



Second Financial Review 2023/24

November 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:

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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 £750m.

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 and interest rates. 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 a forecast outturn of £18.7m against a net revenue budget of £353.1m. The most significant impact is within the rising costs of Children's Social Care. Further activity is required to identify other mitigating measures.

When the 2023/24 budget was set, in February 2023, 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. The forecasts at first review highlight pressures due to demand, inflation, interest rates and pay negotiations. These will almost certainly affect the medium term finances of the Council. This situation must be addressed now and as part of the MTFS process for 2024 to 2028.

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 2023/24.

The **Financial Stability** section provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2023/24 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** Highways and Transport Committee.
- **Appendix 7** Finance Sub-Committee.
- **Appendix 7a** Update to the Treasury Management Strategy.
- **Appendix 7b** Update to the Investment Strategy.

Alex Thompson

Director of Finance and Customer Services
(Section 151 Officer)

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2023/24 Outturn Forecast - Financial Position

2023/24	Revised Budget (NET) £m	Forecast Outturn £m	Forecast Variance £m	For further information please see the following sections
SERVICE DIRECTORATES				
Adults, Health and Integration	136.5	141.2	4.7	Appendix 1
Children's Services	80.3	91.0	10.8	Appendix 2
Place - Directorate/Growth & Enterprise	24.8	22.9	(1.9)	Appendix 4
Place - Environment & Neighbourhood Services	48.7	52.3	3.5	Appendix 5
Place - Highways & Infrastructure	11.2	12.4	1.2	Appendix 6
Corporate Services	41.2	40.7	(0.5)	Appendix 3
Total Services Net Expenditure	342.7	360.5	17.8	
CENTRAL BUDGETS				
Capital Financing	19.0	19.4	0.4	Appendix 7 Section 5
Transfer to/(from) Earmarked Reserves	(7.4)	(7.4)	-	Appendix 7 Section 6
Transfer from MTFES Earmarked Reserve	-	-	-	Appendix 7 Section 6
Corporate Contributions / Central Budgets	(1.2)	(0.7)	0.5	Appendix 7
TOTAL NET EXPENDITURE	353.1	371.9	18.7	
Business Rates Retention Scheme	(55.3)	(55.3)	-	Appendix 7 Section 2
Specific Grants	(26.8)	(26.8)	-	Appendix 7 Section 3
Council Tax	(271.1)	(271.1)	-	Appendix 7 Section 2
Net Funding	(353.1)	(353.1)	-	
NET (SURPLUS) / DEFICIT	-	18.7	18.7	

Financial Stability

Introduction

- 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 inflation, the legacy impact of the Coronavirus pandemic on people and on the economy and increasing cost of living pressure on households. These issues have the effect of increasing the demand for services and increasing costs of services.
- Complexity and market sustainability in Adults' and Children's Social Care remains the most significant financial pressure for the Council in the medium term. The affects of inflation on contracts, utilities and wage levels are affecting costs across all services.
- Table 1** provides a service summary of financial performance. The current forecast is that services will be £18.7m over budget in the current year which includes mitigating actions identified to date. The 2023/24 Approved Budget Policy Changes and Forecast Variances provide further details and changes to service net budgets since the Medium-Term Financial Strategy (Section 2 in the **Appendices 1-6**).
- It also shows that central budgets are forecast to be £0.9m over budget resulting in an overall forecast outturn of £18.7m against a net revenue budget of £353.1m.
- Further items impacting on the level of the Council's balances are detailed in **Appendix 7**.

Table 1 - Service Revenue Outturn Forecasts

2023/24	Revised Budget (NET) £m	Forecast Outturn £m	Forecast Variance £m	Forecast Variance FR1 £000	Movement from FR1 to FR2 £000
SERVICE DIRECTORATES					
Adult Social Care - Operations	137.9	142.6	4.7	0.2	4.4
Commissioning	(1.4)	(1.4)	0.1	0.1	-
Public Health	-	-	-	-	-
Adults and Health Committee	136.5	141.2	4.7	0.3	4.4
Directorate	0.2	0.4	0.1	0.7	(0.6)
Children's Social Care	49.4	58.8	9.4	4.8	4.6
Strong Start, Family Help and Integration	7.4	6.8	(0.6)	(0.6)	0.0
Education & 14-19 Skills	23.2	25.0	1.8	2.1	(0.3)
Children and Families Committee	80.3	91.0	10.8	7.0	3.8
Directorate	0.2	(0.0)	(0.2)	(0.2)	-
Growth & Enterprise	24.6	22.9	(1.7)	(1.7)	0.0
Economy and Growth Committee	24.8	22.9	(1.9)	(1.9)	0.0
Environment & Neighbourhood Services	48.7	52.3	3.5	4.2	(0.7)
Environment and Communities Committee	48.7	52.3	3.5	4.2	(0.7)
Highways & Infrastructure	11.2	12.4	1.2	1.2	0.1
Highways and Transport Committee	11.2	12.4	1.2	1.2	0.1
Directorate	0.6	0.5	(0.1)	0.2	(0.3)
Finance & Customer Services	12.8	12.9	0.2	0.5	(0.3)
Governance & Compliance Services	10.8	10.3	(0.4)	0.1	(0.5)
Communications	0.7	0.7	0.0	(0.0)	0.0
HR	2.6	2.4	(0.2)	-	(0.2)
ICT	11.8	12.0	0.2	0.3	(0.2)
Policy & Change	2.0	1.9	(0.1)	(0.1)	0.0
Corporate Policy Committee	41.2	40.7	(0.5)	0.9	(1.4)
TOTAL SERVICES NET EXPENDITURE	342.7	360.5	17.8	11.7	6.2
CENTRAL BUDGETS					
Capital Financing	19.0	19.4	0.4	0.4	0.0
Transfer to/(from) Earmarked Reserves	(7.4)	(7.4)	-	-	-
Corporate Contributions / Central Budgets	(1.2)	(0.7)	0.5	0.7	(0.2)
Finance Sub-Committee - Central Budgets	10.4	11.3	0.9	1.1	(0.2)
TOTAL NET EXPENDITURE	353.1	371.9	18.7	12.8	5.9
Business Rates Retention Scheme	(55.3)	(55.3)	-	-	-
Specific Grants	(26.8)	(26.8)	-	-	-
Council Tax	(271.1)	(271.1)	-	-	-
Finance Sub-Committee - Net Funding	(353.1)	(353.1)	-	-	-
NET (SURPLUS) / DEFICIT	-	18.7	18.7	12.8	5.9
General Reserves Balance					
2023/24 Budget					
	£m	Actual			
Opening Balance April 2023	14.1	Forecast			
2023/24 Impact on Reserves (see above)	(18.7)	Forecast			
Closing Balance March 2024	(4.6)	Forecast			

Appendices to Second Financial Review 2023/24

November 2023

Appendix 2 : Children and Families Committee

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Appendix 2

Children and Families Committee

1. Changes to Revenue Budget 2023/24 since First Financial Review

	First Review Revised Net Budget	Adjustments to FR1 Budget	Second Review Revised Net Budget	Unringfenced Grants to be Actioned
	£000	£000	£000	£000
Children's Services				
Directorate	(824)	1,065	241	-
Children's Social Care	49,708	(300)	49,408	187
Education & 14-19 Skills	7,017	408	7,425	256
Strong Start, Family Help and Integration (Previously Prevention & Early Help)	23,201	-	23,201	-
Children and Families Committee	79,102	1,173	80,275	443

Note the unringfenced grants to be actioned column includes the expenditure part of centrally held unringfenced grants. These budget adjustments will take place once all second financial review ter approvals have been given.

Adjustments of budget since First Financial Review of £1,173,000 include £1,065,000 MTFS planned drawdown from Children and Families Directorate Reserve.

Children and Families Committee

2. 2023/24 Approved Budget Policy Changes and Forecast Variances

Forecast Outturn Commentary:

The Children and Families Second Financial Review for 2023/24 reflects a £10.8m in-year pressure.

The key pressure areas for the directorate include:

- Children's social care agency placements – where the number and complexity of children in care has continued to increase from 521 at April 2022 to 576 at Aug 2023 (compared with 522 at April 2021 to 529 at August 2022) and placement costs are increasing by significantly more than inflation and more than was projected for growth in-year. This has in part been affected by the disproportionate number of asylum seeking children in Cheshire East.
- 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 legal 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.
- Schools Catering – where the costs of the service are above the current charged income level and base budget.

Work is underway in the services with the implementation of mitigating actions which can be taken to reduce this forecast position in-year, and these pressures will be considered as part of the MTFS process for 2024/25.

Mitigating actions include:

- Reduce spend following an in-depth review of Legal Costs and Educational Psychologists.
- Holding none-qualified role vacancies, recruitment drive to reduce the requirement for agency workers including working with regional partners.
- Review subsidy and funding related to school catering services.
- Review of use of grant funding and reserves.

Further mitigations are being explored including benefit from early receipt of safety valve funding through lobbying government.

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 EHCPs, and the associated school placement costs.

This has placed pressure on the grant used to provide funding for children with SEND in various settings and led to a £21.2m deficit 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. An updated DSG Management Plan was presented to Committee in September 2023. This plan forecasts a deficit position at the end of 2023/24 of £85.9m

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. The deficit position is adding to the pressures of the Council as borrowing is required to cover the £46.9m deficit that has not been funded (forecast to increase to £85.9m by the end of 2023/24). This results in annual interest costs of £3.1m.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
	Children and Families Committee	5.623		
24	School transport pressures	4.000	1.260	This item includes the growth in special educational needs transport and the planned savings from the review of transport. There are additional pressures in year due to 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. A major work programme is underway (including input from the consultants) to deliver the savings to mitigate those pressures and effectively meet needs. Further updates will be taken to Children and Families Committee.
25	Pay inflation	3.059	0.573	The total cost of pay inflation may exceed 5% based on national pay negotiations. This may be mitigated through management of vacancies.
26	Growth in Children's Social Care	1.900	5.082	The revised position for placements is under review. The service is facing a challenging position given the 2022/23 outturn results.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
				Children's social care agency placements – where the number and complexity of children in care has continued to increase from 521 at April 2022 to 576 at August 2023 (compared with 522 at April 2021 to 529 at August 2022) and placement costs are significantly more than inflation and more than was projected for growth in year.
27	Recognise pressures in the Children's Social Care direct payments budget	0.743	-0.070	On track, subject to ongoing monitoring.
28	Statutory Education Psychology Service	0.600	-	On track following indepth review, subject to ongoing monitoring.
29	Reverse travel savings	0.430	-	Achieved.
30	Increase capacity to support statutory SEND service	0.300	-	Achieved although further pressures may emerge.
31	Household Support Fund Grant	-4.400	-	Achieved.
32	Household Support Fund into the Council's base budget (funded from grant)	4.400	-	Achieved.
33	Pension Costs Adjustment	-1.964	-	On track, subject to ongoing monitoring, dependent on in-year staffing costs.
NEW1	Delivering Better Value in SEND grant	-1.200	0.607	Achieved, change in profile.
NEW2	Delivering Better Value in SEND (funded from grant)	1.200	-0.607	Achieved, change in profile.
34	Use of Children & Families Transformation Reserve - estimated balance	-1.065	-	Achieved as a one-off mitigation.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
35	Integrated Children's Service Strategy	-0.950	0.116	Project underway. One-off alternative mitigations are closing the gap where identified savings are for part of the year.
36	Holiday Activity Fund Grant	-0.900	-	Achieved.
37	Holiday Activity Fund into the Council's base budget (funded from grant)	0.900	-	Achieved.
38	Review of commissioned services across the Children and Families Directorate	-0.450	-	Shortfall of £0.220m so further work to do to find the whole saving. This is being off-set in-year by alternative mitigations relating to vacant posts.
39	Children's Development and Partnerships Service	-0.300	-	Achieved.
40	Early Help Redesign	-0.200	-	Achieved.
41	Deliver the Family Hub model	-0.150	-	Achieved.
42	Review of funding streams and income opportunities within Education and Skills	-0.230	-	Achieved.
43	Reduce Legacy Pension commitments	-0.100	-	Achieved.
44	Revenue costs for the Crewe Youth Zone (as above) aligned to Supporting Families Funding	-	-	Achieved.
45	Early Help budget to support funding towards the Crewe Youth Zone	-	-	Achieved.
	In-year Pressure Unaccompanied Asylum Seeking Children		0.776	Shortfall in Home Office grant compared to forecast cost.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
	In-year Pressure Legal Care Proceedings		0.606	Higher legal costs within children's social care with longer processes and more legal challenge. Mitigation indepth review of Legal Costs.
	In-year Pressure Staffing		2.775	Increased use and cost of agency staff in children's social care to cover vacant posts.
	In-year Pressure School Catering		0.224	The costs of the service are above the current charged income level and base budget. This has been reduced by mitigation action to review charges and implement a price uplift.
	In-year Pressure		-0.579	Increased demand/costs offset by savings due to vacant posts.
	TOTAL FORECAST VARIANCE		10.762	
	Further Mitigating Actions			<p>Recruitment drive to reduce the requirement for agency workers including working with regional partners.</p> <p>Liaise with Government on opportunities associated with the 'Safety Valve' programme to mitigate impact on the Council's revenue budget from transport and borrowing costs. Also lobby on potential additional funding for new burdens.</p> <p>Increase senior management oversight of care costs to support holistic appraisal of financial impacts and opportunities.</p>
	REVISED FORECAST VARIANCE		10.762	

Children and Families Committee

3. Corporate Grants Register

3.1 Cheshire East Council receives two main types of Government grants; specific purpose grants and general use grants.

Specific purpose grants are held within the relevant service with a corresponding expenditure budget. Whereas general use grants are held in central budgets with a corresponding expenditure budget within the allocated service area.

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

3.3 The decrease in specific purpose grants relates to a reduction in the Dedicated Schools Grant forecast. There have also been additional, smaller grants and increases to existing grants. Requests for the allocation of the additional specific purpose

and general use grants received are detailed in **Table 2** and **Table 3**.

3.4 **Table 1** provides a detailed listing of all Children & Families related grants, their movements between the reporting period and the treatment of the grant.

3.5 **Table 2** shows additional specific purpose grant allocations that have been received which are £500,000 or less and are for noting only.

3.6 **Table 3** shows delegated decisions for additional specific purpose grants previously named within the MTFs.

Table 1 – Corporate Grants Register

Grants 2023/24	Original Budget	Revised Forecast FR1	Revised Forecast Mid-Year	Change from FR1	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
CHILDREN & FAMILIES					
Specific Purpose (Held within Services)¹					
Dedicated Schools Grant	165,459	156,147	152,962	(3,185)	
Pupil Premium Grant	4,500	4,958	4,958	0	
Pupil Premium Plus - Post 16 Funding	0	56	56	0	
Sixth Forms Grant	2,729	2,815	2,833	18	SRE
Universal Infant Free School Meals	1,732	1,926	1,926	0	
Primary Physical Education Sports Grant	981	981	981	0	
Teachers Pension Grant	0	47	47	0	
COVID-19 Recovery Premium	0	150	225	75	SRE
School Led Tutoring Grant	0	221	295	73	SRE
Milk Subsidy	10	20	21	1	SRE
Schools' Supplementary Grant	2,548	2,543	2,543	0	
Senior Mental Health Lead Training Grant	0	2	2	0	
Newly Qualified Teachers (Education Recovery 5% Time off Timetable)	0	0	48	48	SRE
S14 Experts and Mentors Programme Grant	0	0	7	7	SRE
Delivering Better Value in SEND	1,200	593	593	0	
Apprentice Incentive Scheme	0	2	2	0	
Digital Education Platform	0	3	3	0	
National Professional Qualification Grant	0	10	10	0	
Early Years Supplementary Grant	0	1,262	1,262	0	
Total Children & Families - Schools - Specific Purpose	179,159	171,737	168,775	(2,962)	

Grants 2023/24	Original Budget	Revised Forecast FR1	Revised Forecast Mid-Year	Change from FR1	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
CHILDREN & FAMILIES					
Specific Purpose (Held within Services)¹					
Asylum Seekers	788	2,893	3,906	1,013	SRE
Supporting Families (previously Tackling Troubled Families)	0	280	384	104	SRE
Supporting Families (Payments by Results) Upfront Grant	719	720	720	0	
Reducing Parental Conflict Grant	0	35	33	(2)	
Adoption Support Fund	28	28	67	39	SRE
KS2 Moderation & Phonics	11	11	11	(0)	
NHS Cheshire CCG Grant to fund CEIAS Services	10	0	0	0	
Skills & Lifelong Learning	903	897	897	0	
Remand Grant	20	107	107	0	
Domestic Abuse Safe Accommodation Housing Grant	650	663	663	0	
Holiday Activities & Food Programme Grant	900	1,069	896	(172)	
Extension of the Role of Virtual School Heads to children with a social worker Implementation	118	118	118	0	
Homes for Ukraine, education and childcare elements	0	31	31	0	
Household Support Fund	4,400	4,400	4,400	0	
Hong Kong UK Welcome Programme (British Nationals)	0	53	53	0	
Early Years - Professional Development programme	0	8	8	0	
Early Years - Experts and Mentors Programme	0	4	4	0	
Early Years - Childminder Programme	0	12	12	0	
Family Hubs Transformation Funding	0	248	248	0	
Leaving Care Allowance Uplift Implementation Grant (New Burdens)	0	72	72	0	
Staying Close Award	0	602	602	0	
Supported Accommodation New Burdens Grant	0	0	87	87	SRE
Total Children & Families - Children's Services - Specific Purpose	8,547	12,249	13,320	1,070	

Table 2 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) £500,000 or less

Committee	Year	Type of Grant	£000	Details
Children and Families - Schools	2023/24	Newly Qualified Teachers (Education Recovery 5% Time off Timetable) (Specific Purpose)	48	This grant is from the Department for Education (DfE). The Department for Education has provided support to schools with additional funding for ECF-based training. This is paid directly to schools and covers 5% off timetable for early career teachers (ECTs) in year 2 of induction, for induction activities including ECF-based training and mentor sessions. It also includes a dedicated mentor for each ECT, based on 20 hours of mentoring in year 2 of induction.
Children and Families - Schools	2023/24	S14 Experts and Mentors Programme Grant (Specific Purpose)	7	This grant is from the Department for Education (DfE) with the view of offering early years support, delivered either face to face or virtually, by trained experts and mentors. The experts and mentors programme were rolled out nationally across England from September 2022, covering academic years 2022 to 2023 and 2023 to 2024. The experts and mentors programme supports private, voluntary or independent (PVI) nursery settings, maintained nursery schools and school-based nurseries.
Children and Families - Schools	2023/24	COVID-19 Recovery Premium (Specific Purpose)	75	This grant is from the Education & Skills Funding Agency (ESFA). Recovery premium received on behalf of schools and allocated out as per funding schedule (breakdown by school).

Committee	Year	Type of Grant	£000	Details
Children and Families - Schools	2023/24	School Led Tutoring Grant (Specific Purpose)	73	This grant is from the Department for Education (DfE). 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.
Children and Families – Children’s Services	2023/24	Supported Accommodation New Burdens Grant (Specific Purpose)	87	This is grant from the Department for Education (DfE). The Government is introducing new requirements for providers of supported accommodation for looked after children and care leavers aged 16 and 17. Providers will be required to register and be inspected by Ofsted against new national quality standards and associated administrative requirements. Ofsted will begin registering providers from 28 April 2023, and registration will become mandatory from 28 October 2023. The purpose of this grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them in respect of these changes. Local authorities can use this grant funding to offset the increased costs associated with the impact of these changes.
Children and Families – Children’s Services	2023/24	Supporting Families (previously Tackling Troubled Families) (Specific Purpose)	104	This is an increase on the Financial Review 1 forecast. This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). Supporting Families (previously Troubled Families) this programme focuses on providing targeted interventions for families with complex interconnected problems including unemployment, poor school attendance, mental and physical

Committee	Year	Type of Grant	£000	Details
				health problems, involvement in crime and antisocial behaviour, domestic abuse, and children in need of help and protection. A results-based payment of £800 will be offered for each family for whom the local authority claims a successful family outcome.
Total Specific Purpose Allocations less than £500,000			394	

Table 3 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) previously named in the MTFS.

Committee	Year	Type of Grant	£000	Details
				On 22 nd February 2023 Council delegated authority to the Chief Finance Officer, to approve supplementary estimates if the value of any named grant changes from the figures contained within Appendix C, Annex 7 of the MTFS.
Children and Families - Schools	2023/24	Sixth Forms Grant (Specific Purpose)	18	This grant is from the Education & Skills Funding Agency (ESFA). Funding is based on Pupil Numbers which makes up the main funding profile, the MTFS estimate will have been based on pupils in 2022/23 being forecast for the remainder of financial year. This will now have been updated for 2023/24 pupil numbers. Sixth Form providers also receive a High Value Course Premium based on the number of pupils taking high value courses.

Committee	Year	Type of Grant	£000	Details
Children and Families - Schools	2023/24	Milk Subsidy (Specific Purpose)	1	Increase on MTFS 2023-27 estimate. This grant is from the Rural Payments Agency. 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 – Children’s Services	2023/24	Asylum Seekers (Specific Purpose)	1,013	Increase on MTFS 2023-27 estimate. This grant is from the Home Office (HO). 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.
Children and Families – Children’s Services	2023/24	Adoption Support Fund (Specific Purpose)	39	Increase on MTFS 2023-27 estimate. This grant is from the Department for Education (DfE). The adoption support fund (ASF) provides funds to local authorities and regional adoption agencies (RAAs) to pay for essential therapeutic services for eligible adoptive and special guardianship order (SGO) families.
Total Delegated Decision Specific Purpose Allocations previously named in the MTFS			1,071	

Children and Families Committee

4. Debt Management

	Outstanding Debt £000			Over 6 months old £000		
	Jun-23	Sep-23	Increase / (Decrease)	Jun-23	Sep-23	Increase / (Decrease)
Children and Families Committee						
Children's Social Care (Incl. Directorate)	7	4	(3)	-	-	-
Prevention and Early Help	84	65	(19)	18	11	(7)
Schools	71	9	(62)	-	-	-
	162	78	(84)	18	11	(7)

Note: Schools outstanding debt has decreased partly due to invoice for £42,000 now being paid.

Children and Families Committee

5. Capital Strategy

Children & Families													CAPITAL
CAPITAL PROGRAMME 2023/24 - 2026/27													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2023-27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes in progress													
Childrens Social Care													
Foster Carers Capacity Scheme	634	404	231	0	0	0	231	0	0	0	0	231	231
Crewe Youth Zone	4,200	395	3,047	758	0	0	3,805	1,607	0	0	0	2,198	3,805
Family Hubs Transformation	95	6	89	0	0	0	89	89	0	0	0	0	89
Children's Home Sufficiency Scheme	2,100	0	50	2,050	0	0	2,100	0	0	0	0	2,100	2,100
Strong Start, Family Help & Integration													
Beechwood Nursery Expansion	868	856	12	0	0	0	12	0	0	12	0	0	12
Early Years Sufficiency Capital Fund	1,036	913	123	0	0	0	123	123	0	0	0	0	123
Education and 14-19 Skills													
Adelaide Academy	854	39	59	756	0	0	815	645	0	0	0	170	815
Basic Need Grant Allocation	8,485	0	1,235	4,808	2,442	0	8,485	8,485	0	0	0	0	8,485
Brine Leas High School	700	0	250	450	0	0	700	700	0	0	0	0	700
Congleton Planning Area	5,045	639	4,000	406	0	0	4,406	2,212	2,194	0	0	0	4,406
Congleton Planning Area - Primary (1)	2,209	9	170	500	1,530	0	2,200	900	1,300	0	0	0	2,200
Congleton Planning Area - Primary (2)	628	66	562	0	0	0	562	562	0	0	0	0	562
Congleton Planning Area - Primary (3)	7,504	4	0	250	0	7,250	7,500	4,300	3,200	0	0	0	7,500
Devolved Formula Capital	1,910	0	955	315	330	310	1,910	1,910	0	0	0	0	1,910
Energy Efficiency Capital	713	48	666	0	0	0	666	666	0	0	0	0	666
Handforth Planning Area - New School	13,003	3	0	500	8,500	4,000	13,000	136	12,864	0	0	0	13,000
Holmes Chapel Secondary School	3,631	1,778	1,853	0	0	0	1,853	1,610	243	0	0	0	1,853
Little Angels Satellite Sites	29	3	26	0	0	0	26	26	0	0	0	0	26
Macclesfield Academy Resource Provision	103	3	100	0	0	0	100	100	0	0	0	0	100
Macclesfield Planning Area - secondary	1,591	1,113	100	378	0	0	478	478	0	0	0	0	478
Macclesfield Planning Area - secondary new	603	3	100	500	0	0	600	600	0	0	0	0	600
Macclesfield Planning Area - New school	4,001	1	0	0	0	4,000	4,000	0	4,000	0	0	0	4,000
Malbank High School	1,922	1,861	61	0	0	0	61	61	0	0	0	0	61
Mobberley Primary School	958	23	100	835	0	0	935	635	0	0	300	0	935

Children & Families

CAPITAL

CAPITAL PROGRAMME 2023/24 - 2026/27

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2023-27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes in progress													
Nantwich Planning Area (Primary)	7,861	515	1,000	5,346	1,000	0	7,346	4,326	3,020	0	0	0	7,346
Provision of Sufficient School Places - SEND	7,182	293	3,890	3,000	0	0	6,890	1,361	0	0	0	5,528	6,890
Provision of SEN Unit - Wistaston Primary School	1,506	6	400	1,100	0	0	1,500	1,200	0	0	0	300	1,500
Puss Bank SEN Expansion	532	509	23	0	0	0	23	0	0	0	0	23	23
Sandbach High School - Basic Need	1,776	1,773	3	0	0	0	3	3	0	0	0	0	3
Sandbach Boys School - Basic Need	1,742	1,703	39	0	0	0	39	39	0	0	0	0	39
Sandbach Primary Academy	1,583	0	500	1,083	0	0	1,583	1,583	0	0	0	0	1,583
School Condition Capital Grant	9,305	779	2,526	2,000	2,000	2,000	8,526	8,529	0	54	0	0	8,583
Shavington Planning Area - Primary	8,040	131	150	500	5,000	2,259	7,909	5,549	2,360	0	0	0	7,909
Shavington Planning Area - secondary	3,506	168	1,782	1,557	0	0	3,339	3,339	0	0	0	0	3,339
Special Provision Fund Capital Grant	725	603	123	0	0	0	123	116	0	6	0	0	123
Springfield Satellite Site (Dean Row)	6,112	807	4,805	500	0	0	5,305	4,505	0	0	0	800	5,305
The Dingle Primary School Expansion	1,395	67	850	478	0	0	1,328	1,328	0	0	0	0	1,328
Wheelock Primary School	2,400	0	500	1,900	0	0	2,400	1,890	510	0	0	0	2,400
Wilmslow High School BN	14,179	4,923	5,745	3,511	0	0	9,256	7,237	1,971	0	0	48	9,256
Wilmslow Primary Planning Area	626	1	0	625	0	0	625	125	500	0	0	0	625
Total Committed Schemes	131,293	20,443	36,123	34,106	20,802	19,819	110,850	66,975	32,162	73	300	11,398	110,907
New Schemes													
Education and 14-19 Skills													
Adelaide Heath Academy	120	0	120	0	0	0	120	120	0	0	0	0	120
Cledford House	100	0	100	0	0	0	100	100	0	0	0	0	100
Edleston Primary School - Condition Project	30	0	30	0	0	0	30	30	0	0	0	0	30
Future Schemes - Feasibility Studies	250	0	0	250	0	0	250	250	0	0	0	0	250
Oakfield Lodge & Stables	50	0	50	0	0	0	50	50	0	0	0	0	50
Poynton Planning Area	1,500	0	20	480	1,000	0	1,500	697	803	0	0	0	1,500
Sandbach Boys School	20	0	20	0	0	0	20	20	0	0	0	0	20
SEN Free School 1	500	0	0	500	0	0	500	500	0	0	0	0	500
SEN Free School 2	500	0	0	500	0	0	500	500	0	0	0	0	500
Styal Primary School - Condition Project	27	0	27	0	0	0	27	27	0	0	0	0	27
Tytherington High School	2,500	0	0	2,500	0	0	2,500	2,500	0	0	0	0	2,500
Various SEN Sites - Small Works/Adaptations	150	0	0	150	0	0	150	150	0	0	0	0	150
Total New Schemes	5,825	78	367	4,380	1,000	0	5,747	4,944	803	0	0	0	5,747
Total Children and Families	137,118	20,521	36,490	38,486	21,803	19,819	116,597	71,919	32,965	73	300	11,398	116,655

Children and Families Committee

6. Reserves Strategy

Children and Families Committee

Name of Reserve	Opening Balance 1 April 2023 £000	Forecast Movement in Reserves 2023/24 £000	Forecast Closing Balance 31 March 2024 £000	Notes
<u>Directorate</u>				
Childrens Directorate - Transformation Funding	779	(779)	0	Budgeted drawdowns as per MTFS 2023-27.
Childrens Directorate - C&F ED	422	(422)	0	Budgeted drawdowns as per MTFS 2023-27.
<u>Childrens Social Care</u>				
Domestic Abuse Partnership	146	(146)	0	To sustain preventative services to vulnerable people as a result of partnership funding in previous years. Further analysis to be completed by Second Financial Review to assess drawdown requirements.
<u>Strong Start, Family Help and Integration</u>				
Troubled Fams Initiative	1,949	(1,949)	0	Crewe Youth Zone and ACT have been assigned funding from shared outcomes of the Supporting Families Programme.
Public Sector Transformation – contribution to Early Youth Inclusion Fund	57	(57)	0	Revenue grant carried forward, to be fully utilised in year.
Complex Dependencies	21	(21)	0	Revenue grant carried forward, to be fully utilised in year.
CHILDREN AND FAMILIES TOTAL	3,374	(3,374)	0	

Dedicated Schools Grant Deficit

Dedicated Schools Grant Deficit	£m
Deficit Balance B/F	46.9
Additional In-year Pressures	38.9
Deficit Balance at 31st March 2024	85.8

- 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 on-going pressure is regularly reviewed; at the end of 2022/23 the deficit was £46.9m; the deficit is forecast to increase to £85.8m by the end of 2023/24. The Council's DSG Management Plan sets out the planned expenditure and income on high needs over the medium term, these figures are based on the updated plan which will be going to Committee in Sep 2023 for approval.