

## Appendix 2 – Indicative Revenue Budget

### 1. Budget 2021/22

1.1. The Children and Education Services net annual budget for 2021/22 is £119.053m. The indicative three-year budget is: £128.633m, £132.300m, £134.618m 2022/23-2024/25 respectively.

**Table one: Base budget 2021/22**

Service Area	2021/22 Net Budget	2021/22 Gross Budget	2021/22 Budgeted Posts (FTE)
	£'000	£'000	
LAC Placements	40,352	54,787	34
LAC Placements Services	6,535	7,422	86
Permanence & Leaving Care	14,640	23,128	12
Children Safeguarding Service Areas	35,987	43,376	742
Education Services	5,679	6,897	70
Home to School Transport	10,047	10,118	127
TYSS	341	841	
Children's Strategic Management and Business Support	5,472	5,576	117
<b>Total</b>	<b>119,053</b>	<b>152,145</b>	<b>1,188</b>

### **Savings 2021/22**

1.2. Approved budget savings total £12.359m, most of the savings are achieved other than:

- Supported Accommodation - £1m of the £1.767m is delayed and will be achieved next year in full as more suitable provision with registered housing providers becomes made available November 2021.
- Multi-Agency Placements – almost half of the £1m has been achieved, it is not yet known whether this saving will be achieved in full next year, this will be dependent on the agreements made at panel.

### **Approved Budget Changes**

1.3. The following budget changes were approved as part of the 2021/22 budget setting process:

- **£2.459m savings 2022/23** relate to placements. Some of the savings are the full year impact of 2021/22 placements. There is a level of confidence that the options presented were reflective of the Directorate's budget strategy

promoting a preventative, focused and purposeful intervention and delivering value for money. This includes delivering services to children with high/complex needs who need to be 'looked after' by the council through transforming services and increasing the range and choice of placements (sufficiency). Most of these options are underpinned by commissioning activity. 2023/24 and 2024/25 savings total £100k per annum.

- **£2.611m of the £12.359m 2021/22 and £1.409m of the 2022/23 savings** are one-off and reverse in the following year. The 2020/21 budget planning process acknowledged that not all the options could be fully realised in 2021/22-2022/23 and it was approved that the reserves can be used on an one-off basis to smooth out transition reductions in budget.
- In order to balance the 2021/22 budget, the Directorate reviewed their reserves. Following the review, the Directorate were able to support their budget position by **£7.135m**. The medium-term financial plan assumes this will be funded from mainstream budget 2022/23 onwards.
- **£2.293m**, Demographic changes has been determined on the numbers which the budget was set compared to the current position and potential increase in demand informed by 3% population growth predictions. The 2023/24 and 2024/25 demographic changes total £2.357m and £2.419m, respectively.

1.4. The net impact of the changes above gives budget changes total £9.580m in 2022/23, £3.666m in 2023/24 and £2.319m 2024/25.

#### 1.5. **Emerging Risks and Pressures**

- **Early Years £400k** - In 2012, the Council took the decision to withdraw from the direct provision of day-care services to move to a new model, with the Council acting as commissioner of day-care services. As the estate is not in good condition maintenance costs are higher than day care providers anticipated and can afford. A review of the current arrangements with tendered day-care has been concluded and Executive have agreed a capital investment of £3m to improve the condition of these buildings. However, this is a 3-year programme and current projections indicate an ongoing budget shortfall. It is proposed that this pressure is funded going forward.
- **Legal Costs £0.666m** - Legal proceedings are taking 14 weeks longer than they did at pre-pandemic and due to this there is an increase in the reported overspend as additional external legal support is being commissioned from another Local Authority. A review of costs has been commissioned to better understand and respond to reissued Public Law Outline (national guidance). It is anticipated that the learning from the review will help the Legal team and Children Services to manage down the current overspend.

- **Home to School Transport** – Where a pupil is entitled to receive free home to school transport this is for the journey at the start and end of the school day. In response to representation from families the Council is to launch a review of elements of the transport assistance offer and delivery of it. There is a risk that the review recommendations will lead to additional expenditure. This would place additional pressure on the Children’s Services budget.
- **School Improvement Grant** - The School improvement Grant, £50m nationally is allocated annually to Local Authorities to provide school improvement for maintained schools. It is allocated based on the number of schools which continue to be maintained by the Local Authority and covers an academic year. In 2021/22 Manchester’s school improvement grant was £398k this covers 110 schools. Department of Education has recently launched a consultation which seeks to cut the grant by 50% cent next year and scrap the grant by April 2023. Councils could look to replace the grant lost by requesting a top slice from the Dedicated Schools Grant, this would need to be approved by Schools Forum and would reduce funding paid directly to schools.

1.6. Provision has been made for inflationary price increases and potential pay awards. This is held centrally and will be allocated to service budgets when the details are available.