



2022/23 Financial Update

March 2022

This report receives scrutiny and approval from Members of Cheshire East Council. As a public report, the Council welcomes feedback to the information contained here.

Anyone wanting to comment is invited to contact the Council at:

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Introduction

Cheshire East Council is the third largest Council in the Northwest of England, supporting over 398,000 local people with annual spending of over £470m.

Local government is going through a period of financial challenges, with a combination of the impact of increasing demand for services and rising costs due to inflation. There is also increasing uncertainty associated with income from business rates and government grants.

Demand for Council services is increasing, with more individuals and families needing support and services than ever before. This reflects an increase in population but also reflects changes in demographics and the national cost of living increases. This demand is resulting in forecast outturn of £336.0m against a net revenue budget of £328.3m, with the most significant impact within the rising complexity of needs in Adult Social Care.

When the 2022/23 budget was set, in February 2022, it was highlighted that the use of reserves was not sustainable in the medium term. Net spending therefore needs to be contained within the estimates of expenditure that form the budget. Early in the year forecasts highlighted pressures due to demand, inflation and pay negotiations. The pressures affecting the medium term finances of the Council have been addressed as part of the MTFs process for 2023 to 2027.

To support openness and transparency, and provide evidence of strong governance, the report has a main section, to provide background and context, and then seven supporting appendices with detailed information about allocation and management of public money during 2022/23:

The **Financial Stability** section provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2022/23 is being funded, including the positions on overall service budgets, centrally held budgets, council tax and business rates. Further details are contained in the appendices.

- **Appendix 1** Adults and Health Committee.
- **Appendix 2** Children and Families Committee.
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- **Appendix 4** Economy and Growth Committee.
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Alex Thompson

Director of Finance and Customer Services
(Section 151 Officer)

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2022/23 Outturn Forecast - Financial Position

2022/23	Revised Budget
(GROSS Revenue Budget £474.2m)	(NET) £m
SERVICE DIRECTORATES	
Adults, Health and Integration	121.1
Children's Services	74.2
Place	81.8
Corporate Services	40.6
CENTRAL BUDGETS	
Capital Financing	19.0
Transfer to/(from) Earmarked Reserves	(3.2)
Transfer from MTFE Earmarked Reserve	-
Corporate Contributions / Central Budgets	(5.2)
TOTAL NET EXPENDITURE	328.3
Business Rates Retention Scheme	(49.1)
Specific Grants	(24.5)
Council Tax	(254.7)
Net Funding	(328.3)
NET (SURPLUS) / DEFICIT	-

Financial Stability

Introduction

1. The Council has a track record of sound financial management. Nevertheless, in common with all UK local authorities the Council finds itself in a position where pressures on the revenue budget are intensifying as a result of rapid inflation, the legacy impact of the Coronavirus pandemic and increasing cost of living pressure on households. These issues have the effect of increasing the demand for services and increasing costs of services.
 2. Complexity and market sustainability in Adults' and Children's Social Care remains the most significant financial pressure for the Council in the medium term. Rising inflation in fuel, utilities and wage levels are affecting costs across all services.
 3. In December a forecast outturn of £8.7m net overspend was reported at the Corporate Policy Committee (The full report can be found [Agenda for Corporate Policy Committee on Monday, 1 December, 2022, 10.00 am, Item 10 | Cheshire East Council](#)).
 4. The outturn position is now forecast to be an overspend of £7.7m due to the following changes since the second review:
 - Increased care commitments, within Adults, Health and Integration, are being offset by income, for example, from direct payment reimbursements and external grants. This results in no net change to the forecast.
 - 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.
- Environment and Neighbourhood Services forecast pressures have changed by £1.2m. Environmental services operational costs of £1.3m are partially offset by lower premises costs, and vacancies within the Planning service which will not be filled before the year end.
 - Growth and Enterprise forecast has improved by -£1.0m. Cost reduction in Estates of £0.3m due to deferral of some non-essential maintenance work. £0.5m due to release of reserve for the ELENA project and £0.2m grant received relating to Reopening High Streets Safely.
 - Highways and Infrastructure forecast has improved by -£0.7m. Continuing high levels of income is contributing a further £0.5m in 2022/23, costs of the Ringway Jacobs contract are predicted to be £0.2m lower than budget.
 - Increase in the forecast overspend within the Transactional Service Centre due to additional temporary staff in recruitment and pay, external consultants costs (Agyllis), and additional Governance and Support staff

costs. Fall in the underspend being forecast by Customer Services due to test and trace final grant income no longer being received, and back pay costs for staff regrades in the newly formed Continuous Improvements team (£0.4m).

- Confirmation of new burdens funding within the Elections Service and lower than previously forecast electoral registrations costs (-£0.2m).
 - Improvement within ICT due to the use of capital reserve for laptop replacement and an improved revenue contracts forecast decreasing the ICT Strategy overspend (-£0.2m).
 - No change in forecast for Central Budgets.
5. 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.
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.

Table 1 - Service Revenue Outturn Forecasts

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
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
Directorate	0.8	0.7	(0.1)
Growth & Enterprise	22.8	22.1	(0.7)
Economy and Growth Committee	23.6	22.8	(0.8)
Environment & Neighbourhood Services	44.4	47.3	2.9
Environment and Communities Committee	44.4	47.3	2.9
Highways & Infrastructure	13.8	13.6	(0.2)
Highways and Transport Committee	13.8	13.6	(0.2)
Directorate	1.4	1.3	(0.1)
Finance & Customer Services	12.5	13.1	0.6
Governance & Compliance Services	11.9	11.3	(0.6)
Communications	0.7	0.7	-
HR	2.4	2.2	(0.2)
ICT	9.8	10.5	0.7
Policy & Change	1.9	1.9	-
Corporate Policy Committee	40.6	41.0	0.4
TOTAL SERVICES NET EXPENDITURE	317.7	332.4	14.7
CENTRAL BUDGETS			
Capital Financing	19.0	19.0	-
Transfer to/(from) Earmarked Reserves	(3.2)	(9.2)	(6.0)
Corporate Contributions / Central Budgets	(5.2)	(6.2)	(1.0)
Finance Sub-Committee - Central Budgets	10.6	3.6	(7.0)
TOTAL NET EXPENDITURE	328.3	336.0	7.7
Business Rates Retention Scheme	(49.1)	(49.1)	-
Specific Grants	(24.5)	(24.5)	-
Council Tax	(254.7)	(254.7)	-
Finance Sub-Committee - Net Funding	(328.3)	(328.3)	-
NET (SURPLUS) / DEFICIT	-	7.7	7.7

Outturn Impact

7. It is planned that £5.2m will be used from the MTFs reserve to mitigate the overspend. The residual impact on General Reserves would be a reduction of £2.5m, decreasing the forecast closing balance of £14.9m to a potential closing balance of £12.4m, which is aligned to the risk assessed level of reserves for the 2023/24 Budget.
8. The Council will continue to manage and review the financial forecasts in response to emerging pressures and how this affects the Council's revenue budget.

Collecting Local Taxes for Local Expenditure

9. Cheshire East Council collects Council Tax and Non Domestic Rates for use locally and nationally.

Council Tax

10. Council tax is set locally and retained for spending locally. Council tax was set for 2022/23 at £1,626.24 for a Band D property. This is applied to the taxbase.
11. The taxbase for Cheshire East reflects the equivalent number of domestic properties in Band D that the Council is able to collect council tax from (after adjustments for relevant discounts, exemptions and an element of non-collection). The taxbase for 2022/23 was agreed at 156,607.48 which, when multiplied by the Band D charge, means that the expected income for the year is £254.7m.
12. In addition to this, Cheshire East Council collects council tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils. **Table 3** shows these amounts separately, giving a total budgeted collectable amount of £313.8m.

13. This figure is based on the assumption that the Council will collect at least 99% of the amount billed. The Council will always pursue 100% collection, however to allow for non-collection the amount billed will therefore exceed the budget.
14. This figure may also vary during the year to take account of changes to Council Tax Support payments, the granting of discounts and exemptions, and changes in numbers and value of properties. The amount billed to date is £315.6m.

Table 3 – Cheshire East Council collects Council Tax on behalf of other precepting authorities

	£m
Cheshire East Council	254.7
Cheshire Police and Crime Commissioner	36.9
Cheshire Fire Authority	12.9
Town and Parish Councils	9.3
Total	313.8

15. **Table 4** shows collection rates within three years, and demonstrates that 99% collection is on target to be achieved within this period.

Table 4 – 99% of Council Tax is collected in three years

Financial Year	CEC Cumulative			
	2018/19	2019/20	2020/21	2021/22
	%	%	%	%
After 1 year	98.2	97.9	97.4	97.8
After 2 years	99.0	98.8	98.3	**
After 3 years	99.2	98.9	**	**

**data not yet available

16. The council tax in-year collection rate for the period up to the end of December 2022 is 82.9%. This is a small decrease of 0.5% on the previous year, indicating current cost of living pressures. Facilities are in place for residents to extend payments where needed and staff are engaging with residents who need additional support.
17. Council tax support payments were budgeted at £18.4m for 2022/23 and at the end of December the total council tax support awarded was £18.7m.
18. During 2021/22 there was a consultation and review of the Council Tax Support scheme resulting in some amendments being made. The revised scheme was confirmed by full Council in December 2021.
19. Council tax discounts awarded are £29m which is a slight increase in comparison to the same period in 2021/22. A small increase is attributable to work related to raising awareness of the discounts available to residents.
20. Council tax exemptions awarded is £7.7m which although broadly in line with previous years shows a slight increase due to reasons shown at 19.

Non-Domestic Rates (NDR)

21. NDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes annually in line with inflation and takes account of the costs of small business rate relief.
22. The small business multiplier applied to businesses which qualify for the small business relief was set at 49.9p in

2022/23. The non-domestic multiplier was set at 51.2p in the pound for 2022/23.

23. **Table 5** demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected within three years.
24. The business rates in-year collection rate for the period up to the end of December 2022 is 80.8%. This is a significant increase on last year and begins to revert collection rates back to pre-pandemic figures. A return to standard collection processes and government support through additional reliefs has assisted the recovery in collection.

Table 5 – Over 99% of Business Rates are collected within three years

Financial Year	CEC Cumulative			
	2018/19	2019/20	2020/21	2021/22
	%	%	%	%
After 1 year	98.5	98.2	92.4	95.6
After 2 years	99.4	98.4	97.4	**
After 3 years	99.4	99.2	**	**

**data not yet available

Appendices to the 2022/23 Financial Update

March 2022

Appendix 2 : Children and Families Committee

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Appendix 2

Children and Families Committee

1. Changes to Revenue Budget 2022/23 since Financial Review Update

	Second review Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Children and Families				
Directorate	1,006	-	-	1,006
Children's Social Care	47,023	-	-	47,023
Education & 14-19 Skills	18,541	-	-	18,541
Strong Start, Family Help and Integration (Previously Prevention & Early Help)	7,936	-	(249)	7,687
	74,506	-	(249)	74,257

2. Corporate Grants Register

Table 1 – Corporate Grants Register

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

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

3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.

3.2 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

3.3 **Table 2** shows additional grant allocations that have been received over £1m that Council will be asked to approve.

3.4 **Table 3** shows additional grant allocations that have been received which are £500,000 or less and are for noting only.

Table 2 – Note that Council will be asked to Approve Supplementary Revenue Estimates of Additional Grant Funding (Specific Purpose) over £1m

Committee	Type of Grant	£000	Details
Children and Families	Homes for Ukraine, education and childcare elements	1,270	This grant is from the Education & Skills Funding Agency. Funding to provide education and childcare services for children who have entered England via the Homes for Ukraine scheme 2022 to 2023. Grant conditions .
Total Specific Purpose Allocation for Council Approval		1,270	

Table 3 – Note Delegated Decision - Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) £500,000 or less

Committee	Type of Grant	£000	Details
Children and Families	Teachers Pay Grant	12	The teachers' pay grant (TPG) provides funding for schools to support teachers' pay awards. Local authorities must follow the terms and conditions set out in the conditions of grant. Teachers' pay grant: allocations for 2022 to 2023 financial year - GOV.UK (www.gov.uk)
Children and Families	Teachers Pension Grant	99	The teachers' pension employer contribution grant (TPECG) supports schools and local authorities with the cost of the increase in employer contributions to the teachers' pension scheme. Local authorities must follow the terms and conditions set out in the conditions of grant. Teachers' pension grant: 2022 to 2023 allocations - GOV.UK (www.gov.uk)
Children and Families	School Improvement Monitoring & Brokering Grant	3	The grant is allocated to local authorities to allow them to continue to monitor performance of maintained schools, broker school improvement provision, and intervene as appropriate. School improvement monitoring and brokering grant allocations - GOV.UK (www.gov.uk)
Children and Families	Reducing Parental Conflict Grant	36	The grant is to support local authorities to further embed support to address parental conflict in their area, to improve outcomes for children. Reducing Parental Conflict programme and resources - GOV.UK (www.gov.uk)
Children and Families	Early Years - Experts and Mentors Programme	2	The experts and mentors programme supports private, voluntary or independent (PVI) nursery settings, maintained nursery schools and school-based nurseries. Early years experts and mentors programme - GOV.UK (www.gov.uk)
Total Specific Purpose Allocations less than £500,000		152	

3. Debt Management

	Outstanding Debt £000	Over 6 months old £000
Children and Families Committee		
Children's Social Care (Incl. Directorate)	6	1
Education and 14-19 Skills	44	16
Strong Start, Family Help and Integration	24	-
Schools	(5)	-
	69	17

4. Capital Strategy

Children and Families														CAPITAL
CAPITAL PROGRAMME 2023/24-2026/27														
Scheme Description	Total Approved Budget £000	Forecast Expenditure							Forecast Funding					Total Funding £000
		Prior Years £000	Forecast Budget 2022/23 £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2022/27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes														
Childrens Social Care														
Foster Carers Capacity Scheme	635	349	0	286	0	0	0	286	0	0	0	0	286	286
Crewe Youth Zone	4,200	323	360	2,159	1,358	0	0	3,877	1,677	0	0	0	2,200	3,877
Children's Home Sufficiency Scheme	2,100	0	100	2,000	0	0	0	2,100	0	0	0	0	2,100	2,100
Total Children's Social Care	6,935	672	460	4,445	1,358	0	0	6,263	1,677	0	0	0	4,586	6,263
Strong Start, Family Help & Integration														
Early Years Sufficiency Capital Fund	1,036	913	0	123	0	0	0	123	123	0	0	0	0	123
Total Strong Start, Family Help & Integration	1,036	913	0	123	0	0	0	123	123	0	0	0	0	123
Education and 14-19 Skills														
Adelaide Academy	784	34	5	550	195	0	0	750	580	0	0	0	170	750
Basic Need Grant Allocation	7,319	11	0	2,500	4,808	0	0	7,308	7,308	0	0	0	0	7,308
Congleton Planning Area	5,034	44	50	3,940	1,000	0	0	4,990	2,593	2,397	0	0	0	4,990
Congleton Planning Area - Primary (1)	2,200	0	0	500	1,700	0	0	2,200	1,000	1,200	0	0	0	2,200
Congleton Planning Area - Primary (2)	625	0	100	525	0	0	0	625	625	0	0	0	0	625
Congleton Planning Area - Primary (3)	7,500	0	0	250	1,500	5,750	0	7,500	4,300	3,200	0	0	0	7,500
Devolved Formula Capital	1,330	0	0	350	340	330	310	1,330	1,330	0	0	0	0	1,330
Handforth Planning Area - New School	13,000	0	0	0	500	8,500	4,000	13,000	136	12,864	0	0	0	13,000
Holmes Chapel Planning Area	3,625	770	10	2,845	0	0	0	2,855	2,480	375	0	0	0	2,855
Macclesfield Planning Area - Secondary	4,084	1,106	0	1,500	1,478	0	0	2,978	2,978	0	0	0	0	2,978
Macclesfield Planning Area - Secondary New	600	0	100	0	500	0	0	600	600	0	0	0	0	600
Macclesfield Planning Area - New School	4,000	0	0	0	0	2,000	2,000	4,000	0	4,000	0	0	0	4,000
Mobberley Primary School	900	0	50	850	0	0	0	900	600	0	0	300	0	900
Nantwich Planning Area (Primary)	7,780	104	200	4,800	2,676	0	0	7,676	4,487	3,189	0	0	0	7,676
Nantwich Planning Area (Secondary)	700	0	0	700	0	0	0	700	700	0	0	0	0	700
Provision of Sufficient School Places - SEND	6,044	16	0	5,028	1,000	0	0	6,028	500	0	0	0	5,528	6,028
Resource Provision - Wistaston	1,400	0	0	1,400	0	0	0	1,400	1,100	0	0	0	300	1,400
Sandbach Planning Area - Primary	3,683	0	0	2,000	1,683	0	0	3,683	3,173	510	0	0	0	3,683
Sandbach Planning Area (secondary - 300 places)	41	3	0	38	0	0	0	38	38	0	0	0	0	38
School Condition Capital Grant	8,868	0	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	Total Approved Budget £000	Forecast Expenditure							Forecast Funding					Total Funding £000	
		Prior Years	Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26	Forecast Budget 2026/27	Total Forecast Budget 2022/27	Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing		
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Committed Schemes															
Sen/High Needs Grant Allocation	2,483	47	46	1,195	1,195	0	0	2,436	2,436	0	0	0	0	0	2,436
Shavington Planning Area - Primary	8,000	0	10	500	5,114	2,376	0	8,000	5,640	2,360	0	0	0	0	8,000
Shavington Planning Area - secondary	3,500	70	100	1,773	1,557	0	0	3,430	3,430	0	0	0	0	3,430	
Springfield Satellite Site (Dean Row)	6,100	91	50	5,459	500	0	0	6,009	5,209	0	0	0	800	6,009	
The Dingle Primary School Expansion	1,385	0	10	990	385	0	0	1,385	1,385	0	0	0	0	1,385	
Wilmslow High School BN	13,944	1,658	1,050	7,950	3,286	0	0	12,286	9,551	2,687	0	0	48	12,286	
Wilmslow Primary Planning Area	626	1	0	0	625	0	0	625	125	500	0	0	0	625	
										0	0	0	0		
Total Education & 14-19 Skills	115,557	3,957	1,781	48,511	32,042	20,956	8,310	111,600	71,171	33,283	0	300	6,846	111,600	
														0	
Total Committed Schemes	123,527	5,541	2,241	53,079	33,400	20,956	8,310	117,986	72,971	33,283	0	300	11,432	117,986	
New Schemes															
Education and 14-19 Skills															
Poynton Planning Area	1,500	0	0	750	750	0	0	1,500	697	803	0	0	0	1,500	
Total New Schemes	1,500	0	0	750	750	0	0	1,500	697	803	0	0	0	1,500	
Total Children and Families Schemes	125,027	5,541	2,241	53,829	34,150	20,956	8,310	119,486	73,668	34,086	0	300	11,432	119,486	

5. Reserves Strategy

Children and Families Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Forecast Closing Balance 31st March 2023 £000	Notes
Directorate				
Childrens Directorate - Transformation Funding	1,079	(365)	714	Expectation of £200k for CSC Court and Care Planning Service Proposals plus £65k for CSC New Beginnings.
Childrens Directorate - C&F ED	422	(68)	354	Potentially reducing this reserve to assist with in year mitigations of £100k. Estimated spend of £30k transport review, £50k Chess review and £30k catering review.
Childrens Social Care				
Domestic Abuse Partnership	112	(61)	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 will need to consider 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	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	Springfield lease of £28.5k per annum will be a pressure in 2022/23.
SSIF Nexus Programme	9	(9)	0	Reserve drawdown has now been actioned and allocated to School Improvement to continue to support schools with high disadvantaged learners - agreed with CWAC.
Strong Start, Family Help and Integration				
Troubled Fams Initiative	2,215	(375)	1,840	Crewe Youth Zone and ACT have been assigned funding from shared outcomes of the Supporting Families Programme.
Emotional Healthy Schools	71	(71)	0	Funding by partners to deliver service.
Public Sector Transformation – contribution to Early Youth Inclusion Fund	57	(57)	0	Intention to use reserve for in-year mitigation in 2022/23
Complex Dependencies	21	(21)	0	Intention to use reserve for in-year mitigation in 2022/23
CHILDREN AND FAMILIES TOTAL	4,032	(1,073)	2,959	

6.1 The Dedicated Schools Grant (DSG) is ring-fenced funding received for: schools; high needs / special educational needs; and early years provision. In recent years there has been a pressure on the DSG high needs block where funding has not kept pace with the increasing numbers and cost of children with an education, health and care plan. This has created a deficit DSG reserve balance which is held in an unusable reserve. The DSG reserve deficit is forecast to be £45.6m at the end of the year. This is in line with the budget gap as determined the Council's DSG Management Plan that was approved by Children and Families Committee in September

2022 and set out the planned expenditure and income on high needs over the medium term.

Table 3 – DSG Deficit

	£m
DSG – Forecast in-year pressure	19.9
DSG – Deficit Balance B/F	25.7
DSG Deficit Balance at 31 March 2023	45.6