

Adults and Health Committee

Date of Meeting:	23 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:	AH/21/2022-23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1. The Adults and Health 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
	Adults and Health Committee
1	Demand in Adult Social Care - unit cost inflation
2	Demand in Adult Social Care - complexity
3	Investment in Adult Social Care
4	Pay inflation
5	Care Fee Uplifts in Adult Social Care
6	Direct Payment (Personal Assistants) Uplift
7	Revenue grants for Adult Social Care
8	Home First Strategy - increased care at home capacity
9	Pension Costs Adjustment
10	Learning Disabilities Future Service Development and Review
11	Client contribution yield offsetting growth
12	Home First Strategy - alternative care provisions
13	Market Sustainability and Fair Cost of Care - Grant Income
14	Resettlement Revenue Grants
15	Communities Team
16	Direct Payment - Audit Recoveries
17	ASC Transformation EMR Release
18	Maximisation of Supported Living
19	Productivity and Efficiency in Adult Social Care
20	Building Based Short Breaks
21	Adults and Health Non-Essential Commissioning/Contracts
22	Building based Day Services
23	Day Care Review

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:

[Outturn Report 2021/22 \(Finance Sub Committee Meeting\)](#)

[Medium-Term Financial Strategy 2022-26](#)

[First Financial Review \(Corporate Policy Meeting\)](#)

[Financial Review 2022/23 \(Finance Sub-Committee\)](#)

[Financial Update 2022/23 \(Corporate Policy Meeting\)](#)

[Council 14 December 2022: Domestic Taxbase Report and Council Tax Support Scheme](#)

[Medium-Term Financial Strategy 2023-27 Consultation](#)

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 Adults and Health Committee

2022/23	Revised Budget	Forecast Outturn	Forecast Variance
(GROSS Revenue Budget £474.2m)	(NET) £m	£m	£m
SERVICE DIRECTORATES			
Adult Social Care - Operations	117.5	126.1	8.6
Commissioning	3.6	3.9	0.3
Public Health	-	-	-
Adults and Health Committee	121.1	130.0	8.9

- There is a forecast overspend of £8.9m for Adults and Health Committee. Whilst there is no overall net financial variance to the forecast shown in the second review, Members may wish to note the following the following changes:
 - Increased care commitments, within Adults, Health and Integration, are being offset by income, for example, from direct payment reimbursements and external grants.
- This forecast 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.
- 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 inflationary pressures affecting the whole of the economy have a bigger impact on Adult Social Care than the economy in general; the rate of pay inflation in the sector is higher than average, energy utilisation in care settings is very significant and fuel costs affect the cost of delivering domiciliary care. The budget proposals set out here for consultation reflect the need to identify ways of managing and addressing these pressures during 2023/24.

During 2022/23 Adults, Health and Integration has faced additional costs driven by four factors: price increases for commissioned care, an increase in activity due to an increase in the number of people seeking, and eligible for social care, an increase in the complexity of need for individuals eligible for and receiving care and support, and continuing NHS hospital pressures to support discharge.

The 2022/23 budget strategy has been to reduce expenditure appropriately and contain costs wherever possible. This has been achieved by working with NHS partners, the voluntary sector, and providers to prevent people from being admitted to hospital, increasing our use of technology, working with the voluntary sector to delay the use of care provision, supporting unpaid carers to enable them to do more, and providing extra funding to domiciliary care providers to avoid the use of

expensive residential and nursing care. This approach underpins the budget strategy for 2023/24.

In preparing the 2023/24 budget it is estimated that the growth requirement for Adult Social Care will be £23m based on forecast of demographic growth and the full year effect of the 2022/23 pressures. Some of this will be funded by the £6m growth already earmarked by the Council and built into the MTFS to address a growing ageing population and the increased complexity of need that is being experienced. The Council has also committed a further £2m increase in the departmental budget to meet the cost of price increases. In addition, Government is providing further specific grant of £5.2m to meet Adult Social Care pressures. However, the increase in Council funding and the additional grant funding is still not sufficient to offset the total cost pressures forecast by the Department and therefore additional measures to those already built into the MTFS will be enacted to achieve a balanced budget.

The 2023/24 budget strategy builds on the primary ambition to support people to be independent and remain in their own homes, increasing the use of technology, and working with the voluntary sector developing non-care, community-based support. Domiciliary care will be focused on the most personal

elements of care. The department will work with colleagues in the NHS to implement the Home First approach to hospital discharge. In this context the plan focuses on returning to pre-pandemic levels of short-term bed usage. The department will also continue the implementation of its Learning Disability Strategy, moving away from buildings-based care provision to more personalised approaches for day opportunities and respite care and working with NHS colleagues seeking more sustainable approaches to meeting the long-term needs of working age people who draw on care and support.

There are some short-term and non-recurrent approaches built into the budget to enable a balanced position in 2023/24, including the ongoing use of grant to fund the work of the Communities Team in supporting people from Afghanistan and Ukraine.

The budget strategy contains a number of risks, including an assumption that the current level of grant will be available to fund the costs of supporting people from Afghanistan and Ukraine in 2023/24. It also assumes that the specific grant for Adult Social Care can be used to offset the growth and price pressures already being incurred rather than funding additional activity. It also assumes that growth in activity and prices have stabilised. A number of these proposals are subject to formal public consultation.

The budget strategy for 2024 to 2027 will need to deliver further cash savings and improve productivity to ensure a long-term sustainable service. It will build on the work of 2023/24, focusing on:

- investing in the employed and commissioned workforce to attract people to social care and create the opportunities for fulfilling careers in the sector;
- supporting people to be independent through investment in extra care and specialist housing to support people at all phases of their lives;
- increasing the use of technology and exploring the opportunities presented by the development of artificial intelligence to improve efficiency and productivity to free the people who work in health and care services to do the work only they can do;
- working in partnership with people who use services, carers, and colleagues in the NHS, voluntary sector and commissioned provider services to develop new ways of working and new models of care; and
- ensuring that we understand the impact and benefit of what we do so that we invest in services that deliver the outcomes people need in the most cost effective way possible.

Proposals to vary the Budget in the Adults and Health Budget are focused on these areas:

Adults and Health Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[1] Demand in Adult Social Care - unit cost inflation [NEW]</p> <p>Growth already experienced to be funded by the Council, arising from price increases in the commissioned care market.</p> <p>Inflation costs arising from the national economic position, specifically, the rate of pay inflation arising from the increase in the National Living Wage compounded by the constrained labour market driving up private sector pay, energy costs in residential and nursing care settings, and fuel costs for domiciliary care.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	+12.652			
<p>[2] Demand in Adult Social Care – complexity [NEW]</p> <p>Growth already experienced, to be funded by the Council, arising from demographic changes including an ageing population and increased levels of need for care and support for adults of a working age.</p> <p>Cheshire East Council is experiencing an increase in the number of people seeking, and eligible for social care, and an increase in the complexity of need of individuals eligible for and receiving care and support. This is reflective of the long-term demographic forecasts, which anticipate a faster rate of growth in Cheshire East than the national average.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	+10.351			
<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>				

Adults and Health Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[3] Investment in Adult Social Care [MTFS 22-26 [34]]</p> <p>Forecast growth, to be funded by the Council, arising from demographic changes including an ageing population and increased levels of need for care and support for adults of a working age.</p> <p>Items 1 and 2 above reflect the real expenditure increases incurred by adult social care during 2022/23 up to November 2022. This future growth has been calculated with reference to relevant data from detailed population information including children reaching the age of 18 who will transition into adult services imminently and is shown for each year of the full MTFS period.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	+5.400	+7.600	+4.000	+4.000
<p>[4] 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>	+3.155	+1.269	+1.089	+1.116
<p>*Values represent a +/- variation to the Cheshire East Council approved budget for 2022/23 Subsequent years are the incremental change from the previous year</p>				

Adults and Health Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[5] Care Fee Uplifts in Adult Social Care [MTFS 22-26 [35]]</p> <p>Forecast growth, to be funded by the Council, arising from price increases in the commissioned care market.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	+2.000			
<p>[6] Direct Payment (Personal Assistants) Uplift [NEW]</p> <p>It is proposed that the hourly Direct Payment Rate for people employing personal assistants be increased from £11.50 to £13.96 to meet the cost of their legal employer responsibilities, linked to increases to the National Living Wage. Care fee uplifts enable the Council to meet its statutory duties under the Care Act.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	+0.691			
<p>[7] Revenue grants for Adult Social Care [NEW]</p> <p>Specific grants for social care to address hospital discharge. The corresponding expenditure is reflected in the investment to Adult Social Care proposal 3.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-3.600	-2.480		
<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>				

Adults and Health Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[8] Home First Strategy - increased care at home capacity [NEW]</p> <p>It is proposed that, the Council works with the NHS to implement the Home First Strategy approach to hospital discharge, reducing the usage of short-term beds to pre-pandemic levels. This will be achieved, in part, by maximising the use of block booked beds and increasing care at home capacity.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-4.000			
<p>[9] 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></p>	-2.082	-0.493	-0.517	
<p>[10] Learning Disabilities Future Service Development and Review [MTFS 22-26 [7&49]]</p> <p>It is proposed to develop alternative approaches to commissioned long-term care and support for people with a learning disability, in partnership with other local authorities and the NHS as appropriate.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-1.750			
<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>				

Adults and Health Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[11] Client contribution yield offsetting growth [NEW]</p> <p>Increase in income from client contributions arising from the inflation increase for pensions and benefits paid to individuals. Offsets against expenditure growth in proposal 3.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-1.200	-0.800	-0.800	
<p>[12] Home First Strategy - alternative care provisions [NEW]</p> <p>It is proposed that, the Council works with the NHS to implement the Home First Strategy, increasing the use of technology, working with the voluntary sector developing non-care, community-based support, increasing support to carers, and focusing the use of domiciliary care on the most personal elements of care only.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-1.000			
<p>[13] Market Sustainability and Fair Cost of Care - Grant Income [MTFS 22-26 [40]]</p> <p>Specific grant for Adult Social Care to support market sustainability, related offsetting expenditure is included within proposal 2.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.979		+0.979	
<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>				

Adults and Health Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[14] Resettlement Revenue Grants [NEW]</p> <p>Revenue grant that will fund the Communities team whilst they support refugees from Ukraine and Afghanistan.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.850	+0.850		
<p>[15] Communities Team [MTFS 22-26 [36]]</p> <p>Our Communities Team will continue to expand the work it does supporting people to stay at home, reducing their reliance on care services, but in the short-term they will continue to support refugees from Ukraine and Afghanistan and this work will be funded from the ring-fenced specific grant.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.750			
<p>[16] Direct Payment - Audit Recoveries [NEW]</p> <p>To recover further excess Direct Payments funds from people who hold a Direct Payment, in accordance with the Council's Direct Payment policy, via the completion of a telephone assessment. This increases the recovery budget from £1m per annum to £1.75m. It is envisaged that completing the exercise in this way will achieve three important outcomes: increased response rate, recovery of excess funds and revision to personal budget values.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.750			
<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>				

Adults and Health Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[17] ASC Transformation Earmarked Reserve Release [NEW]</p> <p>Release of Adult Social Care transformation reserve in 2023/24.</p> <p><i>Impact on service budget =</i></p>	-0.500	+0.500		
<p>[18] Maximisation of Supported Living [NEW]</p> <p>It is proposed that as part of the review of the Council's Learning Disability Service offer that we identify ways in which our Care4CE can provide care and support to improve value for money. This includes the review and maximisation of our Supported Living Networks.</p> <p><i>Impact on service budget =</i></p>	-0.369	-0.369		
<p>[19] Productivity and Efficiency in Adult Social Care [MTFS 22-26 [30]]</p> <p>It is proposed that further opportunities for shared posts and contracts with the NHS will be identified to take full advantage of the opportunities of integration to deliver improved quality and value for money.</p> <p><i>Impact on service budget =</i></p>	-0.271			
<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>				

Adults and Health Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[20] Building Based Short Breaks [NEW]</p> <p>It is proposed that as part of the review of the Learning Disability service offer, and consistent with the strategy to move away from buildings-based care, the service at Warwick Mews is decommissioned. This will not affect individuals' rights or access to appropriate respite care provision.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.250			
<p>[21] Adults and Health Non-Essential Commissioning/Contracts [NEW]</p> <p>It is proposed that a review of non-statutory and commissioned services is undertaken to identify less expensive means of service delivery or to reduce service provision. A review of a number of services including VCFSE infrastructure support and community grants (also see proposal 38)</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.245			
<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>				

Adults and Health Committee Policy Proposals	2023/24 £m*	2024/25 £m	2025/26 £m	2026/27 £m
<p>[22] Building Based Day Services [NEW]</p> <p>It is proposed that as part of the review of the Learning Disability service offer, and consistent with the strategy to move away from buildings-based care, the service at the Stanley Centre is decommissioned. This will not affect individuals' rights or access to appropriate day opportunities. Staff will be redeployed within Care4CE.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.229			
<p>[23] Day Care Review [MTFS 22-26 [38]]</p> <p>Our vision for day opportunities is to support safe, purposeful and personalised activities that enable citizens to play a valued role in their community and to live as independently as they choose. Ensuring that vulnerable adults can access activities appropriate to their needs, and with choice and control is paramount. By ensuring that all day opportunities adopt a more personalised and flexible approach we can potentially reduce the level of expenditure and see more people take up Direct Payments.</p> <p style="text-align: right;"><i>Impact on service budget =</i></p>	-0.150			
<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:

ADULTS and HEALTH COMMITTEE - Summary

REVENUE BUDGET

Service Area	Budget including Policy Proposals					
	2023/24			2024/25	2025/26	2026/27
	Expenditure £000	Income £000	Net £000	Net £000	Net £000	Net £000
Adult Social Care Operations	171,604	-37,393	134,211	138,860	143,554	148,558
Commissioning	12,177	-10,056	2,121	3,549	3,606	3,718
Public Health	17,695	-17,695	0			
Total Cost of Service	201,476	-65,144	136,332	142,409	147,160	152,276
	Policy Proposals included above					
Adult Social Care Operations	23,290	-6,529	16,761	4,649	4,694	5,004
Commissioning	-637	-850	-1,487	1,428	57	112
Public Health			0			
Financial Impact of Policy Proposals	22,653	-7,379	15,274	6,077	4,751	5,116

Appendix 3 - Capital Programme

Adults and Health												CAPITAL
CAPITAL PROGRAMME 2023/24 - 2026/27												
Scheme Description	Forecast Expenditure					Total Budget £000	Forecast Funding					Total Funding £000
	Prior Years £000	Budget 2023/24 £000	Budget 2024/25 £000	Budget 2025/26 £000	Budget 2026/27 £000		Government Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes												
Adult Social Care												
Electronic Call Monitoring System	0	389	0	0	0	389	0	0	389	0	0	389
People Planner System	39	55	0	0	0	94	55	0	0	0	0	55
Replacement Care4CE Devices	65	28	0	0	0	93	28	0	0	0	0	28
Total Adults Social Care Schemes	104	472	0	0	0	576	83	0	389	0	0	472

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)							
Adults and Health Committee⁽¹⁾							
Additional Better Care (for Adult Social Care)	2,039.256	8,706	8,706	8,706	8,706	8,706	Allocated direct to service
Market Sustainability and Fair Cost of Care Fund	162.000	979	979	979	0	0	Allocated direct to service
Market Sustainability and Fair Cost of Care Fund - topup	not available	0	2,400	4,080	4,080	4,080	Allocated direct to service
Implementation support grant	15.467	98	0	0	0	0	Allocated direct to service
Trailblazer support funding	0.805	162	0	0	0	0	Allocated direct to service
Early assessment funding allocation Part 1	2.127	585	0	0	0	0	Allocated direct to service
Discharge Fund	3,000	1,200	1,200	2,000	2,000	2,000	Allocated direct to service
Multiply - Supported Employment	not available	462	0	0	0	0	Allocated direct to service
Supported Internship Grant	not available	14	29	29	0	0	Allocated direct to service
Syrian Resettlement Programme - brought forward	not available	39	0	0	0	0	Allocated direct to service
Afghan Wrap Around support - brought forward	not available	146	910	0	0	0	Allocated direct to service
Afghan Resettlement support - brought forward	not available	263	288	94	0	0	Allocated direct to service
Homes for Ukraine Scheme	not available	9,450	0	0	0	0	Allocated direct to service
Private Finance Initiative (PFI) credits	not available	4,125	4,125	4,125	4,125	4,125	Allocated direct to service
Journey First and Parents First (originally provided by the European Social Fund but now DWP)	not available	2,500	0	0	0	0	Allocated direct to service
COVID-19 Shielding Grant for the Clinically Extremely Vulnerable Cohort - brought forward	not available	485	0	0	0	0	Allocated direct to service
COVID-19 Emergency Assistance Grant for Food & Essential Supplies - brought forward	not available	40	0	0	0	0	Allocated direct to service
Total		29,254	18,636	20,013	18,911	18,911	

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)							
Adults and Health Committee - Public Health							
Public Health Grant	3,417.400	17,405	17,405	17,405	17,405	17,405	Allocated direct to service
CHAMPS TTCE contact tracer staff - ICT Workforce: Contract Extension Funding	not available	149	0	0	0	0	Allocated direct to service
COVID-19 COMF & T&T - brought forward	not available	5,341	0	0	0	0	Allocated direct to service
DHSC Additional drug and alcohol treatment funding allocations: 2022 to 2023	101.200	347	353	0	0	0	Allocated direct to service
North West Probation Service funding for SMS rehabilitative and resettlement interventions	not available	77	114	0	0	0	Allocated direct to service
CHAMPS Marmot Place Funding - encourage pregnant women to stop smoking	not available	21	0	0	0	0	Allocated direct to service
CHAMPS SMS - inpatient detox	9.740	30	46	0	0	0	Allocated direct to service
CHAMPS Mouth Care Matters programme - to be confirmed	not available	10	0	0	0	0	Allocated direct to service
Total		23,380	17,918	17,405	17,405	17,405	
GENERAL PURPOSE (Held Corporately)							
Adults and Health Committee							
Social Care Support Grant	2,346.368	11,341	12,426	14,676	14,676	14,676	Unring-fenced Grant - Held Centrally
Independent Living Fund	160.600	861	0	0	0	0	Unring-fenced Grant - Held Centrally
Local Reform & Community Voices	34.410	213	207	207	207	207	Unring-fenced Grant - Held Centrally
Social Care in Prisons	10.950	71	73	73	73	73	Unring-fenced Grant - Held Centrally
War Pension Scheme Disregard	12.000	56	60	60	60	60	Unring-fenced Grant - Held Centrally
Total		12,542	12,766	15,016	15,016	15,016	
Total Adults and Health Committee		65,176	49,320	52,434	51,332	51,332	

(1) In respect of Private Finance Initiatives (PFI), Cheshire East Council are currently reflecting the total PFI grant monies received, even though Beechmere Extra Care Housing building, which was destroyed in a fire, no longer stands. No agreement has been reached with the HM Treasury on any possible reduction of grant income and Cheshire East Council continues to pay the residual unitary charge excluding Beechmere to Avantage. Discussions are continuing with the private sector partner, who has recently restructured, along with other relevant stakeholders, for example Central Government and the Nationwide Building Society, with regard to both the reinstatement of Beechmere and the remediation of the other four sites which make up the PFI scheme.

Appendix 5 – Earmarked Reserves

Adults and Health 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
Adult Social Care Operations						
Adults Directorate	1,020	(450)	570	(460)	110	To support a number of widespread projects within the Adults and Health Directorate. Connected Community Strategy Developments activity has been delayed due to community team focussing on resettlement schemes.
DOL's Assessments	397	(397)	0	0	0	Transformation and Improvement of ASC and Care4ce New Model of Care anticipate phasing of appropriation will match the original business case. Reserve required due to delays in DOLs assessment processing. Anticipated to be fully utilised in 2022/23.
Public Health (LAC funding for 3 years/ Investment in Outcome 5 activities - Adults)	162	(162)	0	0	0	Reserve will be fully utilised by the end of 2022/23, matched off against LAC staff as per the original business case.
Adults Social Care Commissioning						
PFI Equalisation - Extra Care Housing	2,715	80	2,795	0	2,795	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009, and the anticipated gap at the end of the agreement.
NHB Community Grants Staffing	132	0	132	0	132	To support administrative staffing costs in relation to Central Government's New Homes Bonus guidance for community projects.
Public Health						
Public Health Reserve	3,220	(1,347)	1,873	(741)	1,132	Ring-fenced underspend to be invested in areas to improve performance against key targets. Including the creation of an innovation fund to support partners to deliver initiatives that tackle key health issues. Anticipated that the carry forward ringfenced grant will be spent across 2022/23 to 2025/26.
ADULTS AND HEALTH TOTAL	7,646	(2,276)	5,370	(1,201)	4,169	