

Business and Financial Plan 2024-2029

To: Children & Young People Committee

Meeting Date: 16 January 2024

From: Executive Director of Children, Education and Families
Executive Director for Finance and Resources

Electoral division(s): All

Key decision: No

Forward Plan ref: n/a

Executive Summary: This report summarises the business plan proposals, as presented to the Strategy, Resources and Performance Committee on 19 December as to the remit of this Committee according to its terms of reference. This includes proposals relating to:

- Home to school transport
- Children in care placements and our residential strategy
- Workforce structures
- Schools capital programme and pressures on the high needs block of the dedicated schools grant.

Recommendations: The Committee is asked to:

- a) consider and scrutinise the proposals relevant to this Committee within the Business and Financial plan put forward by the Strategy, Resources and Performance Committee, 19 December 2023.
- b) recommend changes and /or actions for consideration by the Strategy, Resources and Performance Committee at its meeting on 30 January 2024 to enable a budget to be proposed to Full Council on 13 February 2024.
- c) Receive the fees and charges schedule for this Committee included at appendix 2.

Voting arrangements: Co-opted members are not eligible to vote on this item.

Officer contact:

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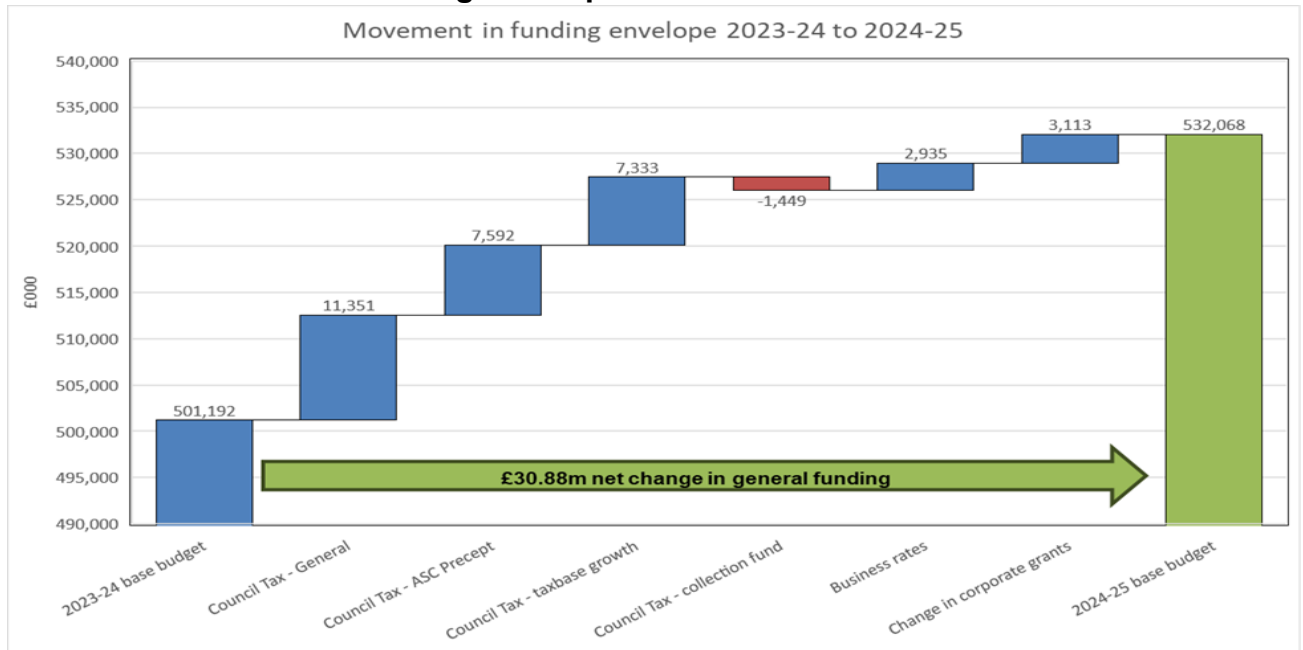
1. Creating a greener, fairer and more caring Cambridgeshire

- 1.1. The proposals presented to the Strategy, Resources and Performance Committee on 19 December 2023 set out the Council's delivery and plans against its seven ambitions in the [Strategic Framework 2023-28](#).
- 1.2. This report provides an assessment to this committee of the draft budget for 2024/25, as presented to Strategy, Resources and Performance Committee at its meeting on 19 December 2023. The council's budget takes account of the impact on Council Tax, the capital investment programme, schools' overall budgets, as well as Council reserves. The report sets out the corporate position, delivery of the strategic ambitions, investment in priorities and the proposed 2024/25 revenue and capital changes relevant to this committee.
- 1.3. This committee, alongside other Policy and Service committees will consider the draft budget proposals, and any feedback will be presented to Strategy, Resources and Performance Committee at its next meeting 30 January 2024 for consideration.

2. Overview of corporate position

- 2.1 The Strategy, Resources and Performance Committee considered draft proposals in order to balance the 2024/25 budget as well as longer term business and financial planning. Papers are available at [Strategy, Resources and Performance Committee 19 December 2023 - Item 6 - Business and Financial Plan 2024-29](#).
- 2.2 Proposals cover a range of services provided by the Council. Each of the service and policy committees have been asked to provide scrutiny and feedback on proposals within their remit, in order to inform the Strategy, Resources and Performance Committee 30 January 2024 in its consideration of recommending budget proposals to Full Council on 13 February 2024.
- 2.3 The Council draws its funding from two main sources – Council Tax and government grants. The Council's government funding allocated for 2024/25 comprises of three elements; the first two make up what is referred to as Cambridgeshire's Settlement Funding Allocation (SFA), which is the Department for Levelling Up, Housing and Communities (DLUHC) calculation of what the Council's spending should be compared with other councils across the country. A third element of government funding is from additional grants, such as the social care support grant. The other main source of funding is from Council Tax. For 2024/25 it is forecast this will mean £30.9 million more income in 2024/25. This funding and the impact for Cambridgeshire are set out in more detail in the following chart 1 and represents the current assumptions from DLUHC, a 2% Adult Social Care Precept and a 2.99% Council Tax increase:

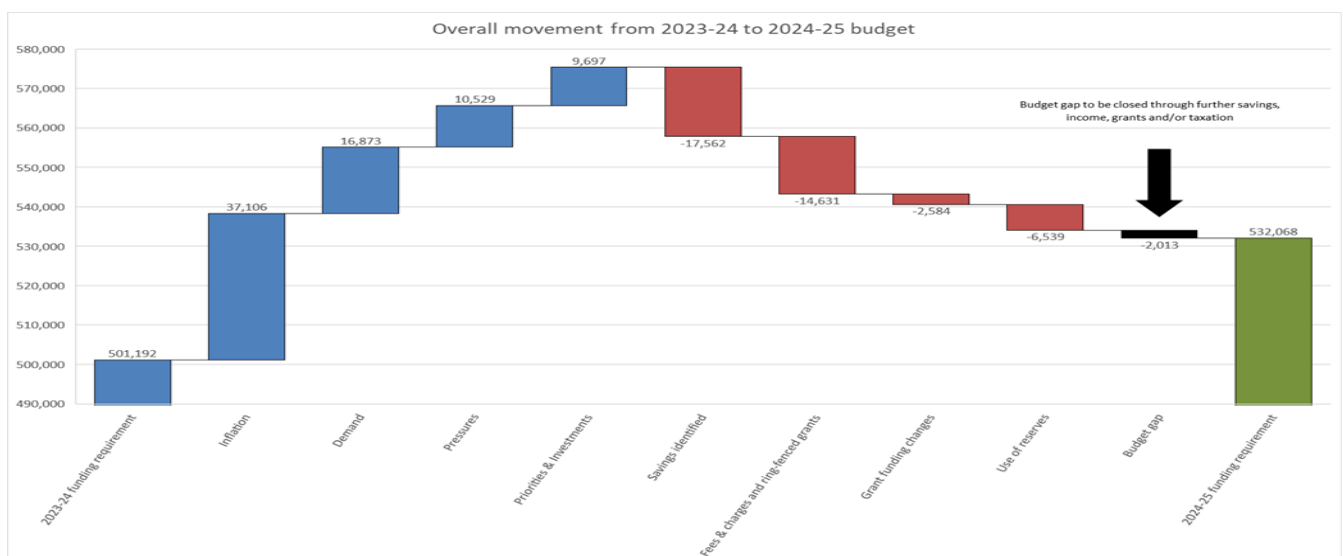
Chart 1 – Movement in funding envelope 2023-24 to 2024-25



2.4 In total, the Council is facing gross pressures, alongside the prioritisation being proposed and costs of borrowing of £74.2 million. That means that after accounting for the funding envelope noted above (£30.88 million as shown in Chart 1), there is a net financial gap to bridge of £43.3 million.

2.5 It is proposed that this financial gap is closed by £6.5 million of reserves to support the bottom-line position; £17.6 million of savings proposals identified to date and which are outlined at Section 9 and Appendix 1C of the Strategy, Resources and Procurement Committee 19 December 2023; plus, £17.2 million of other income through grants, fees and charges. That leaves a remaining gap of £2 million still to be addressed to achieve a balanced position. This is summarised in Chart 2:

Chart 2 – Overall Movement from 2023/24 to 2024/25 Budget



2.6 Against that context, the report includes a further forecast for 2025/26 to 2028/29. This brings into focus key change programmes that have begun or will begin in 2024 to help determine the future shape and funding of the Council to achieve a balanced budget in each of the years remaining of the current Strategic Framework.

2.7 The Council is continuing to invest capital spend in the County's infrastructure, such as schools, roads and social care facilities. We are proposing a capital programme for 2024/25 of £213.4 million, and a further £375.2 million across the nine years and beyond, giving a total programme of £587.5 million. The capital programme will be funded from grants, capital receipts and borrowing, with £101.5 million of borrowing forecast for 2024/25, at a revenue cost in 2024/25 of £42.0 million. The total capital programme is summarised in table 1 below.

Table 1: Capital Programme by Directorate 2024-29

Directorate	2024/25	2025/26	2026/27	2027/28	2028/29	Later years	Total 2024-2029
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
CEF	95,885	83,227	34,128	12,725	4,836	26,487	230,801
AHC	13,907	21,679	11,070	15,258	13,491	21,327	75,405
P&S	96,229	45,777	19,284	19,311	19,334	17,361	199,935
F&R	5,547	2,288	1,116	1,116	1,008	4,320	11,075
S&P	1,810	7	-	-	-	-	1,817
Total	213,378	152,978	65,598	48,410	38,669	69,495	519,033

2.8 The total programme for 2024/25 as it currently stands requires £213.4 million of funding which includes £101.5 million from borrowing. The cost of capital is expected to continue rising for the next two years with increases exceeding £2.5m in both 2025-26 and 2026-27. Although the capital programme has been prioritised to ensure that the expected cost of capital is within the prudential limit set by the capital strategy for 2024-25 and in the later years of the plan, it can be seen that in 2025-28 the budgeted cost is currently in excess of the prudential limit. Assuming costs of borrowing remain as currently projected, this will mean further prioritisation of investment may be necessary in future planning rounds.

3. Delivering the Council's Strategic Framework Ambitions and investing in its priorities

- 3.1 The strategic framework sets out the Council's vision to create a Greener, Fairer and more Caring Cambridgeshire. The following paragraphs outline what progress has been achieved by the Children's, Education and Families Directorate to deliver against these over the last nine months, as well as plans and prioritisation of funding for the coming years.

Ambition 1 – Net zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate changes.

- 3.2 The commitment made in 2023/24 and before has already seen the following successes:

- 62 Cambridgeshire schools have been retrofitted with energy measures saving more than £1.1m on annual energy bills and cutting carbon emissions of 1,312 tCO₂ per annum.

- 3.3 Beyond 2024/25 the Council will continue to embed its approach to net zero into its overall change programmes in relation to home to school transport, schools' development and children's residential strategy.

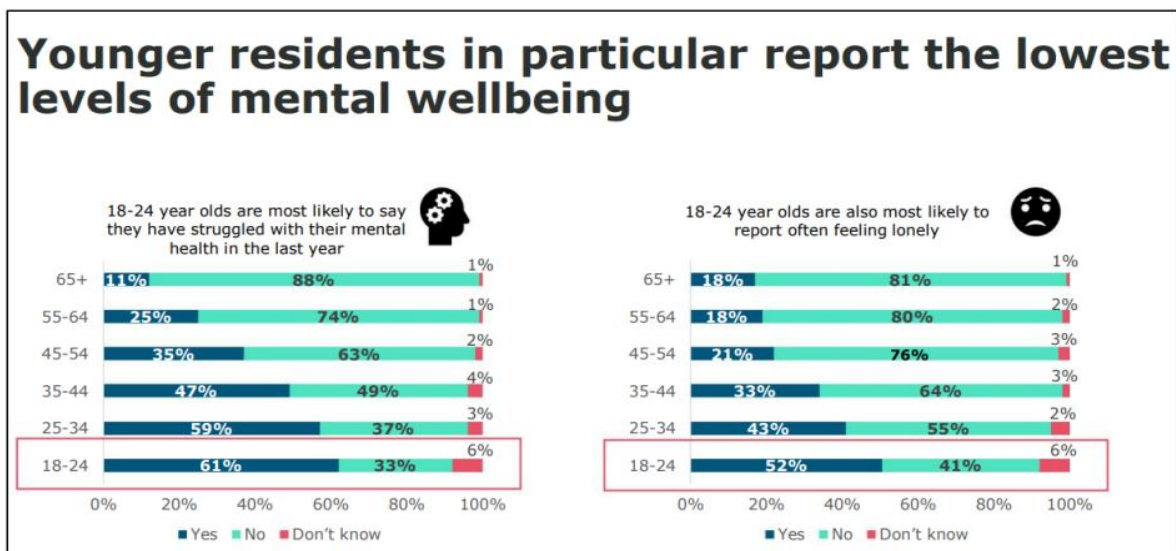
Ambition 3: Health inequalities are reduced

- 3.4 The Council will spend £10.5m on Children's Public Health. Public Health also contributed £450k to Children's budgets in 2023/24 and this investment is budgeted to increase to £600k in 2024/25. This investment on Public Health and Early Years has already ensured:

- The Health Visiting service ensuring 85% of families now receive their birth visit within 14 days, up from 39% at the end of the last reporting year. There has also been a significant improvement at the 6-8 week contact with 77% now seen within 8 weeks, again up from 39%. For both key indicators, the overall percentage of families seen remains very high at 97% and 95% respectively when you include those families seen later than the mandated period. We also achieve the breast-feeding target of 57% at 6-8 weeks.
- The current level of two-year-old children taking up funded education and child places in Cambridgeshire is 73.5%, 6% up on last year.
- Forest school level 2 and level 3 courses (funded in partnership with Cambridgeshire Skills) are now fully booked until Autumn 2024.
- The SEND support in Early Years, which focuses on improving outcomes for children and families. 706 children have been referred to the Early Support Pathway.

Ambition 4: People enjoy healthy, safe and independent lives through timely support that is most supported to their needs

- 3.5 The Council is spending £166 million gross in 2023/24 on Children’s services.
- 3.6 Key investments made at last year’s budget have meant that in 2023/24 the Council has:
 - Launched a new children’s social work academy to improve recruitment, retention and development of the social care workforce.
 - Launched a mental health campaign for LGBTQ+ young people.
- 3.7 The Quality-of-Life Survey showed that our younger residents report they are struggling with their mental health.



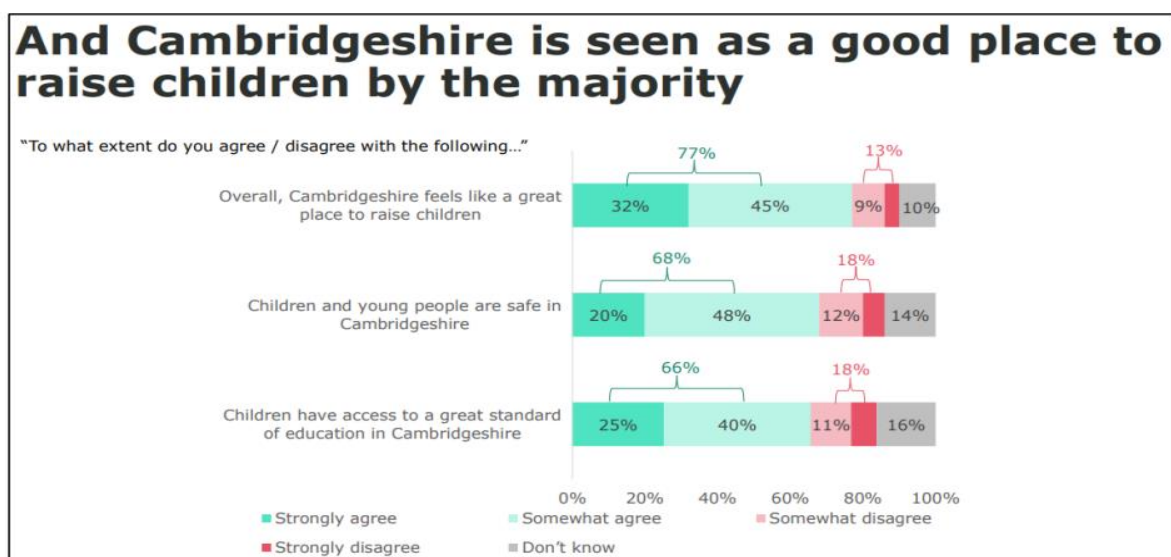
- 3.8 For 2024/25 the budget proposes an additional prioritisation of £320k to address children’s mental health, which has worsened post pandemic. The funding will be used to employ trained specialists to work in and with schools to design and deliver programmes of activity working with children and young people, teachers and parents with evidence-based interventions that are known to address anxiety. In light of the findings from the Quality-of-Life Survey, work will continue to explore options for further expanding provision on mental health in 2024/25.
- 3.9 The budget also provides for support to children and young people’s mental health. In addition, it is proposed that a further £12.7 million revenue is prioritised in children’s services to reflect the demand and inflation pressures, including the level of complex cases. The budget will include capital investment in increasing the number of children in care placements in Cambridgeshire.
- 3.10 Going forward the Council recognises that there is a need to continually improve its children’s safeguarding and care teams. As such there is a change programme being developed to focus on key improvements, including fostering, our own care facilities and ensuring that we have the right capacity to assess and respond to the increasing demand for children’s services.

Ambition 5: Helping people out of poverty and income inequality

- 3.11 As the Quality-of-Life Survey showed, there is significant concern around the current cost of living crisis, with 86% of residents being concerns and 47% of those having made a change because of this (limiting heating, food or medicines).
- 3.12 In 2024/25, despite there being significant uncertainty about the future of any national financial allocation for the Household Support Fund to continue from Government, the Council locally plans to prioritise:
- £3 million to continue to provide holiday food vouchers for those on free school meals, reprioritising £1.5 million into the base budget and £1.5 million for each of the next two years coming from reserves, and thereafter fully funding £3 million in the base budget. We will continue to lobby Government to recognise the benefits of this scheme to our young children’s health, education and wellbeing.

Ambition 7: Children and young people have opportunities to thrive

- 3.13 The Quality-of-Life Survey showed that overall, the majority of our residents see that Cambridgeshire is a good place to raise children, however 46% of respondents who use services for children with special educational needs or disabilities were not satisfied.



- 3.14 In caring for Cambridgeshire’s children and young people the Council has seen an 83.2% increase in Children requiring Education, Health and Care Plans (EHCPs) since 2018. The in-year increase of 18.5% has created a pressure in 2023/24 of £10.1m on the Dedicated Schools Grants budgets. The Council is currently working with the Department of Education (DfE) to address the overspend in this area and that will need transformation in the way we deliver services. Work has already begun and that includes approval and funding (c. £50 million capital) for two new special free schools in March and Gamlingay providing for 270 places.

3.15 In addition, the service is continuing to strengthen its care provision through:

- Becoming the third County Council in the country to recognise 'care provision' as a protected characteristic.
- Providing council tax support to our care experienced young people.
- Helping 516 families to address multiple disadvantages through a whole family approach, delivered by keyworkers, working for local authorities and their partners.

3.16 The Council will continue to invest in supporting our children and younger people to fulfil their potential/ In 2024/25 this will include £12.7 million to fund inflationary and demand pressures in children's social care and education services.

3.17 Looking beyond 2024/25 the Council will:

- Continue to increase its in-house fostering service, growing it by 25% within two years. This will create improved outcomes for children and young people, whilst generating longer-term savings and efficiencies from external placements.
- Develop a comprehensive residential accommodation strategy for children and young people in care aged 0-25.
- Focus on improving social care practice and supporting families to make and sustain positive changes that enable children and young people to remain at home in a safe environment.
- Develop our sufficiency and corporate parenting strategies to deliver a system of continuous improvement and sustainability focused on improving outcomes for all children in our care.
- Work with our school partnerships to improve education performance and outcomes for children across the county, especially our most vulnerable learners.
- Reduce our reliance on agency staff by half to 15% by the end of 2024/25.

4. Children & Young People: Revenue and Capital proposals

4.1 For 2024/25, Children, Education and Families (CEF) have a £16.1 million gross increase in the revenue base budget with a net increase of £15.5 million after grants, other income and savings.

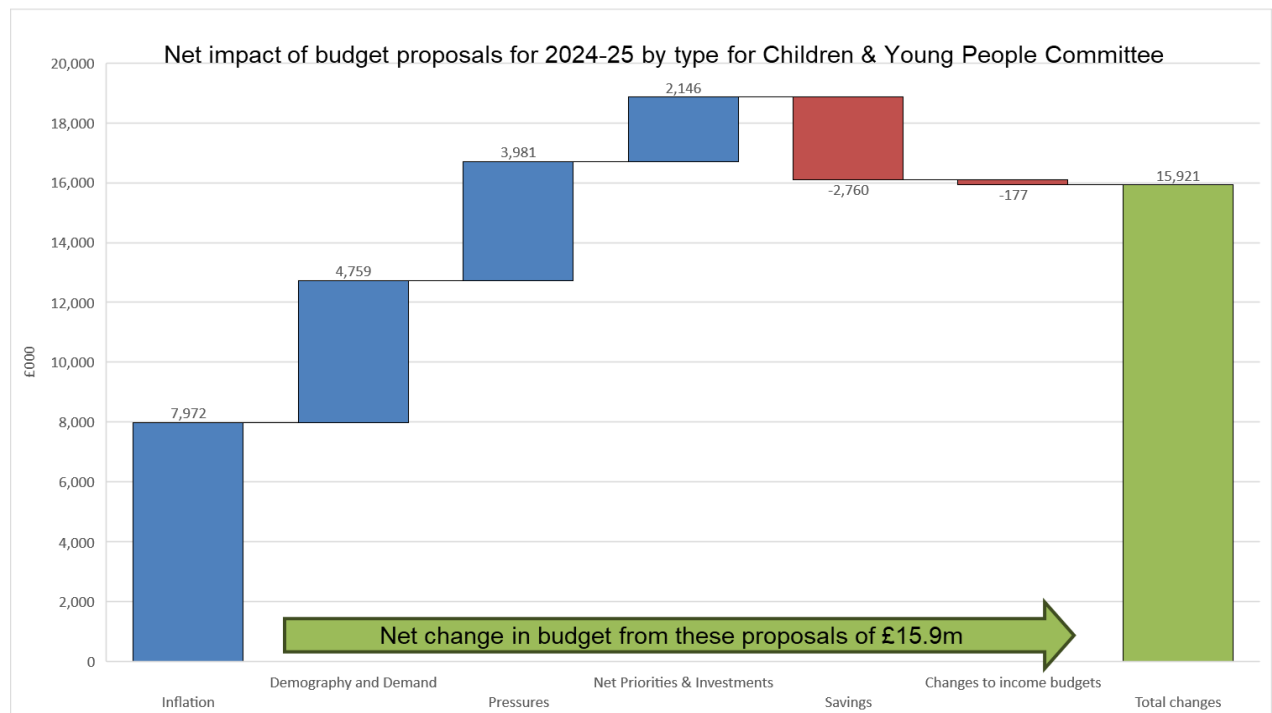
Table 2: Directorate draft proposed Medium Term Financial Plan 2024-29

	2024-25 Gross to Net		Net Budget				
	Spend	Income	2024-25	2025-26	2026-27	2027-28	2028-29
Commissioning	31,094	-1,117	29,977	37,235	41,643	46,688	51,773
Safeguarding	72,796	-13,525	59,271	61,366	63,342	65,386	67,513
Education	68,202	-12,717	55,485	59,581	65,768	70,789	76,201
CEF Total	172,092	-27,359	144,733	158,182	170,754	182,863	195,487

A more detailed breakdown of the table above can be found in Table 1 of Appendix 1.

4.2 This section provides an overview of the pressures and risks and the savings and income proposals within the remit of the Committee. The detailed business cases supporting the principal items in this section are annexed at Appendix 3. The figures shown in the extracted narratives below are the impacts in the first year of the business plan (2024-25), please refer to the detailed appendices for the impact across the full period.

Chart 3 – Net impact of budget proposals for 2024-25 by type for CYP Committee



The comprehensive record of the information summarised in the table above, and its allocation to council services, can be found in Table 3 within Appendix 1 of this report.

- 4.3 CEF has seen considerable pressures, demand and inflation in particular on Children’s Safeguarding and Care, as well as Home to School Transport in 2023/24. The proposed 2024/25 budget takes account of the current and forecast position for these areas.

Demography & Demand

Budget Table 3 Reference	Title	2024-25	2025-29	Description
A/R.3.001	Funding for rising numbers and need of Children in Care	2,214	15,588	Additional budget required to provide care for children who become looked after due to an increase in the complexity of need and shortage of suitable placements.
A/R.3.002	Children with Disabilities	140	662	Additional funding required for the increase in Direct Payment packages provided for children and young people with disabilities under the age of 18 years.
A/R.3.003	Home to school transport mainstream	195	843	Additional funding required to provide home to school transport for pupils attending mainstream schools. This additional funding is required due to the anticipated increase in the number of pupils attending Cambridgeshire's schools in 2024-25.
A/R.3.004	Funding for Home to School Special Transport demand	2,210	11,381	Additional funding required to provide transport to education provision for children and young people with special educational needs (SEN). The additional funding is needed as there are increasing numbers of children with SEN and there is a trend towards increasingly complex needs, often requiring bespoke transport solutions.
		4,759	28,474	Demography and Demand Total

Inflation

Budget Table 3 Reference	Title	2024-25	2025-29	Description
A/R.2.001	Children in Care placements inflation	2,696	6,034	Net inflation across the relevant Children in Care budgets is currently forecast at 7% for 2024/25.
A/R.2.002	Home to School Transport inflation	2,627	5,354	Forecast pressure for inflation relating to transport. This is estimated at 8% for 2024/25
A/R.2.003	CEF inflation – miscellaneous other budgets	290	596	Forecast pressure from inflation relating to miscellaneous other budgets.
A/R.2.004	Staff pay inflation	2,359	7,367	Assumed 5% increase for 2024-25 and 3.5% per annum thereafter
		7,972	19,351	Inflation Total

4.4 £2.1m of additional investment in 2024/25 and a further £3.1m in 2025/26 is being made into the CEF budget. Key areas of investment are the continuation of funding of the holiday voucher scheme for families on low income and investment in our children’s residential strategy to ensure we have enough local capacity to meet the needs of children in care.

Prioritisation & Investments

Budget Table 3 Reference	Title	2024-25	2025-29	Description
A/R.5.001	Leaving Care Local Offer	100	0	Local offer to support Cambridgeshire care leavers.
A/R.5.002	Residential Strategy	546	1,638	<p>We will be developing a residential strategy that will enable us to better meet the needs of children coming into our care. The priority will be to increase local capacity for children in care through a combined approach of commissioning, market engagement, needs analysis and investment in Council provided homes. Aimed at reducing the numbers of children looked after in high-cost independent homes and those that are looked after outside the Local Authority area.</p> <p>We are proposing a phased development of two residential homes (providing up to four placements) which will provide a short-term intervention service to assist young people in a period of crisis and to support them to move on effectively to a longer-term setting. For every child supported within one of these placements, a saving that represents the difference between the cost of a current unregistered placement and the cost of providing this provision can be assumed – on current costs this will equate to saving of c£7 - 10k per child per week. However, the average costs of placements fluctuates constantly and these savings will change accordingly. The profiling of the savings is based on the first dual bed provision coming online in late 2024, followed by the second property approximately 9 months later. Linked to Savings proposal A/R.6.011.</p>
A/R.5.003	Free School Meals holiday voucher scheme	3,000	0	<p>Since December 2020, the council has funded (via grant and core funding) a holiday voucher scheme to support families on low income to feed their children during the holidays. It is assumed due to no assurances from Government that this funding will now cease and as such it is a local choice to continue to fund this important work. The investment of £3m will mean that annually 21,000 eligible children will receive up to £135 over the 6 holidays of the academic year. The scheme will continue to support those children aged 2 to 19 who meet our low-income criteria – typically those families accessing universal credit earning less than</p>

Budget Table 3 Reference	Title	2024-25	2025-29	Description
				£7,400. We will provide a supermarket voucher which will allow parents to select one of 10 supermarkets. Part funded from reserves see A/R.5.004 and £1.5 million into base.
A/R.5.004	Free School Meals holiday voucher scheme – reserves funding	-1,500	1,500	Reserves will be used to part fund the extension of Free School Meal holiday voucher scheme (see A/R.5.003)
		2,146	3,138	Net Priorities & Investments Total

4.5 The Council is funding £3.9m of CEF budget pressures in 2024/25, with significant areas of budget pressure relating to home to school transport and children in care placements. Reserves funding is being utilised in 2024/25 to mitigate some of these pressures.

Pressures

Budget Table 3 Reference	Title	2024-25	2025-29	Description
A/R.4.001	Additional residential disability in house provision	241	0	Funding for increased capacity within in house residential disability service.
A/R.4.002	Employee costs in Community Support Services	77	0	Funding to support increased staffing costs within the Community Support Service in Children's Disability.
A/R.4.004	Contract costs previously grant funded	200	0	Funding for Family Safeguarding services previously funded from grant which has now ceased.
A/R.4.006	Children in Care (CiC) Transport	250	0	Additional funding to reflect in year pressures on CiC Transport.
A/R.4.007	Dedicated Schools Grant Contribution to Combined Budgets	733	0	Based on historic levels of spend, an element of the Dedicated Schools Grant (DSG) spend is retained centrally and contributes to the overall funding for the LA. Following national changes, these historic commitments/arrangements have been reduced over time. This pressure removes most of the contribution to combined budgets.
A/R.4.008	SEND Capacity	310	-310	Additional capacity in Statutory Assessment Team, Education Psychology and SEND Admissions to meet statutory responsibilities.

Budget Table 3 Reference	Title	2024-25	2025-29	Description
A/R.4.009	SEND Capacity - Funded through Reserves	-310	310	Above proposal funded through reserves.
A/R.4.010	Children's Social Care Capacity and Decoupling	500	0	Additional investment to support required for structure post decoupling and to increase capacity in Integrated Front Door.
A/R.4.011	Children in Care Placements Pressure	3,100	0	Additional funding to reflect in year pressures on CiC Placements. This addresses the significant immediate pressures faced by the service in securing immediate short-term safe and appropriate placements for our children in care population. This reflects the more recent challenges we face in identifying homes that can safely support children with conflicting or varied needs, e.g., mental health, risk of self-harm, child sexual exploitation or criminal exploitation/gang involvement. These needs often require therapeutic crisis placements in small homes where intensive intervention and rehabilitation work can be undertaken over a focused period of time. The lack of this local sufficiency is leading to an increased use of more costly out of area or unregistered placements.
A/R.4.012	Children in Care Placements pressure - reserves funding	-3,100	3,100	Reserves funding for CiC pressure.
A/R.4.013	Home to School Transport Pressure	1,980	0	Additional funding to reflect in year pressures on Home to School Transport
		3,981	3,100	Pressures Total

4.6 A range of opportunities have been identified which focus on managing demand for service, with a focus on prevention, early help and ensuring placement sufficiency.

Savings

Budget Table 3 Reference	Title	2024-25	2025-29	Description
A/R.6.001	Children's Disability operational savings	-96	0	Operational savings across Children's Disability, including lower spend on recruitment, vehicle use and premise recharges.

Budget Table 3 Reference	Title	2024-25	2025-29	Description
A/R.6.003	Targeted Support operational savings	-65	0	Operational savings across Targeted Support services, including funds previously set aside for development of strategy which are no longer required.
A/R.6.004	Family Safeguarding Service	-200	0	Operational savings in non-staffing budgets across the Family Safeguarding service due to reduced spend on Section 17 interpreters and no recourse to public funds.
A/R.6.005	Social Care and Education Transport	-582	-171	Due to the increasing costs of providing social and education transport, the Passenger Transport team will produce savings by reviewing high-cost single routes and moving them to shared travel arrangements where suitable, optimising high volume routes to ensure best value and consistent management of decision making through policy.
A/R.6.006	Efficiencies resulting from implementation of new IT system	223	-223	Saving identified in February 2023 for delivery in 2024/25 will now be realised in 2025/26 as a result of delay in implementation of a new IT system within Education.
A/R.6.007	Children in Care Placements External Placements Review	-1,000	0	Due to a lack of suitable and local placements for our children in care, particularly those with more complex needs, there is a forecast overspend on our budget of £3.1m. We will carry out reviews of the external placements with a focus on step-down provision where needed / appropriate and carry out negotiations with providers. Alongside this, we will invest in training, to support social workers and foster carers, around challenging and complex behaviour and develop a programme to recruit emergency foster carers.
A/R.6.008	Children in Care Placements Unregulated Placements reduction in costs	-250	0	Review commissioning processes for unregulated placements. This includes negotiations with external providers to reduce costs, with a focus on step-down provision.
A/R.6.009	Early Years Service contract savings	-19	0	Savings will arise from the retendering of a contract from April 2024.
A/R.6.010	Home to School Transport	-87	-63	Savings directly linked to a) the review and making safe of walking routes, b) managing costs, and c) the continuing review of transport policy to align with statutory duties.
A/R.6.011	Residential Strategy - Children in Care placements Saving	-435	-3,045	We will be developing a residential strategy that will enable us to better meet the needs of children coming into our care. The priority will be to increase local capacity for children in care through a combined approach of commissioning, market engagement, needs analysis and investment in Council provided homes.

Budget Table 3 Reference	Title	2024-25	2025-29	Description
				Aimed at reducing the numbers of children looked after in high-cost independent homes and those that are looked after outside the Local Authority area. Linked to Investment proposal A/R.5.002.
A/R.6.012	School Improvement Service operational savings	-49	0	Operational savings as a result of review and reduction of vacant post.
A/R.6.013	Corporate Parenting	-200	-250	Work to be undertaken within other teams, with members of staff moved to vacancies within these teams. This service is not one that exists in a standalone way in other councils. The saving is phased to allow a temporary investment in front door services to manage demand.
		-2,760	-3,752	Savings Total

Income

Budget Table 3 Reference	Title	2024-25	2025-29	Description
A/R.7.004	Fees and charges inflation	-94	-159	Increase in external charges to reflect inflationary increases (6%) applied to core CEF services (excluding traded and grant funded services).
A/R.7.101	Early Years additional income	-4	0	Increase in activity, resulting in rise in subscription income
A/R.7.102	School Improvement Service	-47	0	Increase in activity, resulting in rise in subscription income
A/R.7.103	Children's Targeted Support	-15	0	Additional income target
A/R.7.104	Children's Disability - increase in external income	-10	0	Additional income from training to external providers
A/R.7.105	Educational Safeguarding additional income	-7	0	Additional income from increase in subscriptions
		-177	-159	Changes to income budgets - Total

4.7 The total budget fees and charges budget within the remit for this Committee for 2024/25 is as follows:

Item	£000
Fees and Charges by directorate	
Children's, Education and Families	12,390

4.8 In accordance with the Council's scheme of financial management, Executive Directors are responsible for reviewing annually the levels of fees and charges, in consultation with the section 151 officer, and presenting a schedule of fees and charges to the relevant service committee. The planned fees and charges within the remit of this committee are included as Appendix 2.

4.9 Capital

Funding	Total funding £000	Previous Years £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000	Later Years £000
Government Approved Funding								
Basic Need	42,475	18,151	12,479	9,599	150	940	-	1,156
Capital Maintenance	24,800	600	3,450	3,250	2,500	2,500	2,500	10,000
Devolved Formula Capital	7,020	-	780	780	780	780	780	3,120
Specific Grants	33,532	20,364	9,312	3,793	63	-	-	-
Total – Government Approved Funding	107,827	39,115	26,021	17,422	3,493	4,220	3,280	14,276
Locally Generated Funding								
Agreed Developer Contributions	113,921	46,470	29,803	11,910	12,418	4,512	409	8,399
Anticipated Developer Contributions	6,598	18	902	4,130	1,532	16	-	-
Prudential Borrowing	174,980	61,017	39,477	48,865	16,685	3,977	1,147	3,812
Prudential Borrowing (Repayable)	-	318	-318	-	-	-	-	-
Other Contributions	2,129	1,229	-	900	-	-	-	-
Total – Locally Generated Funding	297,628	109,052	69,864	65,805	30,635	8,505	1,556	12,211
TOTAL FUNDING	405,455	148,167	95,885	83,227	34,128	12,725	4,836	26,487

The capital programme for this committee comprises £95.8m of expenditure in 2024-25 and a further £135m up to 2029. Full details are provided in tables 4 and 5 of the appendix 4 to this report. This includes:

- £21m in 2024-25 for specialist provision, as part of our safety valve work
- £1.1m in a new commitment across the lifetime of the plan to support housing adaptations for children with disabilities, working with the District Councils
- Capital investment to expand local children’s residential services capacity.

Funding for 456 new early years places, 3,720 primary school places and 3,050 secondary school places.

4.10 Dedicated Schools Grant (DSG)

- 4.11 On 19th December 2023 the Department for Education (DfE) published the provisional DSG allocations for 2024-25. The figures for Cambridgeshire are broken down as follows:

Blocks	£m
Schools block	480.6
Central schools services block	5.2
High needs block – provisional allocation based on the national funding formula for High Needs	107.3
Early Years block	62.4
Total	655.6

- 4.12 The Schools Block DSG is comprised of the Primary and Secondary Sector National Funding Formula (NFF) units of funding for Cambridgeshire set by the DfE as confirmed in October 2023, applied to the October 2023 pupil census plus an historic allocation for the funding of premises costs. This is then delegated to all mainstream schools both maintained and academies through Cambridgeshire's Local Schools Funding Formula (LSFF). The Schools Block also includes an allocation from the national Pupil Growth Fund, based upon the new national DfE formula, for designated and approved pupil growth to support basic need revenue cost requirements.
- 4.13 The Central Schools Services Block comprises a NFF formulaic element for ongoing responsibilities for statutory services provided by the County Council on behalf of all maintained schools and academies and a sum for continuing historic commitments. However, current DfE policy has reduced the historic commitments element of the allocation by another 20% for all Local Authorities (LAs).
- 4.14 The High Needs Block is based on the DfE NFF, and the revised figures provide an uplift of £3.8m compared to the latest 2023-24 allocations. Although welcomed, this increase is not sufficient to support the forecasted ongoing significant cost pressures in the High Needs DSG.
- 4.15 The Early Years Block providing funding for 2-year-olds targeted support, 3- and 4-year-olds for the universal and extended entitlement and other early years funding is provisionally allocated at £62.4 million being based upon the January 2023 census. This provides for minor increases to the DfEs NFF hourly rates. Subsequently it will be updated for the effect of the January 2024 census.
- 4.16 The Cambridgeshire Schools Forum (CSF) met on 3 November 2023 and voted unanimously to support the 1% (circa £4.77m) transfer from the Schools Block to the High Needs Block to support ongoing pressures as part of the 'Safety Valve' agreement. The final decision, however, sits with the Secretary of State and as such a disapplication was submitted by the 17 November 2023 deadline to request this transfer.
- 4.17 The CSF met again on the 13 December 2023 and 12 January 2024 where they were asked to endorse the proposals for the LSFF for 2024/25 and approve as required for, under their responsibilities in the School Forum (England) Regulations 2021, the service de-delegations for maintained mainstream primary schools and centrally retained services for all schools will

be feedback to this committee. Subject to CYP Committee approval of the LSFF the schools' budgets will be submitted to the Education and Skills Funding Agency (ESFA) by 19 January 2024.

- 4.18 At the end of the 2022-23 financial year, Cambridgeshire had an accumulated deficit of £51.2m on its Dedicated Schools Grant from pressures around spending on high needs block activity. Negotiations began with the Department for Education (DfE) in May 2022 with Cambridgeshire County Council entered into a [Safety Valve agreement with the DfE in March 2023](#). The Safety Valve programme provides additional resources to Local Authorities to deliver a sustainable position for our children and young people with Special Educational Needs and Disabilities, without impairing their education. We established our SEND Transformation Programme in 2021 to have a focus on delivering better services, with early intervention. This programme formed the basis of our proposal to the DfE and now aligns with the Safety Valve Programme conditions. The deal will mean an investment of around £100m into deficit repayment and the building of new specialist provision to support the demand for provision in the county.
- 4.19 The forecast deficit from 2023/24 is estimated to be in the region of around £40 million which will need to be carried forward into 2024/25. The current position shows an in-year variance of around £6m, and we are working closely with the DfE to drive this down and recover the position across the next three years as part of its 'Safety Valve' agreement. The variance from the original model comes from increase demand, inflation and delay in delivering new provision which was not anticipated when we submitted our original plan in December 2022. The intention is to return a zero balance at the end of the 2026/27 financial year where expenditure equals income, and the accumulated deficit has been removed. As a result of the deficit position, we are currently in the DfE Enhanced Monitoring and Support Programme whilst we agree an updated plan for achieving financial balance. Further information will be shared with the committee in March.
- 4.20 We have made a number of changes to the way we support SEND especially focusing upon early intervention and prevention. The transformation programme covers four strands:
- Improving our approach to supporting SEND within Education
 - Supporting our schools and settings to meet the increasing need of our children and young people.
 - Meeting the needs of our children and young people in the appropriate settings
 - Working effectively in the local area with our partners.
- 4.21 As part of the DfE Safety Valve process, we undertook a thorough review of all spend on the high needs block. Each year the DfE publishes the guidance for the completion of the Section 251 statement which outlines what funding can be used to fund education services. Two areas have been identified as not meeting the definition of being a high needs block activity as relating to former

legislation about the extended childcare for children with additional needs. A total of £344k is currently spent supporting these areas and there has not been a review for a significant period of time. As a result, this provides an opportunity to review their delivery. The two areas are:

- After Schools Clubs – There are currently 12 special schools in Cambridgeshire and only five receive funding to support the costs of providing after school clubs. The funding (£120k) currently provides a subsidy for the provision for 122 of the 1452 children in our special schools. We saw one school withdraw from this offer as a result of financial liability to deliver, and the challenges of staff recruitment. In addition to the core funding (£120k) the council also funds the changes in transport which costs around £94k a year.
- Childcare Access Funding - Childcare Access Funding (CAF) has existed since 2006 in response to the Governments Extended Schools agenda, an initiative to increase access to childcare and wraparound care for families including children with Special Educational Needs and Disabilities. The scheme provides funding to childcare providers to support the additional costs for school aged children (4 to 14+) to access out of school hours childcare (before and after school clubs, holiday schemes and care with childminders) with the very highest level of special needs. Only 1 of 5 statistical neighbours researched have any equivalent to CAF advertised on their website. Most only offer short breaks in line with their statutory responsibility. We have seen a decline in take up in recent years.

4.22 Both schemes are legacy arrangements which have not been reviewed for some time. The sustainability challenges in the DSG present an opportunity to create a new targeted scheme to replace to the two separate schemes using the funds previously allocated from the general fund for transport to after school clubs. Any change will be subject to full consultation and a proposal for a new scheme to enable access to childcare will be brought to the Children and Young People's committee in March. The funding contribution from the DSG will end in March 2024.

5. Significant Implications

Resource Implications

- 5.1 The proposals set out the response to the financial context and the need to review our service offer and model to maintain a sustainable budget. The full detail of the financial proposals and impact on budget will be described in the financial tables of the business plan. Proposals will seek to ensure that we make the most effective use of available resources and are delivering the best possible services with the money allocated.
- 5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications for the proposals set out in this report. Details for specific proposals will be set out in the business cases. All required procurement activity will be fully compliant with the Council's Contract Procedure Rules.

5.3 Statutory, Legal and Risk Implications

The proposals set out in this report respond to the statutory duty on the Local Authority to deliver a balanced budget. Cambridgeshire County Council will continue to meet the range of statutory duties for supporting our residents.

5.4 Equality and Diversity Implications

Each of the proposals will be developed alongside an Equality Impact Assessment, where required, to ensure we have discharged our duties in line with the Equality Act 2010, including the Public Sector Equality Duty, as well as met our commitment to implementing the Socio-economic Inequalities Duty.

5.5 Engagement and Communications Implications

Our Business Planning proposals are informed by the CCC public consultation and will be discussed with a wide range of partners throughout the process. The feedback from consultation will continue to inform the refinement of proposals. Where this leads to significant amendments to the recommendations a report would be provided to Strategy and Resources Committee.

5.6 Localism and Local Member Involvement

As the proposals develop, we will have detailed conversations with Members about the impact of the proposals on their localities. We are working with members on materials which will help them have conversations with Parish Councils, local residents, the voluntary sector and other groups about where they can make an impact and support us to mitigate the impact of budget reductions.

5.7 Public Health Implications

Any public health implications will vary depending on the detail of each of the proposals. Any positive or negative impacts will have been considered for each proposal as part of its development. The Quality-of-Life Survey provides some useful information on physical and mental health outcomes that could usefully inform ongoing business planning.

5.8 Climate Change and Environment Implications on Priority Areas

The climate and environment implications will vary depending on the detail of each of the proposals. Any positive or negative impacts will have been considered for each proposal as part of its development.

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Stephen Howarth

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement and Commercial? Yes

Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal? Yes

Name of Legal Officer: Emma Duncan

Have the equality and diversity implications been cleared by your EqIA Super User? Yes

Name of Officer: Faye McCarthy

Have any engagement and communication implications been cleared by Communications? Yes

Name of Officer: Christine Birchall

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes

Name of Officer: Joe Lacey-Holland

Have any Public Health implications been cleared by Public Health? Yes

Name of Officer: Jyoti Atri

If a Key decision, have any Climate Change and Environment implications been cleared by the Climate Change Officer? Yes

Name of Officer: Emily Bolton

6. Source Documents

6.1 Appendix 1 – CYP Indicative budget tables

Appendix 2 – CYP Proposed Fees and charges

Appendix 3 – CYP Draft Business Cases

Appendix 4 – Glossary of terms