This savings proposal is to identify budget reductions within the wider Children’s Centre estate and is aligned to delivering the national Family Hub model to target our resources and maximise service impact where need is greatest. This will include a review of buildings and estates and partnership opportunities for income generation.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.150	-0.100		
<p>[42] Review of funding streams and income opportunities within Education and Skills [NEW]</p> <p>This income generating proposal is to further review funding streams and saving opportunities across Education and Skills. This includes opportunities for traded service offers with schools and settings where there are potential areas for buyback as well as reviewing alternative approaches to service delivery.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.230			
<p>[43] Reduce Legacy Pension commitments [NEW]</p> <p>Reduce legacy pension commitments in line with current forecasts.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.100	-0.050	-0.050	
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2022/23 Subsequent years are the incremental change from the previous year</i></p>				

Children and Families Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[44] Revenue costs for the Crewe Youth Zone (as above) aligned to Supporting Families Funding [MTFS 22-26 [43]]</p> <p>To develop a new Crewe Youth Zone, including an outdoor satellite site. The Crewe Youth Zone will provide a high-quality new build facility that supports young people to develop new skills and socialise in a safe, positive, and accessible environment, thereby demonstrating our investment in young people as valued citizens and vital users of our town centres.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>			+0.400	
<p>[45] Early Help budget to support funding towards the Crewe Youth Zone [MTFS 22-26 [44]]</p> <p>Revenue funding for the Crewe Youth Zone aligned to and funded from Supporting Families funding. This will ensure we achieve targeted specialist support to our children and young people.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>			-0.400	
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2022/23 Subsequent years are the incremental change from the previous year</i></p>				

Revenue Budget Financial Table:

CHILDREN and FAMILIES COMMITTEE - Summary			REVENUE BUDGET			
Budget including Policy Proposals						
Service Area	2023/24		2024/25	2025/26	2026/27	
Expenditure	Income	Net	Net	Net	Net	
£000	£000	£000	£000	£000	£000	
Directorate	179	-220	-41	1,189	1,558	2,440
Children's Social Care	50,955	-1,477	49,478	51,278	52,978	54,578
Education and 14-19 Skills	25,271	-2,528	22,743	22,693	23,243	24,043
Strong Start, Family Help & Integration	12,369	-5,424	6,945	6,845	6,845	6,845
Total Cost of Service	88,774	-9,649	79,125	82,005	84,624	87,906
Policy Proposals included above						
Policy Proposals						
Directorate	-940	-940	1,230	369	882	
Children's Social Care	2,643	2,643	1,800	1,700	1,600	
Education and 14-19 Skills	4,800	-230	4,570	-50	800	
Strong Start, Family Help & Integration	4,650	-5,300	-650	-100		
Financial Impact of Policy Proposals	11,153	-5,530	5,623	2,880	2,619	3,282

Appendix 3 - Capital Programme

Children and Families											CAPITAL	
CAPITAL PROGRAMME 2023/24-2026/27												
Scheme Description	Forecast Expenditure						Forecast Funding					Total Funding
	Prior Years	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26	Forecast Budget 2026/27	Total Forecast Budget 2023/27	Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
Committed Schemes												
Children's Social Care												
Foster Carers Capacity Scheme	349	286	0	0	0	286	0	0	0	0	286	286
Crewe Youth Zone	702	2,740	1,358	0	0	4,098	1,898	0	0	0	2,200	4,098
Children's Home Sufficiency Scheme	100	2,000	0	0	0	2,000	0	0	0	0	2,000	2,000
Total Children's Social Care	1,151	5,026	1,358	0	0	6,384	1,898	0	0	0	4,486	6,384
Strong Start, Family Help & Integration												
Early Years Sufficiency Capital Fund	913	123	0	0	0	123	123	0	0	0	0	123
Total Strong Start, Family Help & Integration	913	123	0	0	0	123	123	0	0	0	0	123
Education and 14-19 Skills												
Adelaide Academy	39	550	195	0	0	745	575	0	0	0	170	745
Basic Need Grant Allocation	11	2,500	4,808	0	0	7,308	7,308	0	0	0	0	7,308
Congleton Planning Area	94	3,940	1,000	0	0	4,940	2,593	2,347	0	0	0	4,940
Congleton Planning Area - Primary (1)	0	500	1,700	0	0	2,200	1,000	1,200	0	0	0	2,200
Congleton Planning Area - Primary (2)	100	525	0	0	0	525	525	0	0	0	0	525
Congleton Planning Area - Primary (3)	0	250	1,500	5,750	0	7,500	4,300	3,200	0	0	0	7,500
Devolved Formula Capital	0	350	340	330	310	1,330	1,330	0	0	0	0	1,330
Handforth Planning Area - New School	0	0	500	8,500	4,000	13,000	136	12,864	0	0	0	13,000
Holmes Chapel Planning Area	780	2,845	0	0	0	2,845	2,470	375	0	0	0	2,845
Macclesfield Planning Area - Secondary	1,106	1,500	1,478	0	0	2,978	2,978	0	0	0	0	2,978
Macclesfield Planning Area - Secondary New	100	0	500	0	0	500	500	0	0	0	0	500
Macclesfield Planning Area - New School	0	0	0	2,000	2,000	4,000	0	4,000	0	0	0	4,000
Mobberley Primary School	50	850	0	0	0	850	550	0	0	300	0	850
Nantwich Planning Area (Primary)	304	4,800	2,676	0	0	7,476	4,287	3,189	0	0	0	7,476
Nantwich Planning Area (Secondary)	0	700	0	0	0	700	700	0	0	0	0	700
Provision of Sufficient School Places - SEND	16	5,028	1,000	0	0	6,028	500	0	0	0	5,528	6,028
Resource Provision - Wistaston	0	1,400	0	0	0	1,400	1,100	0	0	0	300	1,400
Sandbach Planning Area - Primary	0	2,000	1,683	0	0	3,683	3,173	510	0	0	0	3,683
Sandbach Planning Area (secondary - 300 places)	3	38	0	0	0	38	38	0	0	0	0	38
School Condition Capital Grant	0	2,868	2,000	2,000	2,000	8,868	8,868	0	0	0	0	8,868

CAPITAL PROGRAMME 2023/24-2026/27												
Scheme Description	Forecast Expenditure						Forecast Funding					Total Funding
	Prior Years	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26	Forecast Budget 2026/27	Total Forecast Budget 2023/27	Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
Committed Schemes												
Sen/High Needs Grant Allocation	93	1,195	1,195	0	0	2,390	2,390	0	0	0	0	2,390
Shavington Planning Area - Primary	10	500	5,114	2,376	0	7,990	5,633	2,357	0	0	0	7,990
Shavington Planning Area - secondary	170	1,773	1,557	0	0	3,330	3,330	0	0	0	0	3,330
Springfield Satellite Site (Dean Row)	141	5,459	500	0	0	5,959	5,159	0	0	0	800	5,959
The Dingle Primary School Expansion	10	990	385	0	0	1,375	1,375	0	0	0	0	1,375
Wilmslow High School BN	2,708	7,950	3,286	0	0	11,236	8,501	2,687	0	0	48	11,236
Wilmslow Primary Planning Area	1	0	625	0	0	625	125	500	0	0	0	625
								0	0	0	0	
Total Education & 14-19 Skills	5,738	48,511	32,042	20,956	8,310	109,819	69,443	33,230	0	300	6,846	109,819
												0
Total Committed Schemes	7,801	53,660	33,400	20,956	8,310	116,326	71,464	33,230	0	300	11,332	116,326
New Schemes												
Education and 14-19 Skills												
Poynton Planning Area	0	750	750	0	0	1,500	697	803	0	0	0	1,500
Total New Schemes	0	750	750	0	0	1,500	697	803	0	0	0	1,500
Total Children and Families Schemes	7,801	54,410	34,150	20,956	8,310	117,826	72,161	34,033	0	300	11,332	117,826

Appendix 4 – Revenue Grant Funding

Corporate Grants Register 2023-27	National Allocation 2022/23 £m	Revised Forecast 2022/23 £000	Forecast 2023/24 £000	Forecast 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Treatment by CEC
SPECIFIC USE (Held within Services)							
Children and Families Committee - Schools							
Dedicated Schools Grant		331,867	331,867	331,867	331,867	331,867	
Less Academy Recoupment		189,061	189,061	189,061	189,061	189,061	
Dedicated Schools Grant (Cheshire East)	53,651.489	142,806	142,806	142,806	142,806	142,806	Allocated direct to service
Pupil Premium Grant	2,683.555	4,500	4,500	4,500	4,500	4,500	Allocated direct to service
Sixth Forms Grant	not available	2,729	2,729	2,729	2,729	2,729	Allocated direct to service
Universal Infant Free School Meals (UIFSM)	not available	1,732	1,732	1,732	1,732	1,732	Allocated direct to service
Primary Physical Education Sports Grant	324.111	981	981	981	981	981	Allocated direct to service
Teachers Pay Grant	not available	12	0	0	0	0	Allocated direct to service
Teachers Pension Grant	not available	99	0	0	0	0	Allocated direct to service
COVID-19 Recovery Premium	not available	447	0	0	0	0	Allocated direct to service
School Led Tutoring Grant	not available	279	0	0	0	0	Allocated direct to service
School Improvement Monitoring & Brokering Grant	not available	98	0	0	0	0	Allocated direct to service
Milk Subsidy	not available	18	10	10	10	10	Allocated direct to service
Schools Supplementary Grant	not available	2,072	0	0	0	0	Allocated direct to service
Senior Mental Health Lead Training Grant	not available	5	0	0	0	0	Allocated direct to service
Newly Qualified Teachers (Education Recovery 5% Time off Timetable)	not available	58	0	0	0	0	Allocated direct to service
Delivering Better Value in SEND	not available	45	0	0	0	0	Allocated direct to service
COVID-19 Workforce Fund	not available	22	0	0	0	0	Allocated direct to service
Apprentice Incentive Scheme	not available	1	0	0	0	0	Allocated direct to service
Digital Education Platform	not available	1	0	0	0	0	Allocated direct to service
Mass Testing	not available	9	0	0	0	0	Allocated direct to service
Vaccination funding	not available	9	0	0	0	0	Allocated direct to service
Total		155,923	152,758	152,758	152,758	152,758	

Corporate Grants Register 2023-27	National Allocation 2022/23 £m	Revised Forecast 2022/23 £000	Forecast 2023/24 £000	Forecast 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Treatment by CEC
SPECIFIC USE (Held within Services)							
Children and Families Committee							
Asylum Seekers	not available	1,411	788	788	788	788	Allocated direct to service
Tackling Troubled Families (Payments by Results)	not available	238	0	0	0	0	Allocated direct to service
Supporting Families PBR Upfront Grant	not available	719	719	719	719	719	Allocated direct to service
Reducing Parental Conflict Grant	not available	36	0	0	0	0	Allocated direct to service
Adoption Support Fund	not available	36	28	28	28	28	Allocated direct to service
KS2 Moderation & Phonics	not available	11	11	11	11	11	Allocated direct to service
NHS Cheshire CCG Grant to fund CEIAS Services	not available	26	10	10	10	10	Allocated direct to service
Skills & Lifelong Learning	not available	903	903	903	903	903	Allocated direct to service
Remand Grant	not available	75	20	20	20	20	Allocated direct to service
Domestic Abuse Safe Accommodation Housing Grant	124.998	650	650	650	650	650	Allocated direct to service
Holiday Activities & Food Grant Programme	201.100	879	900	900	900	900	Allocated direct to service
Extension of the Role of Virtual School Heads to children with a social worker Implementation	not available	118	118	118	118	118	Allocated direct to service
Homes for Ukraine, education and childcare elements	not available	1,508	0	0	0	0	Allocated direct to service
Household Support Fund	not available	4,408	4,400	4,400	4,400	4,400	Allocated direct to service
Hong Kong UK Welcome Programme (British Nationals)	not available	14	0	0	0	0	Allocated direct to service
Early Years Professional Development programme	not available	21	0	0	0	0	Allocated direct to service
Early Years - Experts and Mentors Programme	not available	2	0	0	0	0	Allocated direct to service
Family Hubs Transformation Funding	not available	335	0	0	0	0	Allocated direct to service
Total		11,390	8,547	8,547	8,547	8,547	
GENERAL PURPOSE (Held Corporately)							
Children and Families Committee							
Social Care Support Grant	not available	0	6,939	8,289	8,289	8,289	Unring-fenced Grant - Held Centrally
Staying Put Implementation Grant	99.834	130	0	0	0	0	Unring-fenced Grant - Held Centrally
Extended Rights to Free Transport (Home to School Transport)	43.311	250	0	0	0	0	Unring-fenced Grant - Held Centrally
Extended Personal Adviser Duty Implementation	12.118	57	0	0	0	0	Unring-fenced Grant - Held Centrally
Extension of the role of Virtual School Heads	not available	61	0	0	0	0	Unring-fenced Grant - Held Centrally
Total		498	6,939	8,289	8,289	8,289	
Total Children and Families Committee		167,811	168,244	169,594	169,594	169,594	

Appendix 5 – Earmarked Reserves

Children and Families Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Opening Balance 1st April 2023 £000	Forecast Movement in Reserves 2023/24 £000	Forecast Closing Balance 31st March 2024 £000	Notes
Directorate						
Childrens Directorate - Transformation Funding	1,079	(365)	714	(714)	0	Expectation of £65k for CSC New Beginnings. Potentially reducing this reserve to assist with in year mitigations of £300k plus removal of remaining balance to close the 2023/24 funding gap.
Childrens Directorate - C&F ED	422	(68)	354	(354)	0	Estimated spend in 2022/23 of £35k transport review and £8k catering review. Chess review may happen in 2023/24. Balance of reserve being used to close the 2023/24 funding gap.
Childrens Social Care						
Domestic Abuse Partnership	112	(61)	51	0	51	To sustain preventative services to vulnerable people as a result of partnership funding. This is the current budgeted position, however updates will be provided on future reviews. Service are considering the in year deficit as this would not be sustainable in 2023/24 based on current assumptions.
Education and 14-19 Skills						
Skills and Lifelong Learning	30	(30)	0	0	0	To support adult learning, training and improving skills for the workplace. Need to review likelihood of use in 2022/23.
School Organisation & Capital Service	16	(16)	0	0	0	Springfield lease of £28.5k per annum will be a pressure in 2022/23.
SSIF Nexus Programme	9	(9)	0	0	0	Reserve drawdown has now been actioned and allocated to School Improvement to continue to support schools with high disadvantaged learners.
Strong Start, Family Help and Integration						
Troubled Fams Initiative	2,215	(375)	1,840	(844)	996	Crewe Youth Zone and ACT have been assigned funding from shared outcomes of the Supporting Families Programme.
Emotional Healthy Schools	71	(71)	0	0	0	Funding by partners to deliver service.
Public Sector Transformation – contribution to Early Youth Inclusion Fund	57	(57)	0	0	0	Intention to use reserve for in-year mitigation in 2022/23
Complex Dependencies	21	(21)	0	0	0	Intention to use reserve for in-year mitigation in 2022/23
CHILDREN AND FAMILIES TOTAL	4,032	(1,073)	2,959	(1,912)	1,047	

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