



Provisional Financial Outturn 2022/23

July 2023

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:
RandC@cheshireeast.gov.uk

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 has resulted in a provisional outturn of £324.7m against a revised net revenue budget of £318.7m, an overall revenue budget overspend of £6.0m.

The likelihood of this negative outturn emerged through quarterly reporting and reflected the higher than forecast inflation in prices and wages. Within this overall position there was underspending within Place based services and within Corporate Services. The overspending pressure was mostly contained in care services and transport costs.

The Medium-Term Financial Strategy was significantly reviewed in the period November 2022 to January 2023 to respond to the emerging financial issue. 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 nine 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.
- **Appendix 3** Corporate Policy Committee.
- **Appendix 4** Economy and Growth Committee.
- **Appendix 5** Environment and Communities Committee.
- **Appendix 6** Finance Sub-Committee.
- **Appendix 7** Highways and Transport Committee.
- **Appendix 8** Update to the Treasury Management Strategy.
- **Appendix 9** Update to the Investment Strategy.

Alex Thompson

Director of Finance and Customer Services
(Section 151 Officer)

Contents

Introduction	1
2022/23 Provisional Revenue Outturn	3
Financial Stability	
- Introduction	4
- Service Performance	4
Appendices	
Appendix 2 – Children and Families Committee	11

2022/23 Provisional Outturn - Financial Position

2022/23 Outturn Review	Revised Budget (NET)	Provisional Outturn	Variance Over / For further information please see (Underspend) the following sections
	£m	£m	£m
Service Directorates			
Adults, Health & Integration	121.7	132.2	10.5 Financial Stability and Appendix 1
Children and Families	78.6	83.8	5.2 Financial Stability and Appendix 2
Place	80.3	79.1	-1.2 Financial Stability and Appendix 4,5,7
Corporate	39.7	39.1	-0.7 Financial Stability and Appendix 3
Central Budgets			
Capital Financing	17.1	17.1	0.0 Appendix 6 - Section 4
Transfer to/(from) Earmarked Reserves	-5.7	-11.7	-6.0 Appendix 6 - Section 5
Corporate Contributions / Central Budgets	-13.0	-14.9	-1.9 Financial Stability
TOTAL NET EXPENDITURE	318.7	324.7	6.0
Business Rates Retention Scheme	-28.3	-28.3	0.0 Financial Stability
Specific Unringfenced Grants	-36.5	-36.6	0.0 Appendix 6 - Section 2
Council Tax	-253.8	-253.8	0.0 Financial Stability
FUNDING	-318.7	-318.7	0.0
NET (SURPLUS) / DEFICIT	0.0	6.0	6.0

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 March a forecast outturn of £7.7m net overspend was reported at the Corporate Policy Committee (The full report can be found [Corporate Policy Committee 23 March 2022](#))
4. The outturn position is now an overspend of £6.0m. **Table 1** provides a service summary of financial performance and the narratives provide further details in the following paragraphs.

Table 1 - Provisional Revenue Outturn

2022/23 Outturn Review	Revised Budget (NET) £m	Provisional Outturn Over / (Underspend) £m	Change from Third Review Over / £m
Service Directorates			
Adult Social Care	116.5	11.0	2.4
Commissioning	5.2	-0.5	-0.8
Public Health	0.0	0.0	0.0
Adults and Health Committee	121.7	10.5	1.6
Directorate	1.2	-0.6	-0.2
Children's Social Care	46.9	4.7	2.2
Education and 14-19 Skills	22.4	3.0	-0.1
Strong Start, Family Help and Integration	8.0	-1.9	-0.2
Children and Families Committee	78.6	5.2	1.7
Directorate	0.7	-0.1	0.0
Growth and Enterprise	22.3	-1.6	-1.0
Economy and Growth Committee	23.0	-1.8	-0.9
Environment & Neighbourhood Services	43.6	2.2	-0.6
Environment and Communities Committee	43.6	2.2	-0.6
Highways and Infrastructure	13.7	-1.6	-1.5
Highways and Transport Committee	13.7	-1.6	-1.5
Directorate	0.5	0.0	0.1
Finance and Customer Services	12.7	0.4	-0.2
Governance and Compliance Services	11.1	-0.8	-0.1
Communications	0.7	0.0	0.0
HR	2.5	-0.5	-0.3
ICT	10.0	0.3	-0.5
Policy and Change	2.3	0.0	0.0
Corporate Policy Committee	39.7	-0.7	-1.0
Total Services Net Budget	320.3	13.9	-0.7
Central Budgets			
Capital Financing	17.1	0.0	0.0
Transfer to/(from) Earmarked Reserves	-5.7	-6.0	0.0
Corporate Contributions / Central Budgets	-13.0	-1.9	-1.0
Total Central Budgets	-1.6	-7.9	-1.0
Total Net Budget	318.7	6.0	-1.7
Business Rates Retention Scheme	-28.3	0.0	0.0
Specific Grants	-36.5	0.0	0.0
Council Tax	-253.8	0.0	0.0
FUNDING	-318.7	0.0	0.0
Net Position	0.0	6.0	-1.7

5. Adults and Health Committee:

- The Adult Social Care (Operations and Commissioning) and Public Health budgets remain under continued pressure across the country. The rising cost of Social Care in Cheshire East is driven by increasing demand for services, increasing complexity of the demand and increasing costs in providing them. Demand for Social Care is therefore not driven exclusively by an ageing population, the prevalence of disability among working-age adults has also increased over recent years. In addition to increasing demand, the unit cost of providing care services is also going up, driven mainly by workforce costs and this has been recognised in the 2023/24 budget where growth has been allocated.

6. Children and Families Committee:

- The Children and Families final outturn for 2022/23 reflects a £5.2m overspend. The breakdown of that position is shown in the main summary table. The key pressure areas for the directorate include the following:
- Children's social care agency placements – where the number of children in care has continued to increase from 521 at April 2022 to 585 at April 2023 and placement costs are increasing by more than inflation.
- The increased use and cost of agency staff in children's social care to cover vacant posts.
- Higher legal costs within children's social care with longer processes and more challenge.
- Home to school transport costs – where a mix of increasing numbers of pupils with an education, health and care plan (EHCP), driver shortages and increasing fuel costs have seen overall costs rise.

- Educational Psychologists – where there is the need for agency staff to cover posts and challenges in recruiting and retaining staff.
- The £5.2m reflects the position after £4m of one-off mitigating measures have been applied including resettlement funding, funding transformation costs from capital receipts and use of earmarked reserves. As a result, the underlying pressure is much greater.
- A number of these items are reflected in growth allocations in the MTFs. However, the position will require careful management during 2023/24 and the Directorate is developing work plans.

Dedicated School Grant (DSG):

- The key pressure on DSG relates to the high needs block where the SEND service continues to see a significant increase in the number of pupils with an EHCP.
- This has placed pressure on the grant used to provide funding for children with SEND in various settings and led to a £21.2m overspend in 2022/23. This adds on to the brought forward deficit of £25.7m to take the DSG Reserve to a £46.9m deficit position.
- This is in line with the budget gap as determined by the council's DSG Management Plan that was reported to Children and Families Committee in September 2022 and set out the planned expenditure and income on high needs over the medium term.
- The deficit is currently being managed by an accounting override until 2026 which allows it to be treated as an un-usable reserve. At this stage the position is not recoverable unless there are significant changes to funding or demand or both.

7. Environment and Communities Committee:

- Environment & Neighbourhood Services are reporting a pressure of £2.2m against a net budget of £43.6m. £1.9m of this relates to income pressures in Planning, Libraries and Licensing as a legacy of the covid pandemic. £0.4m relates to covid related costs as more people are working from home leading to increased waste collection and transfer costs due to tonnage growth. A net £0.9m non covid pressure arises in Environmental Services due to the impact of the pay rise pressure on the cost of services delivered to the Council by it's wholly owned companies, plus increased costs as a consequence of significant inflation impacts against waste disposal contracts, together with waste transfer station maintenance and compliance measures. These costs increased have been mitigated to some extent by a higher than expected bereavement income surplus and a tonnage rebate from Ansa due mainly to lower organic waste in quarter 4. There is a large staffing underspend across the majority of services due to vacancies and delaying recruitment to improve the overall Council financial position, offset slightly by the pay rise pressure.

8. Economy and Growth Committee:

- Growth & Enterprise have an underspend of £1.6m against a net budget of £22.3m. There were a number of measures taken to help with the Council's financial position including releasing funding in Economic Development of £0.8m, reduction in planned maintenance in Facilities Management and Farms, stopping non-essential spend and holding vacancies across the majority of the services. Growth & Enterprise had inflationary pressures from the pay rise, responsive maintenance and energy costs which reduced the underspend available.

9. Highways and Transport Committee:

- Highways & Infrastructure are reporting an underspend of £1.6m against a net budget of £13.7m. There is a pressure of £0.8m included within these figures for lower income received from pay and display car parks, annual and quarterly parking permits and from penalty charge notices within Parking. This has been offset by £1.3m of additional income from Highways and Infrastructure, releases of earmarked reserves to improve the Council position of £0.4m, vacancies and delayed recruitment across the majority of services and a LEP contribution towards HS2.

10. Corporate Policy Committee:

- The Corporate Services Directorate has reported an underspend against budget of £651,000.
- The main underspends in the service were due to holding vacancies across many services in the Directorate, reduced non-essential spend, and, as a result of the continued impact of COVID bounce-back, additional marriage income in Registrations. These underspends were partially offset by overspends in ICT Shared Services, and the shared Transactional Services Centre. There was also an overspend on Housing Benefits Payments Centre, which is a volatile budget and additional one-off costs relating from the implementation of the Unit 4/Best4Business System, which cannot be charged to the joint capital project with Cheshire West and Chester Council.

11. Central Budgets:

- The Central Budgets are reporting an underspend of £7.9m against budget. This relates to the drawdown from reserves, for prior year funding that has been carried forward to 2022/23, to offset Covid scarring costs held within services and the over recovery of past service employer pension contributions compared to the budget set.

12. Other Companies:

- The Council's wholly owned companies' core contract expenditure was £37.94m in 2022/23, relating to services provided at cost for the Council. This position includes a net £1.5m of additional costs in year, relating to pay award pressures, significant inflation against contracts and materials, the legacy effects of Covid and increased demand for services; partly offset by improvements against waste tonnages, bereavement income and staffing vacancies, and other efficiencies. The net increase in cost is reflected in the Council's outturn position, mainly against Environment & Communities Committee services, but also partly Highways & Transport Committee functions.
- Ansa and Orbitas realised £0.356m in profits (after tax) from commercial activities. Although Transport Service Solutions (TSS) ceased trading on 31 March 2022, there were residual transactions in 2022/23, as part of winding down the company, generating a £0.106m surplus as at 31 March 2023, which will be paid as a final dividend in 2023/24. An interim dividend of £0.291m was paid in-year from TSS to the Council.

Outturn Impact

13. At the third financial update stage it was planned that £5.2m would be used from the MTFS reserve to mitigate the forecast overspend. The residual impact on General Reserves were planned to 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.
14. The actual overspend has allowed the use of the General Reserve to be reduced to £0.8m taking the closing balance to £14.1m.

Collecting Local Taxes for Local Expenditure

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

Council Tax

16. 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.
17. 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.
18. 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.
19. 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.
20. 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

21. **Table 4** shows collection rates within three years and, following a slight drop below this rate during the Covid-19 pandemic, demonstrates that 99% collection rate is on target to be achieved within this period for 2022/23.

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

Financial Year	CEC Cumulative			
	2019/20	2020/21	2021/22	2022/23
	%	%	%	%
After 1 year	97.9	97.4	97.8	98.2
After 2 years	98.8	98.6	98.5	**
After 3 years	98.9	98.9	**	**

**data not yet available

23. The council tax in-year collection rate for the period up to the end of March 2023 is 98.2%. This is a small increase of 0.4% on the previous year, despite 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.

24. Council tax support payments were budgeted at £18.4m for 2022/23 and at the end of March 2023 the total council tax support awarded was £18.7m.
25. 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.
26. Council tax discounts awarded are £29.4m which is an increase of £1.9m in comparison to the same period in 2021/22. This increase is attributable to work related to raising awareness of the discounts available to residents.
27. Council tax exemptions awarded is £8.0m, which is a small increase of £0.4m compared with 2021/22.

Non-Domestic Rates (NDR)

28. 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.
29. 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.
30. **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.

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

Financial Year	CEC Cumulative			
	2019/20	2020/21	2021/22	2022/23
	%	%	%	%
After 1 year	98.2	92.4	95.6	98.2
After 2 years	98.4	97.4	98.3	**
After 3 years	99.2	99.0	**	**

**data not yet available

32. The business rates in-year collection rate for the period up to the end of March 2023 is 98.2%. This is a 2.6% increase on last year and continues the growth of 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.

Provisional Financial Outturn 2022/23

July 2023

Appendix 2 : Children and Families Committee

Contents

Children and Families Committee Extracts

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

2. Corporate Grants Register

Table 1: Children and Families Committee Grants

**Table 2: Committee Decision Additional Grant Funding (Specific Purpose)
over £500,000 up to £1,000,000**

**Table 3: Delegated Decision Additional Grant Funding (Specific Use)
£500,000 or less**

3. Debt Management

4. Capital Strategy

5. Reserves Strategy

Appendix 2

Children and Families Committee

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

	Third review Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Children and Families				
Directorate	1,006	-	200	1,206
Children's Social Care	47,023	-	(116)	46,907
Education & 14-19 Skills	18,541	-	3,896	22,437
Strong Start, Family Help and Integration	7,687	-	342	8,029
	74,257	-	4,322	78,579

2. Corporate Grants Register

Table 1 – Corporate Grants Register

Grants 2022/23	Revised Forecast FR3 2022/23 £000	Final Outturn 2022/23 £000	Change from Revised Forecast FR3 2022/23 £000	Treatment of Grant <i>Notes 2 - 5</i>
CHILDREN & FAMILIES				
Specific Purpose (Held within Services)¹	167,314	167,865	551	
General Use (Held Corporately)				
Staying Put Implementation Grant	130	130	0	
Extended Rights to Free Transport (Home to School Transport)	250	250	0	
Extended Personal Adviser Duty Implementation	57	57	0	
Extension of the role of Virtual School Heads	61	61	0	
TOTAL CHILDREN & FAMILIES	167,811	168,363	551	

Notes

1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases/decreases to allocations by the DfE and conversions to academy status.

2 SRE - Supplementary Revenue Estimate requested by relevant service.

3 ODR - Officer Decision Record to approve immediate budget change to relevant service.

4 Reserves - transfer to reserves at year end.

5 Balances - amount will be included as a variance to budget.

- 2.1 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.
- 2.2 Spending in relation to specific use grants must be in line with the purpose for which it is provided.
- 2.3 The increase in specific purpose grants relates mainly to an increase in the Asylum Seekers grant. This, and small

increases in other grants, has been off-set by remaining amounts from grants that have not been used in full during 2022/23, and are carried forward to meet expenditure in financial year 2023/24.

- 2.4 **Table 2** shows additional specific purpose grant allocations that have been received which are over £500,000 and up to £1m, and are for committee to approve.
- 2.5 **Table 3** shows additional specific purpose Grant allocations that have been received which are £500,000 or less and are for noting only.

Table 2 – Committee Decision - Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) over £500,000 up to £1,000,000

Committee	Type of Grant	£000	Details
Children and Families	Asylum Seekers (Specific Purpose)	647	This grant is from the Department for Education and is an increase on the Financial Review 3 forecast. Based on clients' claims so therefore will fluctuate based on age / numbers of claims – we are also receiving some additional funding from those that move through the National Transfer Scheme. Looking at claims in the current year there have been additions to the UASC population, therefore this has likely seen an increase in the amount receiving the higher rate. In addition, possibly an element of being cautious with MTFS items as this can vary significantly purely based on the numbers as said above.
Total Specific Purpose Allocations over £500,000 up to £1,000,000		647	

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 (Specific Purpose)	24	This grant is from the Department for Education and is an increase on the Financial Review 3 forecast. 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 (Specific Purpose)	67	This grant is from the Department for Education and is an increase on the Financial Review 3 forecast. 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	COVID-19 Recovery Premium (Specific Purpose)	60	This grant is from the Department for Education and is an increase on the Financial Review 3 forecast. Recovery premium received on behalf of schools and allocated out as per funding schedule (breakdown by school).
Children and Families	School Led Tutoring Grant (Specific Purpose)	159	This grant is from the Department for Education and is an increase on the Financial Review 3 forecast. This grant will give schools and academy trusts the flexibility in determining how best to provide tutoring intervention to support catch-up for lost education due to the coronavirus (COVID-19) pandemic. Grant conditions .

Children and Families	Milk Subsidy (Specific Purpose)	3	This grant is from the Rural Payments Agency and is an increase on the Financial Review 3 forecast. The scheme subsidises the cost of milk, certain milk products and yoghurts for schoolchildren in England, Scotland and Wales. This means that the products can be sold to schoolchildren at a lower price. Schools must offer drinking milk before they can supply other eligible milk products or yoghurts. Schools, local authorities, suppliers or other organisations can claim for the subsidy.
Children and Families	Senior Mental Health Lead Training Grant (Specific Purpose)	6	<p>This grant is from the Department for Education and is an increase on the Financial Review 3 forecast. The Department for Education (DfE) is offering a grant of £1,200 for eligible state-funded schools and colleges in England to train a senior mental health lead to develop and implement a whole school or college approach to mental health and wellbeing. This training is not compulsory, but it is part of the government's commitment to offer this training to all eligible schools and colleges by 2025.</p> <p>Eligible schools and colleges are now able to apply for a senior mental health lead training grant to commence training within the 2022 to 2023 financial year, up to 31st March 2023. Grants will be provided to cover (or contribute to) the cost of attending a quality assured course and may also be used to hire supply staff whilst leads are engaged in learning.</p>
Children and Families	Apprentice Incentive Scheme (Specific Purpose)	2	This grant is from the Department for Education and is an increase on the Financial Review 3 forecast. Incentive payments available for hiring a new apprentice. Employers are able to use their levy funds to cover the cost of an apprentice's training and assessment. Payments passported to schools. Grant conditions .

Children and Families	Afghanistan Resettlement (Education) Grants (Specific Purpose)	223	This grant is from the Department for Education. This grant is from the Department for Education. The Afghanistan Resettlement (Education) Grant 2022 to 2023 is being allocated to those local authorities where families who have arrived from Afghanistan are being housed in temporary accommodation, namely, bridging hotels funded by the Home Office. Due to the continued pressures on local authorities, funding has been provided to cover costs incurred in the 2022 to 2023 financial year and have reduced the payments by any underspends from your 2021 to 2022 allocations. Funding is to be used for the education and childcare of children aged 2 to 18. They must be from families arriving from Afghanistan and currently in bridging accommodation. Additional Information available via - Afghanistan resettlement education grant - GOV.UK (www.gov.uk)
Children and Families	Hong Kong UK Welcome Programme - British Nationals (Specific Purpose)	35	This grant is from the Department for Levelling Up, Housing and Communities (DLUHC) and is an increase on the Financial Review 3 forecast. Funding is being provided as part of the Hong Kong UK Welcome Programme which is intended to provide funding to local authorities in England to provide targeted support to BN(O) status holders who need additional English language support and destitution support for those whose circumstances change.
Children and Families	Early Years Professional Development programme (Specific Purpose)	6	This grant is from the Department for Education and is an increase on the Financial Review 3 forecast. The Early Years Professional Development Programme is a key element of the national government initiative to improve children's outcomes in early language, literacy and mathematics.

Children and Families	Early Years Childminder programme (Specific Purpose)	12	This grant is from the Department for Education. The Early Years Childminder Mentor programme from the Department for Education is focused on supporting early years childminders, to address the impact of the pandemic on the youngest children. The programme is available nationally, across England. At the end of each term, Mentors will move on to support a new group of childminders. Mentors will offer mostly online support. Groups will be allowed to meet face-to face, if this is feasible for both the Mentor and the childminders they are supporting.
Total Specific Purpose Allocations less than £500,000		597	

3. Debt Management

	Outstanding Debt £000	Over 6 months old £000
Children and Families Committee		
Children's Social Care (Incl. Directorate)	12	-
Education and 14-19 Skills	6	2
Prevention and Early Help	67	3
Schools	2	-
	87	5

4. Capital Strategy

Children and Families													CAPITAL
CAPITAL PROGRAMME 2022/23-2025/26													
Scheme Description	Forecast Expenditure							Forecast Funding					
	Total Approved Budget £000	Prior Years £000	Actuals 2022/23 £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Total Forecast Budget 2022/26 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
Committed Schemes in progress													
Childrens Social Care													
Foster Carers Capacity Scheme	634	349	55	231	0	0	286	0	0	0	0	286	286
Crewe Youth Zone	4,800	342	53	3,047	1,358	0	4,458	2,260	0	0	0	2,198	4,458
Family Hubs Transformation	95	0	6	89	0	0	95	95	0	0	0	0	95
Children's Home Sufficiency Scheme	2,100	0	0	2,100	0	0	2,100	0	0	0	0	2,100	2,100
Strong Start, Family Help & Integration			0	0	0	0		0	0	0	0	0	
Ash Grove Nursery Expansion	230	225	5	0	0	0	5	5	0	0	0	0	5
Beechwood Nursery Expansion	868	836	20	12	0	0	32	0	0	32	0	0	32
Early Years Sufficiency Capital Fund	1,036	913	0	123	0	0	123	123	0	0	0	0	123
Education and 14-19 Skills													
Adelaide Academy	788	34	5	554	195	0	754	584	0	0	0	170	754
Basic Need Grant Allocation	9,542	11	-11	2,292	4,808	2,442	9,531	9,531	0	0	0	0	9,531
Congleton Planning Area	5,045	44	595	3,406	1,000	0	5,001	2,603	2,397	0	0	0	5,001
Devolved Formula Capital	2,337	0	387	970	340	640	2,337	2,337	0	0	0	0	2,337
Elworth CoE Primary School	1,919	1,917	2	0	0	0	2	2	0	0	0	0	2
Energy Efficiency Capital	714	0	48	666	0	0	714	714	0	0	0	0	714
Expansion of Park Lane Special School	4,610	4,226	385	0	0	0	385	385	0	0	0	0	385
Expand 'In Borough' Sen Placement Capacity - Springfield	103	91	13	0	0	0	13	13	0	0	0	0	13
Hollinhey CTA 22-23 - S106 Reimbursement	54	0	54	0	0	0	54	0	54	0	0	0	54
Holmes Chapel Planning Area	3,631	770	1,007	1,853	0	0	2,861	2,486	375	0	0	0	2,861
Little Angels Satellite Sites	29	1	2	26	0	0	28	28	0	0	0	0	28
Macclesfield Academy Resource Provision	103	0	3	100	0	0	103	103	0	0	0	0	103
Macclesfield Planning Area - secondary	4,091	1,106	6	1,500	1,478	0	2,984	2,984	0	0	0	0	2,984
Malbank High School	1,922	1,856	5	61	0	0	66	66	0	0	0	0	66
Middlewich Planning Area	4	2	2	0	0	0	2	2	0	0	0	0	2
Monks Coppenhall SEN Expansion	142	2	140	0	0	0	140	40	0	0	0	100	140
Nantwich Planning Area (Primary)	7,861	104	411	4,670	2,676	0	7,757	4,568	3,189	0	0	0	7,757

Children and Families

CAPITAL

CAPITAL PROGRAMME 2022/23-2025/26

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Actuals 2022/23 £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Total Forecast Budget 2022/26 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes in progress													
Education and 14-19 Skills													
Nantwich Planning Area (Secondary)	701	0	1	700	0	0	701	701	0	0	0	0	701
Pupil Referral Unit	3,870	3,871	-1	0	0	0	-1	-1	0	0	0	0	-1
Puss Bank SEN Expansion	532	509	0	23	0	0	23	0	0	0	0	23	23
St Johns CoE Primary School	250	247	4	0	0	0	4	4	0	0	0	0	4
Sandbach High School - Basic Need	1,776	1,773	0	3	0	0	3	3	0	0	0	0	3
Sandbach Boys School - Basic Need	1,704	1,702	0	2	0	0	2	2	0	0	0	0	2
Sandbach Planning Area (secondary - 300 places)	42	3	1	38	0	0	38	38	0	0	0	0	38
School Condition Capital Grant	10,311	779	549	2,983	2,000	4,000	9,532	9,431	0	101	0	0	9,532
SEN/High Needs Grant Allocation	307	47	110	149	0	0	259	259	0	0	0	0	259
SEN Placement Expn - Phase 2	4	4	0	0	0	0	0	0	0	0	0	0	0
Shavington Planning Area - secondary	3,506	70	98	1,782	1,557	0	3,437	3,437	0	0	0	0	3,437
Special Provision Fund Capital Grant	909	46	740	123	0	0	863	857	0	6	0	0	863
Springfield Satellite Site (Dean Row)	6,113	91	717	4,805	500	0	6,022	5,222	0	0	0	800	6,022
Wilmslow High School BN	17,219	4,923	3,265	5,745	3,286	0	12,296	9,561	2,687	0	0	48	12,296
Wilmslow Primary Planning Area	626	0	1	0	625	0	626	126	500	0	0	0	626
Total Committed Schemes	100,528	26,895	8,677	38,051	19,823	7,082	73,633	58,566	9,203	139	0	5,725	73,633
New Schemes													
Education and 14-19 Skills													
Congleton Planning Area - Primary (1)	2,209	0	9	500	1,700	0	2,209	1,009	1,200	0	0	0	2,209
Congleton Planning Area - Primary (2)	628	0	66	562	0	0	628	628	0	0	0	0	628
Congleton Planning Area - Primary (3)	7,504	0	4	250	1,500	5,750	7,504	4,304	3,200	0	0	0	7,504
Sandbach Planning Area - Primary	3,694	0	11	2,000	1,683	0	3,694	3,184	510	0	0	0	3,694
Handforth Planning Area - New School	13,003	0	3	0	500	12,500	13,003	139	12,864	0	0	0	13,003
Macclesfield Planning Area - New school	4,001	0	1	0	0	4,000	4,001	1	4,000	0	0	0	4,001
Macclesfield Planning Area - Secondary	603	0	3	100	500	0	603	603	0	0	0	0	603
Mobberley Primary School	908	0	23	885	0	0	908	608	0	0	300	0	908
Poynton Planning Area	1,500	0	0	750	750	0	1,500	698	802	0	0	0	1,500
Provision of Sufficient School Places - SEND	7,175	9	276	5,889	1,000	0	7,165	1,637	0	0	0	5,528	7,165
Resource Provision - Wistaston	1,406	0	6	1,400	0	0	1,406	1,106	0	0	0	300	1,406
SEN Free School 1	500	0	0	0	500	0	500	500	0	0	0	0	500
SEN Free School 2	500	0	0	0	500	0	500	500	0	0	0	0	500
Shavington Planning Area - Primary	8,040	0	131	419	5,114	2,376	8,040	5,680	2,360	0	0	0	8,040
The Dingle Primary School Expansion	1,395	0	67	943	385	0	1,395	1,395	0	0	0	0	1,395
Total New Schemes	10,435	0	600	13,698	14,132	24,626	53,056	21,991	24,936	0	300	5,828	53,056
Total Children and Families Schemes	110,964	26,895	9,277	51,749	33,955	31,708	126,689	80,557	34,139	139	300	11,553	126,689

5. Reserves Strategy

Name of Reserve	Opening Balance 1 April 2022 £000	Movement in Reserves 2022/23 £000	Closing Balance 31 March 2023 £000	Notes
<u>Directorate</u>				
Childrens Directorate - Transformation Funding	1,079	(300)	779	To support a number of projects within the Children and Families Directorate. £300k drawdown used for in-year mitigations. Remaining balance is forecast to be drawn down in 2023/24 to support budget pressures.
Childrens Directorate - C&F ED	422	0	422	To support a number of projects within the Children and Families Directorate. Balance is forecast to be fully drawn down in 2023/24 to support budget pressures.
<u>Childrens Social Care</u>				
Domestic Abuse Partnership	112	34	146	To sustain preventative services to vulnerable people as a result of partnership funding. Service will need to consider in year deficit as this would not be sustainable in 2023/24 based on current assumptions.
<u>Education and 14-19 Skills</u>				
Skills and Lifelong Learning (Childrens Directorate)	30	(30)	0	To support adult learning, training and improving skills for the workplace.
School Organisation & Capital Service (Childrens Directorate)	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.
<u>Strong Start, Family Help and Integration</u>				
Troubled Fams Initiative	2,215	(266)	1,949	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	0	57	Revenue grant carried forward
Complex Dependencies	21	0	21	Revenue grant carried forward
CHILDREN AND FAMILIES TOTAL	4,032	(658)	3,374	

- 5.1 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 £46.9m at the end of the year which 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.

Table 3 – DSG Deficit

	£m
Deficit Balance brought forward	25.7
Additional In-year Pressures	21.2
DSG Deficit Balance at 31 March 2023	46.9