



Third Financial Review 2023/24

January 2024

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 £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 £13.0m 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.
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- **Appendix 5** Environment and Communities Committee.
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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	141.5	5.0	Appendix 1
Children's Services	80.3	90.3	10.0	Appendix 2
Place - Directorate/Growth & Enterprise	24.8	22.0	(2.8)	Appendix 4
Place - Environment & Neighbourhood Services	48.7	51.8	3.1	Appendix 5
Place - Highways & Infrastructure	11.2	11.0	(0.2)	Appendix 6
Corporate Services	41.7	40.7	(1.0)	Appendix 3
Total Services Net Expenditure	343.2	357.3	14.1	
CENTRAL BUDGETS				
Capital Financing	19.0	19.0	-	Appendix 7 Section 5
Transfer to/(from) Earmarked Reserves	(7.4)	(7.4)	-	Appendix 7 Section 6
Transfer from MTFs Earmarked Reserve	-	-	-	Appendix 7 Section 6
Corporate Contributions / Central Budgets	(1.7)	(2.8)	(1.1)	Appendix 7
TOTAL NET EXPENDITURE	353.1	366.1	13.0	
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	-	13.0	13.0	

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 £14.1m 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 £1.1m below budget resulting in an overall forecast outturn of £13.0m 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	Forecast Outturn	Forecast Variance	Forecast Variance FR1	Movement from FR2 to FR3
	(NET)				
	£m	£m	£m	£000	£000
SERVICE DIRECTORATES					
Adult Social Care - Operations	137.9	142.9	4.9	4.7	0.3
Commissioning	(1.4)	(1.4)	0.1	0.1	0.0
Public Health	-	-	-	-	-
Adults and Health Committee	136.5	141.5	5.0	4.7	0.3
Directorate	0.7	0.5	(0.2)	0.1	(0.3)
Children's Social Care	49.0	58.1	9.2	9.4	(0.3)
Strong Start, Family Help and Integration	7.4	6.4	(1.0)	(0.6)	(0.4)
Education & 14-19 Skills	23.2	25.2	2.0	1.8	0.2
Children and Families Committee	80.3	90.3	10.0	10.8	(0.8)
Directorate	0.3	0.1	(0.2)	(0.2)	-
Growth & Enterprise	24.5	21.9	(2.6)	(1.7)	(0.9)
Economy and Growth Committee	24.8	22.0	(2.8)	(1.9)	(0.9)
Environment & Neighbourhood Services	48.7	51.8	3.1	3.5	(0.4)
Environment and Communities Committee	48.7	51.8	3.1	3.5	(0.4)
Highways & Infrastructure	11.2	11.0	(0.2)	1.2	(1.3)
Highways and Transport Committee	11.2	11.0	(0.2)	1.2	(1.3)
Directorate	0.6	0.3	(0.26)	(0.1)	(0.2)
Finance & Customer Services	13.3	13.1	(0.19)	0.2	(0.3)
Governance & Compliance Services	10.8	10.4	(0.37)	(0.4)	0.1
Communications	0.7	0.7	0.01	0.0	0.0
HR	2.6	2.2	(0.35)	(0.2)	(0.1)
ICT	11.8	12.1	0.28	0.4	(0.1)
Policy & Change	2.0	1.9	(0.08)	(0.3)	0.2
Corporate Policy Committee	41.7	40.7	(1.0)	(0.5)	(0.5)
TOTAL SERVICES NET EXPENDITURE	343.2	357.3	14.1	17.8	(3.6)
CENTRAL BUDGETS					
Capital Financing	19.0	19.0	-	0.4	(0.4)
Transfer to/(from) Earmarked Reserves	(7.4)	(7.4)	-	-	-
Corporate Contributions / Central Budgets	(1.7)	(2.8)	(1.1)	0.5	(1.6)
Finance Sub-Committee - Central Budgets	9.9	8.8	(1.1)	0.9	(2.0)
TOTAL NET EXPENDITURE	353.1	366.1	13.0	18.7	(5.7)
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	-	13.0	13.0	18.7	(5.7)
General Reserves Balance 2023/24 Budget					
	£m				
Opening Balance April 2023	14.1	Actual			
2023/24 Impact on Reserves (see above)	(13.0)	Forecast			
Closing Balance March 2024	1.1	Forecast			

Appendices to Third Financial Review 2023/24

January 2024

Appendix 2: Children and Families Committee

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Appendix 2

Children and Families Committee

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

	Second Review Revised Net Budget	Adjustments to FR2 Budget	Third Review Revised Net Budget	Unringfenced Grants to be Actioned
	£000	£000	£000	£000
Children's Services				
Directorate	241	456	697	-
Children's Social Care	49,408	(457)	48,953	-
Education & 14-19 Skills	7,425	-	7,425	61
Strong Start, Family Help and Integration (Previously Prevention & Early Help)	23,201	(5)	23,196	-
Children and Families Committee	80,275	(6)	80,271	61

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 third financial review approvals have been given.

Children and Families Committee

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

Forecast Outturn Commentary:

At the end of last financial year the outturn for Children and Families was an overspend of £5.2m putting the service in a position of challenge from the outset of 2023/24. The growth within the Medium-Term Financial Strategy was not sufficient to cover all the pressures. The costs of children's social care is a concern for many local authorities and not unique to Cheshire East. The Third Financial Review for 2023/24 reflects a £10.0m in-year pressure. This is an improvement of £0.8m since Second Financial Review. The change mainly relates to the use of a number of grants and use of reserves (£1.0m), offset by small increased costs (£0.4m) in transport, placements and underfunded services for separated migrant children.

The key pressure areas for the directorate include:

- Children's social care agency placements – where the complexity of children in care has continued to increase but the number of children in care has reduced from 586 at April 2023 to 543 at November 2023 (compared to an increase from 521 at April 2022 to 545 at November 2022). 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 vacancies, sick absence, and maternity leave.
- 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 non statutory role vacancies, recruitment drive to reduce the requirement for agency workers including working with regional partners.
- Review of all high cost, low outcome placements for children in care.
- Review subsidy and funding related to school catering services.
- Working at pace to progress in-house sufficiency for children in care placements.

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 at the end of 2022/23.

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 around £3.1m in 2023/24.

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	1.360	<p>This item includes the growth in special educational needs transport and the planned savings from the review of transport.</p> <p>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.</p> <p>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.</p>
25	Pay inflation	3.059	0.573	The total cost of pay inflation will exceed 5% based on national pay negotiations. This may be mitigated through management of vacancies.
26	Growth in Children's Social Care	1.900	5.121	<p>The revised position for placements is under review. The service is facing a challenging position given the 2022/23 outturn results.</p> <p>Children's social care agency placements – where the complexity of children in care has continued to increase but the number of children in care has reduced from 586 at April 2023 to 543 at November 2023 (compared to an increase from 521 at April 2022 to 545 at November 2022). 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.</p>
27	Recognise pressures in the Children's Social Care direct payments budget	0.743	-0.070	On track, subject to ongoing monitoring.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
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.
35	Integrated Children's Service Strategy	-0.950	-	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.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
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		0.895	Shortfall in Home Office grant compared to forecast cost.
	In-year Pressure Legal Care Proceedings		0.650	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		2.704	Increased use and cost of agency staff in children's social care to cover vacant posts.
	In-year Pressure School Catering		0.214	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		-1.450	Increased demand/costs offset by savings due to vacant posts.
	TOTAL FORECAST VARIANCE		9.997	

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
	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		9.997	

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 increase in specific purpose grants mainly relates to the Teachers' Pay Grant and an increased forecast to the Recovery Premium. There have also been additional, smaller grants and increases to existing grants. Requests for the allocation of the additional specific purpose 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 over £500,000 and up to £1m, and are for Committee approval.

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

3.7 **Table 4** shows additional **general use** grant allocations that have been received which are £500,000 or less and are for noting only.

Table 1 – Corporate Grants Register

Grants 2023/24	Original Budget	Revised Forecast Mid-Year	Revised Forecast FR3	Change from Mid-Year Forecast	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	2023/24 £000	
CHILDREN & FAMILIES					
Specific Purpose (Held within Services)¹					
Dedicated Schools Grant	165,459	152,962	152,950	(12)	
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	2,833	2,892	59	SRE
Universal Infant Free School Meals	1,732	1,926	1,928	2	SRE
Primary Physical Education Sports Grant	981	981	982	1	SRE
Teachers Pay Grant	0	0	953	953	SRE
Teachers Pension Grant	0	47	111	64	SRE
COVID-19 Recovery Premium	0	225	900	675	SRE
School Led Tutoring Grant	0	295	295	0	
Milk Subsidy	10	21	21	0	
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	48	48	0	
S14 Experts and Mentors Programme Grant	0	7	7	0	
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	
	0	0	87	87	SRE
Total Children & Families - Schools - Specific Purpose	179,159	168,775	170,603	1,828	

Notes 2 - 5

Grants 2023/24	Original Budget	Revised Forecast	Revised Forecast	Change from	Treatment of
		Mid-Year	FR3	Mid-Year	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	3,906	3,647	(259)	
Supporting Families (previously Tackling Troubled Families)	0	384	384	0	
Supporting Families (Payments by Results) Upfront Grant	719	720	720	0	
Reducing Parental Conflict Grant	0	33	48	15	SRE
Adoption Support Fund	28	67	70	3	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	896	896	0	
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 - Delivery Support Fund	0	0	82	82	SRE
Early Years - Wraparound Childcare Programme	0	0	11	11	SRE
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	87	174	87	SRE
Enhance Programme Funding	0	0	150	150	SRE
Total Children & Families - Children's Services - Specific Purpose	8,547	13,320	13,408	88	

Grants 2023/24	Original Budget	Revised Forecast Mid-Year	Revised Forecast FR3	Change from Mid-Year Forecast	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	2023/24 £000	<i>Notes 2 - 5</i>
CHILDREN & FAMILIES					
General Use (Held Corporately)					
Social Care Support Grant	6,939	6,939	6,939	0	
Staying Put Implementation Grant	0	130	130	0	
Extended Rights to Free Transport (Home to School Transport)	0	256	256	0	
Extended Personal Adviser Duty Implementation	0	57	57	0	
Extension of the role of Virtual School Heads	0	0	61	61	SRE
Total Children & Families - General Use	6,939	7,383	7,443	61	
TOTAL CHILDREN & FAMILIES	194,645	189,477	191,454	1,977	

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.

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	Year	Type of Grant	£000	Details
Children and Families - Schools	2023/24	Teachers Pay Additional Grant (Specific Purpose)	953	This is a new grant. This grant is from the Department for Education (DfE). In July 2023, the ESFA announced £482.5 million for schools through the teachers' pay additional grant (TPAG) in 2023 to 2024 to support schools to meet the costs of the 2023 to 2024 teachers pay award.
Children and Families - Schools	2023/24	COVID-19 Recovery Premium (Specific Purpose)	675	Increase of Financial Review 2 forecast. 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).
Total Specific Purpose Allocations over £500,000 up to £1,000,000			1,628	

Table 3 – 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	Sixth Forms Grant (Specific Purpose)	59	Increase of Financial Review 2 forecast. 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.
Children and Families - Schools	2023/24	Universal Infant Free School Meals (UIFSM) (Specific Purpose)	2	Increase of Financial Review 2 forecast. This grant is from the Education & Skills Funding Agency (ESFA). The grant received from the Education & Skills Funding Agency (ESFA) to supports schools in delivering the legal requirement to offer free school meals, meeting the school food standards, to all their reception, year 1 and year 2 pupils. The funding allocation is based on the total number of eligible meals taken on October and January census multiplied by a set rate. This rate has increased for the 2023/24 academic year from £2.41 to £2.53.
Children and Families - Schools	2023/24	Primary Physical Education Sports Grant (Specific Purpose)	1	Increase of Financial Review 2 forecast. This grant is from the Department for Education (DfE). PE and sports premium for primary schools is a grant allocated by the DfE to support schools in ensuring children have equal access to high-quality PE provision and opportunities to

Committee	Year	Type of Grant	£000	Details
				experience and participate in a wide range of sports and physical activities.
Children and Families - Schools	2023/24	Teachers' Pension Grant (Specific Purpose)	64	Increase of Financial Review 2 forecast. This grant is from the Education & Skills Funding Agency (ESFA). 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.
Children and Families - Schools	2023/24	Early Years Teachers Pay Additional Grant (Specific Purpose)	87	This is a new grant. This grant is from the Education and Skills Funding Agency. For the 2023/24 financial year, the ESFA has allocated £12.5m of this funding will be provided to local authorities to support early years providers delivering the government's early years entitlements with increased teacher workforce costs from 1 September 2023. This funding will be distributed via the early years teachers' pay additional grant (EY TPAG). The EY TPAG will be paid to local authorities to cover the 7-month period between 1 September 2023 and 31 March 2024.
Children and Families – Children's Services	2023/24	Reducing Parental Conflict Grant (Specific Purpose)	15	Increase of Financial Review 2 forecast. This grant is from the Department for Work and Pensions (DWP). The grant is to support local authorities to further embed support to address parental conflict in their area, to improve outcomes for children.

Committee	Year	Type of Grant	£000	Details
Children and Families – Children’s Services	2023/24	Adoption Support Fund (Specific Purpose)	3	Increase on Financial Review 2 position. 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.
Children and Families – Children’s Services	2023/24	Early Years - Delivery Support Fund (Specific Purpose)	82	This is a new grant from the Department for Education (DfE). The DfE have provided a Delivery Support Fund to meet the delivery costs associated with rolling out the expanded Early Years entitlements from April 2024 onwards.
Children and Families – Children’s Services	2023/24	Early Years - Wraparound Childcare Programme (Specific Purpose)	11	This is a new grant from the Department for Education (DfE). The government are providing funding to local authorities to ensure that all parents of primary school children who need it, can access wraparound childcare in their local area from 8am-6pm. The purpose of the grant is to fund primary schools and private, voluntary and independent (PVI) providers, to introduce or expand before- and after-school childcare provision in their area where there is a gap in availability.
Children and Families – Children’s Services	2023/24	Supported Accommodation New Burdens Grant (Specific Purpose)	87	Increase on Financial Review 2 position. 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

Committee	Year	Type of Grant	£000	Details
				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	Enhance Programme Funding (Specific Purpose)	150	This is a new grant from the Department for Education (DfE). To deliver dedicated edge of care support to children and families with the aim of preventing children from entering high-cost placements and to live safely within their families. This will include a family group conferencing service / dedicated family support workers, to prevent escalation to care and also a specialist marketing officer to increase internal fostering capacity.
Total Specific Purpose Allocations less than £500,000			559	

Table 4 – DECISION DELEGATED TO OFFICERS

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

Committee	Year	Type of Grant	£000	Details
Children and Families	2023/24	Extension of the role of Virtual School Heads (General Purpose)	61	This is a new grant from the Department for Education. The purpose of this grant is to provide support to local authorities in England to help them to extend the role of the Virtual School Head to promote the educational outcomes of the cohort of children with a social worker. Virtual School Heads should take a strategic leadership role for this cohort of children and work with early years settings, schools, colleges, and social care leaders to create a culture of high aspirations that helps all children with social workers to reach their potential.
Total General Use Allocations less than £500,000			61	

Children and Families Committee

4. Debt Management

	Outstanding Debt £000			Over 6 months old £000		
	Sep-23	Oct-23	Increase / (Decrease)	Sep-23	Oct-23	Increase / (Decrease)
Children and Families Committee						
Children's Social Care (Incl. Directorate)	4	10	6	-	4	4
Prevention and Early Help	65	8	(57)	11	(5)	(16)
Schools	9	6	(3)	-	-	-
	78	24	(54)	11	(1)	(12)

Note: Children's Social Care (Incl. Directorate) - increase of outstanding debt due to one invoice.

Children and Families Committee

5. Capital Strategy

Children & Families														CAPITAL
CAPITAL PROGRAMME 2023/24 - 2026/27														
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding	
	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	131	6	89	36	0	0	125	125	0	0	0	0	125	
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	9,035	0	1,210	5,383	2,442	0	9,035	9,035	0	0	0	0	9,035	
Brine Leas High School	700	0	250	450	0	0	700	700	0	0	0	0	700	
Congleton Planning Area	4,470	639	3,811	20	0	0	3,831	1,637	2,194	0	0	0	3,831	
Congleton Planning Area - Primary (1)	2,209	9	170	100	1,930	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	50	0	7,450	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	3,656	1,778	1,878	0	0	0	1,878	1,635	243	0	0	0	1,878	
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	1,163	1,113	50	0	0	0	50	50	0	0	0	0	50	
Macclesfield Planning Area - Secondary New	1,031	3	0	1,028	0	0	1,028	1,028	0	0	0	0	1,028	
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	10	925	0	0	935	635	0	0	300	0	935	

CAPITAL PROGRAMME 2023/24 - 2026/27

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding
	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	200	6,146	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
Puss Bank SEN Expansion	29	6	23	0	0	0	23	0	0	0	0	23	23
Provision of SEN Unit - Wistaston Primary School	2,009	509	400	1,100	0	0	1,500	1,200	0	0	0	300	1,500
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	200	1,383	0	0	1,583	1,583	0	0	0	0	1,583
School Condition Capital Grant	9,306	779	2,527	2,000	2,000	2,000	8,527	8,473	0	54	0	0	8,527
Shavington Planning Area - Primary	8,040	131	50	600	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
Wheellock Primary School	2,400	0	200	2,200	0	0	2,400	1,890	510	0	0	0	2,400
Wilmslow High School BN	14,178	4,923	5,745	3,510	0	0	9,255	7,237	1,971	0	0	48	9,255
Wilmslow Primary Planning Area	626	1	0	625	0	0	625	125	500	0	0	0	625
Total Committed Schemes	131,329	20,443	34,195	35,470	21,202	20,019	110,886	66,954	32,162	73	300	11,398	110,886
New Schemes													
Childcare Capital Expansion	749	0	0	749	0	0	749	749	0	0	0	0	749
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	10	90	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	28	1	27	0	0	0	27	27	0	0	0	0	27
Tytherington High School	2,502	2	0	200	2,300	0	2,500	2,500	0	0	0	0	2,500
Various SEN Sites - Small Works/Adaptations	153	3	0	150	0	0	150	150	0	0	0	0	150
Total New Schemes	5,753	6	277	2,919	3,300	0	6,496	5,693	803	0	0	0	6,496
Total Children and Families	137,082	20,449	34,472	38,389	24,502	20,019	117,382	72,648	32,965	73	300	11,398	117,382

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 '24 £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	(178)	1,771	Crewe Youth Zone and ACT have been assigned funding from shared outcomes of the Supporting Families Programme. Anticipate remaining balance to be utilised in 2024/25.
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	(1,603)	1,771	

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.