

# METROPOLITAN BOROUGH OF KNOWSLEY

To: The Mayor and Members of the Council

Meeting: 5 March 2014

Wards Affected: All

Portfolio Areas: All

Non-Key Decision

## REPORT OF THE DIRECTOR OF FINANCE AND INFORMATION TECHNOLOGY

### 2014/15 REVENUE BUDGET

#### 1. PURPOSE OF THE REPORT

- 1.1 The Council's Constitution requires the Cabinet to recommend its annual budget proposals to a full meeting of the Council.
- 1.2 On 12 February 2014, the Cabinet agreed its revenue budget proposals for 2014/15 and these are now reflected in section 2 of this report below for the Council's consideration. In addition, alternative budget proposals may be presented for Members' consideration at the meeting.
- 1.3 This report has direct implications on the accompanying report on the Council Tax Levy for 2014/15, and therefore these two reports should be considered together.

#### 2. RECOMMENDATIONS

Members of the Council are recommended to consider the Cabinet's recommendations in relation to the Authority's 2014/15 revenue budget as set out below (and any other budget recommendations arising in time for the meeting):-

- (i) note the disproportionate and unfair impact on the Council and the local community of the current Government's policy of removing any assessment of relative need from its approach to funding local government;

- (ii) agree that the Borough Council's element of the 2014/15 Council Tax should be set at 2013/14 levels (i.e. a freeze in the Borough Council's element of the Council Tax bills) resulting in available permanent resources from Council Tax of £38.524m as set out in section 4.2 of the report;
- (iii) note that, as a result of resolution (ii) above, the Council would receive Freeze Grant resources of £0.522m in 2014/15 as set out in paragraph 4.2.1 of the report;
- (iv) note that, as a result of resolution (ii) above, the Council's available 2014/15 permanent resources will total £164.379m as summarised in paragraph 4.4 of the report;
- (v) note that the Government funding figures set out in this report reflect the Final Local Government Grant Settlement announced by the Government on 5 February 2014;
- (vi) note that the impact of the previously approved Spending Plan savings measures for 2014/15 (as detailed at Appendix A to the report) is reflected in the Portfolio Cash Limits set out in paragraph 5.2 of the report;
- (vii) agree the proposed approach to the Council's contributions to 2014/15 Pooled Budgets with Knowsley Clinical Commissioning Group as set out in section 5.3 of the report;
- (viii) agree the proposed non-cash limit budgets totalling £42.503m as summarised at paragraph 6.6 of the report and the reduced inflation and contingency budgets totalling £1.639m as summarised at paragraph 7.3 of the report;
- (ix) approve the permanent investments totalling £0.507m set out in paragraph 9.2 of the report;
- (x) note the indicative 2014/15 total revenue expenditure budget of £163.499m summarised in paragraph 10.1 of the report;
- (xi) approve the one-off investments totalling £2.641m set out in paragraph 11.2 of the report to be funded from the resources of £2.934m available for temporary investments as outlined in section 12 of the report;
- (xii) note the investment of Public Health resources totalling £1.100m as summarised in paragraph 11.4 of this report and discussed in the 2013/14 Budget Monitoring report elsewhere on this agenda;

- (xiii) agree that the remaining balance of £0.294m of available one-off resources identified at paragraph 12.5.1 of the report should be set aside in 2014/15 for one-off investment as part of the Council's future budget strategy;
- (xiv) note that, on the basis of the above resolutions, the Council's resulting 2014/15 revenue budget would be balanced as summarised below:-

<b>2014/15 Revenue Budget</b>	<b>£m</b>
Portfolio Cash Limits	115.828
Treasury Management Budgets	10.153
Non-Cash Limit Budgets	11.964
Levies	20.386
Inflation and Contingency Budgets	1.639
Approved Contributions to One-Off Investments	4.409
<b>Total Revenue Expenditure</b>	<b>164.379</b>
<b>Total Funding</b>	<b>(164.379)</b>

### **3. BACKGROUND TO THE 2014/15 REVENUE BUDGET**

- 3.1 The Council takes a policy-led approach to the budget and recognises the need to link service performance with financial resources. The Council's budget considerations should therefore take account of the 2014/15 Corporate Plan which is the subject of a report elsewhere on this agenda.
- 3.2 On 6 March 2013, the Council agreed a wide range of proposals which were sufficient at that stage to set a balanced budget for both 2013/14 and 2014/15. The Council's revised financial forecasts now confirm that a balanced position for 2014/15 is still achievable, although they also indicate significant budget shortfalls in future years, with a budget gap of up to £25.5m to be bridged over the two-year period from 2015/16 to 2017/18.
- 3.3 This report details the proposed budget for 2014/15 and also sets out proposals to allocate resources to new one-off and permanent investments. In considering these proposals, the Council is also asked to take into account areas of wider context which are each the subject of separate reports elsewhere on this agenda:-
- the Director of Finance and Information Technology's assessment of the robustness of the budget estimates;
  - the Treasury Management Strategy;
  - the latest monitoring forecasts in relation to the Council's 2013/14 budget position;
  - the Medium-Term Financial Strategy;
  - the Council's Capital Programme; and,
  - fees and charges for 2014/15.

#### 4. 2014/15 PERMANENT REVENUE RESOURCES

##### 4.1 *Provisional Local Government Finance Settlement*

The report on the Medium-Term Financial Strategy elsewhere on the agenda details how the Final Local Government Finance Settlement affects the level of funding within which the Council must set its 2014/15 annual revenue budget as summarised in the table below:-

<b>Core Funding</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>
Settlement Funding Assessment	136.948	123.246
Other Sources:-		
New Homes Bonus	0.864	1.305
New Homes Bonus Refund	0.000	0.191
Council Tax Freeze Grant	0.000	0.523
Business Rates Cap Funding	0.000	0.590
	0.864	2.609
<b>TOTAL CORE FUNDING</b>	<b>137.812</b>	<b>125.855</b>

##### 4.2 *Council Tax Receipts*

4.2.1 The report on the Medium-Term Financial Strategy elsewhere on the agenda details the constraints imposed by the Government on the level at which the Council Tax for 2014/15 can be set. In summary, the Government has announced that it will offer permanent grant support equivalent to a 1% increase in Council Tax to local authorities which agree in return to freeze their 2014/15 council taxes at 2013/14 levels. For Knowsley, this Freeze Grant would equate to around £0.522m per annum.

4.2.2 If the Council decided to increase its Council Tax (rather than accept the Freeze Grant), it would only be able to generate an estimated £0.235m of permanent resources for every 1% increase (this is the net figure after accounting for the impact on Local Council Tax Support Scheme costs). Based on the Government's referendum cap of 2%, Knowsley could only raise up to £0.470m before having to conduct a referendum.

4.2.3 For planning purposes, the Medium-Term Financial Strategy therefore assumes a Council Tax freeze in 2014/15, resulting in an updated forecast of Council Tax receipts for the year of £38.524m.

### 4.3 Specific Grant Allocations

4.3.1 In addition to the funding sources discussed above, specific grants are also available to Portfolios. It must be noted that a major assumption in the Council's financial forecasts is that services currently funded by specific grants will be able to manage any reductions in funding by making equivalent reductions in service provision. As the range of specific grants announced by the Government increases, the Council's reliance on those grants also increases, and where the Government makes reductions in those grants there is a consequent risk of increased financial pressure on the Council's budget in future years. The impact of any such reductions will be reviewed as part of the Council's ongoing Financial Strategy and reflected in future financial forecasts.

4.3.2 The latest information on specific grants is detailed in the Medium-Term Financial Strategy report elsewhere on this agenda, and is summarised in the table overleaf. Portfolio budgets will be adjusted by these amounts in 2014/15 to include both the expenditure and income associated with these areas, and therefore they do not affect Portfolio cash limits or the budget shortfall to be addressed in this report:-

<b>Specific Grants <sup>(1)</sup></b>	<b>2013/14</b>	<b>2014/15</b>
	£m	£m
Public Health	15.929	16.375
Education Services Grant <sup>(2)</sup>	2.797	2.497
Benefits Administration <sup>(3)</sup>	1.859	1.701
Welfare Fund and Administration (Emergency Support Scheme)	1.264	1.245
Other Grants <sup>(4)</sup>	0.267	0.257
<b>TOTAL SPECIFIC GRANTS</b>	<b>22.116</b>	<b>22.075</b>

- (1) The Council will also receive funding via the Better Care Fund, which is shared with Knowsley Clinical Commissioning Group. This Fund is an amalgamation of existing funding previously provided to both organisations and does not represent any change in comparison to previous years.
- (2) No figures yet released for 2015/16 - the figures in the table represent the Council's latest forecast.
- (3) Housing Benefit Administration Grant is subject to review due to the implementation of Universal Credit. The remaining Grant is to administer the Local Council Tax Support Scheme.
- (4) Other grants are in relation to extended free rights to transport, lead local flood authority, community right to challenge, community right to bid, and local reform and community voices.

#### 4.4 Available Funding for the Council's Budget

The assumed overall level of funding within which the Council must set its 2014/15 revenue budget (excluding specific grant allocations and any use of temporary resources) is therefore summarised below:-

<b>Available Funding for the Council's Revenue Budget</b>	<b>2014/15 £m</b>
Government Funding	125.855
Council Tax (assuming a freeze)	38.524
<b>TOTAL</b>	<b>164.379</b>

### 5. PORTFOLIO CASH LIMITS

- 5.1 When setting its budget in March 2013, the Council agreed Spending Plans to be implemented in order to balance the Council's budget in 2013/14 and 2014/15. The impact in 2014/15 of the approved Spending Plans is detailed at Appendix A to this report for information.
- 5.2 Each Portfolio Holder has received reports setting out the impact of these Spending Plans on their cash limits for 2014/15. The indicative Portfolio Cash Limits for 2014/15 are:-

<b>Portfolio</b>	<b>2014/15 £m</b>
Children and Family Services	25.325
Community Safety and Social Inclusion	0.180
Corporate and Customer Services	8.575
Finance and Information Technology	6.806
Health and Social Care	46.385
Human Resources	1.247
Leader's Portfolio	4.374
Leisure, Community and Culture	6.333
Neighbourhood Delivery	5.237
Regeneration, Economy and Skills	10.859
<b>TOTAL</b>	<b>115.321</b>

#### 5.3 Pooled Budgets 2014/15

- 5.3.1 Following the disestablishment of NHS Knowsley with effect from 31 March 2013, the Council and Knowsley Clinical Commissioning Group agreed to continue all three existing pooled budget arrangements for an initial period of 12 months to 31 March 2014.

5.3.2 Following subsequent discussions with the Clinical Commissioning Group, it has been agreed that the existing pooled budget arrangements should be continued for a further 12-month period (to 31 March 2015), during which time the arrangements will be reviewed to reflect ongoing requirements under the new Better Care Fund, which the Government is introducing to replace the integrated transfer funding. This Fund is an amalgamation of existing funding previously shared with the Knowsley Clinical Commissioning Group. The Council is working closely with the Clinical Commissioning Group to develop joint plans, which will ensure that these resources are secured and used effectively to support the budget pressures faced by the Council's Adult Social Care services.

5.3.3 It is proposed that the Council's contribution to the Pooled Budgets in 2014/15 should be initially set at the current level (£17.389m in total as detailed in the table overleaf), but that this should be subject to adjustment to reflect the impact of agreed 2014/15 budget savings. These savings are attributable to budgets across both the Pooled Budgets and the Health and Social Care Portfolio's cash limit purchasing budgets, and detailed analysis of client reassessments will need to be undertaken to confirm how much of these savings should be reflected as reductions in the Council's Pooled Budget contributions:-

<u>Proposed 2014/15 Pooled Budgets</u>		Council Contribution	Clinical Commissioning Group Contribution	Total
Mental Health Services	£m %	0.203 11%	1.573 89%	1.776 100%
Community Support Services	£m %	0.845 14%	5.132 86%	5.977 100%
Disability Services	£m %	16.341 85%	2.820 15%	19.161 100%
<b>TOTAL</b>	<b>£m</b> <b>%</b>	<b>17.389</b> <b>65%</b>	<b>9.525</b> <b>35%</b>	<b>26.914</b> <b>100%</b>

5.3.4 Further updates will be reported to Members as part of the ongoing budget monitoring process (including details as the Pooled Budget contributions are adjusted accordingly).

## 6. NON-CASH LIMIT BUDGETS AND LEVIES

6.1 A number of non-cash limit budgets are also proposed for expenditure over which service areas have little or no management control and which are therefore managed outside Portfolio cash limits. The requirements for the main non-cash limit budgets in 2014/15 are explained below.

## 6.2 *Treasury Management Budgets (2014/15 – £10.153m)*

6.2.1 Non-cash limit budgets include the costs of financing capital expenditure (such as interest payments and other debt charges). The proposed budgets are based on current interest rate forecasts and are therefore subject to the impact of changing financial and economic conditions. Any future Council decisions on funding unsupported borrowing through the prudential borrowing system would also affect these costs. The revenue costs of any additional borrowing for investment vary depending on the useful life of the particular asset which the borrowing is required to fund.

6.2.2 As noted in the Medium-Term Financial Strategy report and the 2013/14 Budget Monitoring report elsewhere on the agenda, the proposed Treasury Management budgets for 2014/15 include a saving of £0.500m achieved by the proactive use of one-off resources to fund the early repayment of debt.

## 6.3 *Superannuation Payments to Merseyside Pension Fund (£7.008m)*

6.3.1 As noted in the Medium-Term Financial Strategy report elsewhere on the agenda, the Council faces significant increases in superannuation contributions to Merseyside Pension Fund following the Fund's recent valuation exercise. The Medium-Term Financial Strategy financial forecasts reflect the fact that the payments will be made as a single initial payment (rather than being spread over three years) in order to secure savings in the Council's overall contribution.

6.3.2 The proportion of the total which will be charged to the Council's revenue budget in 2014/15 is £8.244m (a saving of £0.188m compared to the original amount). Of this, an estimated £1.236m relates to schools-based staff and will be recovered from schools' budgets. The balance of £7.008m is therefore included in the Council's revenue budget.

## 6.4 *Other Non-Cash Limit Budgets (2014/15 – £4.956m)*

Proposed budgets for the remaining non-cash limit items have also been developed based on a more challenging approach, and reflect the previously approved use of one-off resources to release permanent resources from non-cash limit budgets. The remaining non-cash limit budgets include:-

- the revenue budget impact of previously approved contributions to the Council's Private Finance Initiatives (£3.562m);
- ongoing pension costs associated with early retirements (£0.903m);
- the impact of the Government's Carbon Reduction Commitment Energy Efficiency Scheme (£0.185m); and,
- external audit fees (£0.140m).

## 6.5 Levies (2014/15 – £20.386m)

6.5.1 Estimates of levies from third party bodies are based on the latest available information and may be subject to change when official notification from the levying bodies is received.

6.5.2 The estimated 2014/15 budgets for levies are set out below:-

- the Merseyside Recycling and Waste Authority levy has been set at £7.393m (an increase of 2.94% on 2013/14). This increase is due to changes in the data used to calculate Knowsley's relative proportion of the Levy rather than any increase in the overall Levy, which has been frozen at 2013/14 levels;
- the Merseytravel Passenger Transport Authority levy is forecast at £13.458m (the same as 2013/14). Merseytravel has confirmed that it will provide grant funding of £0.733m to the Council in 2014/15 and future years to support the maintenance of the bus highways infrastructure. This reduces the net impact of the Levy to £12.725m; and,
- each of the levies for the Coroner's, Probation and Environment Agency (Flood Defence) services has been included in the financial forecasts at an assumed increase of 3% on the respective 2013/14 level.

## 6.6 Summary of Non-Cash Limit Budgets

In summary, the proposed non-cash limit budgets are:-

<b>Non-Cash Limit Budgets</b>	<b>2014/15 £m</b>
Treasury Management	10.153
Superannuation Past Deficit Contribution	7.008
Other	4.956
Levies	20.386
<b>TOTAL</b>	<b>42.503</b>

## 7. CONTINGENCY BUDGETS

7.1 Each year, the Council sets aside limited contingency budgets for a number of expected in-year budget pressures, which will need to be funded if the Council is to maintain approved service levels. These budgets are held centrally and only transferred to Portfolio cash limits during the year once the financial impact of each item has been clarified.

7.2 In line with the approach set out in the Medium-Term Financial Strategy report elsewhere on this agenda, the Director of Finance and Information Technology has developed estimates for 2014/15 contingency budgets in the following areas:-

- *Pay, Income and Contract Price Inflation (2014/15 – £1.256m)*

This contingency budget includes resources to address the impact of any 2014/15 Local Government Pay Award. An increase of 1% has been assumed, along with funding for the forecast impact of additional increases in employer's National Insurance and superannuation contributions of 12.7%.

As in previous years, the estimates also assume that Portfolios will achieve forecast income from existing fees and charges and that the impact of price or contract inflation is managed within each Portfolio's resources (as discussed in the report on Fees and Charges elsewhere on this agenda) through appropriate increases in fees and charges, improved contract management and other efficiencies.

As noted in the Medium-Term Financial Strategy report elsewhere on this agenda, due to year on year outturn surpluses within Portfolio cash limits, the Director of Finance and Information Technology considers that it is also appropriate for the Council's ongoing Budget Strategy to include an annual efficiency target for each Portfolio. This approach will release permanent resources to contribute to the Council's future budget shortfalls. An additional 1% target equating to £0.750m (i.e. a negative contingency or efficiency target) is therefore reflected in these contingency budgets and will be allocated to Portfolio cash limits early in 2014/15.

- *Contingencies for Increased Demand (2014/15 – nil)*

The Medium-Term Financial Strategy assumes that any potential additional impact of demographic change and increased levels of demand for services will be managed within existing Portfolio resources in 2014/15.

- *Contingency for Non-Achievement of Savings (2014/15 – nil)*

In previous years, the Council recognised that there was a risk that the full-year impact of savings identified in the budget may not be fully achieved. As noted in the 2013/14 Revenue Budget Monitoring report elsewhere on this agenda, Portfolios have implemented their savings effectively over recent years, and the Council has therefore not had to use contingency budgets to the extent originally envisaged. The Director of Finance and Information Technology therefore considers that this contingency is no longer required.

Any one-off or permanent budget pressures caused by delays to or changes in approved savings measures will therefore need to be managed within existing Portfolio budgets, i.e. through the identification of alternative savings or efficiencies.

- *Specific Contingency Budgets (2014/15 – £0.383m)*

This budget includes a number of specific individual items which reflect known budget pressures, but where the amount or timing of them is uncertain. It includes £0.260m for potential service pressures relating to reductions in Education Support Grant.

7.3 The proposed contingency budgets are summarised in the below, which illustrates the substantial reduction in such budgets. The levels of flexibility within the Council's revenue budget in 2014/15 will be unprecedentedly low which increases the likelihood of needing to call upon General Balances to address any significant unforeseen event. Regular and effective budget monitoring will be crucial in providing an early warning of any such additional spending pressures:-

<b>Inflation and Contingency Budgets</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>
Pay, Income and Contract Price Inflation	1.226	1.256
Specific Contingency Budgets	2.012	0.383
<b>TOTAL</b>	<b>3.238</b>	<b>1.639</b>

## 8. PREVIOUSLY APPROVED USE OF ONE-OFF RESOURCES

On 6 March 2013, the Council agreed a wide range of proposals which were sufficient (at that stage) to set a balanced budget for both 2013/14 and 2014/15. In approving savings for future years, the Council also agreed that the one-off resources released from the early implementation of those savings should be set aside to contribute towards a range of approved one-off investments to be implemented in 2013/14 to 2015/16. The Council identified £3.259m of one-off resources for this purpose in 2014/15, and these resources will therefore be set aside in the Council's reserves and allocated as the investments are implemented.

## 9. BUDGET STRATEGY – PRIORITY PERMANENT INVESTMENTS

9.1 The Council continues to face significant challenges in key strategic areas. While many of these are being managed within Portfolio resources, it is also proposed that a small number of interventions in these areas require permanent investment. The ability to fund permanent investment is extremely limited by the Council's overall financial position, so the focus of any new permanent investments should be on addressing unavoidable future cost pressures or meeting unavoidable legislative requirements.

9.2 The Cabinet has agreed to recommend a number of permanent investment priorities which would meet these requirements. These proposals are summarised in the table below and detailed in Appendix B to this report:-

<b>Permanent Investment Proposals</b>	<b>Cost in 2014/15 £m</b>
Traffic Management Contract	0.096
Adoption and Fostering Fees	0.148
Replacement of the Community Safety Grant	0.108
School Improvement	0.155
<b>TOTAL</b>	<b>0.507</b>

9.3 For planning purposes, the impact of these investments on the Council's future financial forecasts is reflected in the Medium-Term Financial Strategy report elsewhere on this agenda. Any alternative proposals would therefore have an impact on those forecasts in 2014/15 and in future years.

## 10. INDICATIVE BASE BUDGETS

- 10.1 The assumptions outlined in the previous sections of this report provide the basis for indicative budget projections, which the Cabinet has used to inform its final revenue budget proposals to the Council. These are summarised below:-

<b>Indicative 2014/15 Revenue Budget</b>	<b>2014/15 £m</b>
Portfolio Cash Limits	115.321
Treasury Management Budgets	10.153
Non-Cash Limit Budgets	11.964
Levies	20.386
Inflation and Contingency Budgets	1.639
Previously Approved Contributions to Investments	3.529
Permanent Investment Options	0.507
<b>Total Revenue Expenditure</b>	<b>163.499</b>
Funding Forecasts	(164.379)
<b>Budget Surplus</b>	<b>(0.880)</b>

- 10.2 The surplus identified above arises largely from the introduction of the 1% efficiency target of £0.750m across all Portfolios as explained in section 7.2 above. As these resources will represent a significant contribution to addressing the Council's budget shortfalls from 2015/16 onwards, they should only be committed on a one-off basis in 2014/15. In this context, the Cabinet's proposals for one-off investments are detailed in section 11 of this report below.

## 11. BUDGET STRATEGY – PRIORITY ONE-OFF INVESTMENTS

- 11.1 The Council's Medium-Term Financial Strategy establishes the need for any new investments to focus on delivering future year savings, reducing pressures in future years, and improving the sustainability of the Borough.

- 11.2 The Cabinet has agreed to recommend a number of one-off investment priorities, which are aimed at improving the sustainability of the Borough and would also address a number of known budget pressures in the short-term while longer-term solutions are identified. The proposals are summarised in the table below and detailed at Appendix C to this report:-

<b>One-off Investment Proposals</b>	<b>Cost in 2014/15 £m</b>
<b>Sustainability of the Borough</b>	
Strategic Housing Land Disposal	0.285
Liverpool City Region Growth Plan	1.100
Skills for Growth in Schools	0.125
	<b>1.510</b>
<b>Spending Pressures</b>	
Child Care Placements	0.700
Care Bill Implementation	0.194
Child Protection Legal Costs	0.237
	<b>1.131</b>
<b>TOTAL</b>	<b>2.641</b>

- 11.3 Options for funding the one-off investment proposals in the table above are set out in section 12 of this report below. If approved, the Strategic Housing Land Disposal investment would need to be treated as capital expenditure and would therefore be added to the Council's Capital Programme in 2014/15 and future years (funded by the appropriate revenue resources).
- 11.4 The 2013/14 Budget Monitoring report elsewhere on this agenda also sets out the use of available Public Health resources in 2013/14 to fund two key investments as shown in the table below:-

<b>Investment of Public Health Resources</b>	<b>Cost in 2014/15 £m</b>
<b>Sustainability of the Borough</b>	
Tour of Britain 2014 and 2015	0.100
Healthy Homes Programme	1.000
<b>TOTAL</b>	<b>1.100</b>

## 12. AVAILABLE TEMPORARY RESOURCES

### 12.1 2013/14 Budget Monitoring Forecast Outturn

12.1.1 The 2013/14 Budget Monitoring report elsewhere on this agenda identifies one-off revenue resources of £1.885m which are expected to be available at the outturn stage. The report notes that the monitoring position is based on a wide range of assumptions and estimates, and that there is therefore a risk of the final outturn position varying from the current forecast (due to further changes identified in the remainder of the year). This could reduce the amount of resources currently forecast to be available.

12.1.2 There is also the need for decisions made at the final outturn stage to take account of the need to contribute towards provisions for bad debts to ensure that they remain robust, and the need to address any unresolved Portfolio deficits or emerging budget pressures.

### 12.2 2013/14 Collection Fund Surplus

A report to the Council on 29 January 2014 set out forecasts that the Council's Collection Fund will achieve a surplus of £0.200m by the end of 2013/14. Of this anticipated surplus, £0.170m would be retained by the Council and would be available on a one-off basis for allocation as part of the 2014/15 budget setting process.

### 12.3 2014/15 Budget Projections

The table at paragraph 10.1 above identifies an uncommitted balance of £0.880m of resources which could be used on a one-off basis to fund the Cabinet's one-off investment proposals in order to avoid having any further impact in future years.

### 12.4 Summary of Available Temporary Resources

The total temporary resources available for investment over the next three years can be summarised as follows:-

<b>Available Temporary Resources</b>	<b>TOTAL £m</b>
2013/14 Budget Monitoring Forecast Outturn	1.885
2013/14 Collection Fund Surplus	0.170
2014/15 Estimated One-Off Surplus	0.880
<b>TOTAL AVAILABLE RESOURCES</b>	<b>2.935</b>

## 12.5 *Options for the Allocation of Available Temporary Resources*

12.5.1 The Cabinet's proposed new investments identified in the table at paragraph 11.2 of the report above (£2.641m in total) could be fully funded from the available resources summarised in the table at paragraph 12.4 above (including the Strategic Housing Land Disposal investment, which could be added to the Council's Capital Programme in 2014/15 and future years and funded by revenue resources). This approach would leave uncommitted one-off resources in 2014/15 of £0.294m.

12.5.2 The Medium-Term Financial Strategy Report elsewhere on this agenda also notes that a number of potential cost pressures are currently not reflected in the Council's financial forecasts (as they cannot currently be quantified accurately), but may need to be reflected in future year budget strategies. They include:-

- The future impact of changes in Social Care, such as the Care Bill and the implementation of the Better Care Fund;
- The impact of reductions in specific grant funding which cannot be managed within existing resources;
- The future impact of the Local Council Tax Support Scheme on the level of Council tax receipts and the available Government funding;
- The need to allocate funding to promote local growth, to build local capacity to generate funding, and to help to reduce dependency on Council services; and,
- The cost of implementing future savings plans from 2015/16 onwards.

12.5.3 Members may therefore wish to consider retaining the unallocated resources of £0.294m in 2014/15 for one-off investment as part of the Council's future budget strategy.

12.5.4 There is also a risk that the final outturn position may vary from the current forecasts (as noted in paragraph 12.1.1 above). In light of this risk, there may be a need at the outturn stage to consider, where appropriate, using available capital resources to fund an element of these investments in 2014/15.

12.5.5 An update on available capital resources is set out in the Capital Programme report elsewhere on this agenda.

## 12.6 2014/15 Revenue Budget

12.6.1 If approved, the Cabinet's proposals for permanent and one-off investments above would fully offset the available surplus identified in section 10 above and would result in the balanced revenue budget for 2014/15 set out in the table at paragraph 12.6.2 below:-

12.6.2 As in previous years, resources approved for one-off investment would be set aside in Portfolio reserves and allocated during 2014/15 to fund the appropriate expenditure. Resources approved for permanent investment would be added to Specific Contingency Budgets in 2014/15 and would be re-allocated to appropriate Portfolio Cash Limits as part of the in-year budget monitoring process.

<b>2014/15 Revenue Budget</b>	<b>2014/15 £m</b>
Portfolio Cash Limits	115.828
Treasury Management Budgets	10.153
Non-Cash Limited Budgets	11.964
Levies	20.386
Inflation and Contingency Budgets	1.639
Total Contributions to One-Off Investments	4.409
<b>Total Revenue Expenditure</b>	<b>164.379</b>
<b>Total Funding</b>	<b>(164.379)</b>

## 13. RESOURCE IMPLICATIONS

### 13.1 Financial

13.1.1 The Cabinet's proposals as set out in this report would deliver a balanced revenue budget in 2014/15, but would leave significant deficits still to be addressed in 2015/16 and future years.

13.1.2 The Cabinet's proposals for investment as set out in this report can be summarised as follows:-

- Permanent investment of £0.507m to address essential priorities identified during the budget process;
- One-off investment of £2.641m focussed on reducing spending pressures in future years and improving the sustainability of the Borough;
- Use of £1.100m of Public Health resources in 2013/14 to fund new public health interventions which will contribute to the sustainability of the Borough in 2014/15; and,

- A balance of £0.294m to be carried forward for one-off investment as part of the Council's future budget strategy.

13.1.3 If approved, the Strategic Housing Land Disposal investment would need to be treated as capital expenditure and would therefore be added to the Council's Capital Programme in 2014/15 and future years (funded by the approved revenue resources). It is also proposed as part of the same investment plan that capital receipts generated through the sale of the land would be used to fund the costs of the future phases of the programme in the coming years.

13.1.4 It should be noted that actual expenditure and implementation of the proposals would take some time to deliver. This means that the resources held in the Council's reserves would remain relatively high in the short-term, but would reduce as the investment proposals were implemented.

13.1.5 The Director of Finance and Information Technology would monitor progress and report any areas of concern to Portfolio Holders.

## **13.2 Human Resources**

13.2.1 The scale of the ongoing financial challenge facing the Authority will continue to have major implications for the Council's workforce. With staffing costs making up nearly 70% of the Council's controllable expenditure, savings will continue to require reductions in the size of the workforce.

13.2.2 As in previous years, as many of the resulting post reductions as possible will be dealt with by the termination of fixed-term contracts, the deletion of vacant posts, and by maximising opportunities for early retirement and voluntary severance. The savings proposals to be implemented in 2014/15 have been phased over a longer period wherever possible in order to provide longer lead-in times where compulsory redundancies are most likely. This should help to minimise the final number of compulsory job losses. All affected individuals will continue to be offered access to relevant support, including redeployment, re-training and access to external job opportunities.

13.2.3 There will be further disruption to the workforce as services continue to reorganise to streamline processes and change service delivery methods. There will be a need to manage additional workloads creatively and require more flexibility from individual employees in order to minimise the impact on services.

13.2.4 Discussions with local trade unions and affected employees are under ongoing and officers will ensure that the whole workforce and the local trade unions remain involved and fully informed as part of the service redesign process and the communications strategy for the Change and Transformation Programme.

### **13.3 Information Technology**

13.3.1 Individual savings options or investment decisions may have an impact on the use and availability of information technology. Where this is significant, it has been included in the impact assessment of each measure.

13.3.2 Information technology will play a key role in achieving transformed and streamlined services as part of the Change and Transformation Programme.

### **13.4 Physical Assets**

Individual savings options or investment decisions may have an impact on the use and availability of the Council's physical assets. Where this is significant, it has been included in the impact assessment of each measure.

## **14. PERFORMANCE AND RISKS**

14.1 The Council must set its budget and Council Tax for 2014/15 by 11 March 2014. The Council is therefore recommended to consider the Cabinet's budget proposals (and any other budget proposals received in time for the meeting) to ensure that this statutory duty is met.

14.2 There is a risk that the budget will not be sustainable if the significant levels of service savings are not achieved in full. Early identification of budget pressures will be important to ensure that management action can be taken to avoid any impact on the year-end budget position.

14.3 It is also vital that Council officers take action to achieve these savings in a timely manner, and that these are monitored throughout the year by Portfolio Holders.

14.4 By adopting a more challenging approach to contingency budgets, significant reductions have been built into the Council's medium-term financial forecasts. However, there is a potential risk of the budget gap in future years increasing if an ongoing pressure cannot be funded permanently through contingency budgets.

- 14.5 There is also an increased risk that general balances may need to be used where additional spending cannot be fully funded or to deal with exceptional items which may arise. In line with the policy set out in the Medium-Term Financial Strategy report elsewhere on this agenda, the Director of Finance and Information Technology considers in this context that general balances should be maintained at their current level in 2014/15.
- 14.6 The Council faces a continuing need to identify savings in future years as Government funding for local authorities continues to be reduced. To mitigate this risk, it is essential that the Council's budget includes measures to address the financial challenges facing the Authority in the medium-term.
- 14.7 Until investment proposals are actually delivered, the funding for them will be held in the Council's reserves. There is a risk that continued high levels of reserves will be criticised, and it is therefore essential that clear project plans are established in line with the phasing set out in the relevant Appendices to this report in order to explain to stakeholders why such reserves exist. The Director of Finance and Information Technology will monitor progress and report any areas of concern to Portfolio Holders.

## **15. EQUALITY AND ENVIRONMENTAL ASSESSMENT**

### **15.1 Equality and Diversity**

15.1.1 The Cabinet's budget proposals would affect service performance levels and the delivery of services to the public. Decisions on the level of Council Tax will also have an impact on individual Council Tax payers in the Borough.

15.1.2 Full Equality Impact Assessments have been undertaken on all of the savings measures and options which have previously been agreed and are being implemented as part of the 2014/15 Budget Strategy and are available on request from the Director of Finance and Information Technology.

### **15.2 Environmental Policy**

There are no environmental policy implications arising directly from this report. However, the delivery of many of the Council's services has a direct impact on the physical environment, and should provide a positive impact on those residents and businesses in the area.

## **16. COMMUNICATIONS ISSUES**

16.1 Consultation has taken place with the following key stakeholders:-

- The Borough's five Parish and Town Councils; and,
- The local Trade Unions

16.2 Where appropriate, the outcomes of this consultation have been reflected in this report. Any further formal representations received before the Council considers this report will be presented at the meeting.

16.3 Subject to the Council's consideration of the Cabinet's budget proposals, the Council Tax for 2014/15 is also scheduled to be set at this meeting. The resulting Council Tax bills and supporting information will then be communicated to the Knowsley community.

## **17. CONCLUSION**

17.1 The report presents full details of expenditure and funding projections for the Council's 2014/15 revenue budget. The report also sets out the Cabinet's investment recommendations to the Council.

17.2 This report, alongside the other reports on this agenda, provides the context against which the Council is recommended to agree its 2014/15 revenue budget and set the Borough's Council Tax for 2014/15.

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Director of Finance and Information Technology

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### Appendices:-

Appendix A Service Spending Plans – Approved Savings Options 2014/15 and 2015/16

Appendix B The Cabinet's Proposals for Permanent Investment

Appendix C The Cabinet's Proposals for Temporary Investment

### Background Documents:-

2014/15 Portfolio Budget Reports – January 2014

**SERVICE SPENDING PLANS – APPROVED SAVINGS OPTIONS 2014/15 AND 2015/16**

Portfolio	Service	Title	Impact	Total Approved Savings £m	2014/15 £m	2015/16 £m
Children and Family Services	Children and Family Centres/ Play Service	Reduction in Children and Family Centre Provision	<p><i>£0.270m has been brought forward due to vacancies and efficiencies within service budgets. There have also been savings in premises costs (£0.030m) following the closure of a link Children's Centre site.</i></p> <p>Delivery of Children's Centre activities will continue across three areas of the Borough and will be available to all families. There is the potential that some Centres will close (up to four Children's Centres and five linked sites) with some reduction in family centre provision, thus reducing access points to services and reach to families and potentially impact on the sustainability of other on-site providers, i.e. childcare. However, the proposal to integrate the early years team and family centre staff with Children's Centre workforce will enable the Council to continue some services and continue to enable children and families to access provisions closer to their home / placement address, whilst developing co delivery of services in Children's Centres. The review, with full community consultation will seek to prioritise front line delivery rather than buildings and explore alternatives to promote quality early education and teaching and play development through social sector options and models of Social Growth to increase delivery options.</p>	1.327	0.300	1.027
Children and Family Services	Commissioning	Reduction in short breaks for families of disabled children.	Minimal reduction in short breaks offer, continuing to delivery statutory responsibilities but may result in an increase in complaints from families and challenge from parents that the Council has failed to meet its statutory duty to provide short	0.020	0.020	

			<p>breaks.</p> <p>The Programme will target the most vulnerable families for whom their caring responsibilities have the most impact on their family lives and parent/community led support will increase. Eligibility criteria will be reviewed and joint commissioning arrangements with partners in health, education and social care will be strengthened.</p>			
Children and Family Services	Inclusion	Stop School Clothing Grants.	<p>The proposals will result in removal of this discretionary grant. The current award is £20 for primary aged pupils and £40 for secondary aged pupils. An analysis of other Local Authorities has been undertaken and the results indicate that most no longer offer a clothing grant, some examples include Halton, Wigan, Liverpool, Cheshire West, Wirral, Lancashire and Sefton. Many schools nationally set up a small hardship fund, therefore it is proposed that the Council works with the Schools Forum to support schools to set up local hardship funds where appropriate.</p>	0.036	0.036	
Children and Family Services	Inclusion Standards and Effectiveness (including home to school transport)	Re-modelled Inclusion Service.	<p>The preventative element of the school attendance service will be traded. To mitigate the risk associated with re-modelling this service and the effects that it may have on vulnerable families – e.g. just coping families, children with SEN, excluded pupils, pupils with protected characteristics, migratory pupils and families, it is proposed that since the inclusion service is mainly a school facing service, aimed at improving outcomes for vulnerable groups, this proposal allows a reduced cash limit resource to be aligned with Dedicated Schools Grant resources and traded income from schools.</p>	0.175	0.175	
Children and Family Services	Inclusion Standards and Effectiveness (including home to school transport)	Review eligibility for Special Educational Needs travel and achieve contract savings via retendering.	<p><i>Renegotiation of the transport contract with Your Travel Borough Wide (in relation to Field Lane) has enabled £0.020m of this saving to be achieved earlier than previously envisaged.</i></p> <p>A comprehensive review of how eligibility for SEN travel is assessed, agreed and implemented offers the local authority an opportunity to refine and improve our processes and procedures.</p>	0.408	0.183	0.225

			<p>The plan is incumbent on realising the savings from a review of eligibility and retendering of the contracts. Any review of assisted travel eligibility would need to be conducted in reference to the Local Authorities statutory duties. Careful planning and consultation will allow the local authority to engage with all stakeholders and reduce the potential for legal challenge and complaint.</p>			
Children and Family Services	Youth Offending Service / Family First	Transformation of Family First and Youth Offending Service around the emerging Stronger Families Model.	<p><i>Vacancies in the service have enabled £0.040m of the saving to be achieved earlier than originally envisaged.</i></p> <p>The stronger families model seeks to support the most needy and costly families in the Borough by providing family case work around intelligent provision of targeted services. This integrated model of service delivery will reduce the dependency of these families on the public sector while identifying efficiencies and eradicating any duplication. A piece of work will be completed during the year which will attempt to prove the financial impact of preventative services on more costly specialist services. Additionally, the potential of other social sector service models will be explored. The job losses included are for illustrative purposes and are based on making savings to these services in their current form prior to any transformational opportunity.</p>	0.428	0.040	0.388
Children and Family Services	Assessment and Care Management	Remodel Young Carers support.	<p>The statutory assessment element of Young Carers work is currently undertaken by appropriately trained and experienced staff (Referral and Assessment Social Work Team). This option will provide support and activity based programmes commissioned or provided via Children or Family Centres without the need for a dedicated team.</p>	0.111	0.111	

Children and Family Services	Children's Residential Homes	Closure of Shaldon Close, James Holt and Bedford Close Children's Home.	Closure of three two-bed residential children's homes, which care for children, looked after aged 10 - 17 years on a short to medium arrangement with a view to their eventual return home. It is proposed that the closure of the residential care homes will be staggered across 2013/14 and 2014/15, with one closing in 2013/14 and that future provision will be provided within the Merseyside area. The Local Authority will continue to meet its statutory responsibilities and ensure that young people continue to receive social care support services until the age of 25.	0.365	0.172	0.193
Children and Family Services	Participation Service - Revised Savings	Savings through the closure of Roughdale Court (replacement saving for Participation Officer post deletion)	<i>Savings through the closure of Roughdale Court (replacement saving for Participation Officer post deletion)</i>	0.057		0.057
Children and Family Services	Transport	Remodel provision of road transport arrangements for clients.	Flexibility with regard to transport arrangements for service users, with regard to nature of transport e.g. taxi for children and young people attending children in care council and planned activity work or focus groups; reducing some transport responsibilities for front line staff.	0.054	0.054	
Children and Family Services	Employment and Skills	Reduction in Connexions contract.	This savings option will have no detrimental impact on the delivery of the Council's outcomes and pledges. The specification of this service has been refined to take into account additional services available through the Youth Contract, Connexions' New Horizons programme and Youth Service key workers. Feedback from young people, Connexions, leaving care teams, youth offending services and providers has also been taken into account.	0.125	0.125	

Community Safety and Social Inclusion	Community Safety	Streamline provision of Domestic Violence co-ordinator role.	This proposal will see the disestablishment of the Domestic Violence Co-ordinator post. The Borough's approach to Domestic Violence (DV) will strengthen and mature in the coming months with a significant contribution coming in from other partners such as the safeguarding board and public health. This will help to offset the loss of the DV Co-ordinator post which is a fixed term post ending in March 2013. Given the rephasing of savings into 2014-15, discussions will be held with the post holder about extending the fixed term contract to support the development of a new approach to DV in Knowsley whilst permanently reducing this budget.	0.036	0.036	
Community Safety and Social Inclusion	Security	Reduced CCTV camera monitoring.	24-hour CCTV provision and 24-hour attendance in the control room will continue, but the proposal will result in periods when there are no bespoke camera monitors in the control room at the least busy periods of the day. There will be no noticeable impact on outcomes with resources being able to be directed to issues when required.	0.081	0.081	
Corporate and Customer Services	Emergency Planning	Cease participation in multi-agency planning, workshops and exercises.	Removal of support to groups including the Liverpool John Lennon Airport Emergency Liaison Group, the Merseyside Resilience Forum, the Humanities Sub-Group, the Transport and Maritime Sub-Group, and NHS Trust Major. Withdraw from Knowsley's role as lead authority in the monitoring, co-ordination and management of voluntary agency emergency planning activities on Merseyside. There would also be reduced capability for the provision of specialist emergency planning advice and assistance during an emergency, should one occur.	0.012	0.012	

Corporate and Customer Services	Occupational Health & Safety	Cease lead role in Stress Management Standards Implementation.	Cease the service's lead role in the co-ordination and implementation of the Stress Management Standard across the organisation. Failure to implement the Standard could leave the Authority at risk from ineffective stress management arrangements and non-compliance with the HSE Management Inspection 2008. Outcomes at risk would be the reduction in the number of days lost to stress at a time when the Authority is reducing capacity levels across services and an increase in potential claims against the Authority.	0.024	0.024	
Corporate and Customer Services	Occupational Health & Safety	Cease support for stress related risk assessments.	Cease support for services and individuals when managing and/or dealing with stress related issues, including stopping case management support (meetings with managers and individual home visits to complete and agree assessments) and ongoing support to reduce stress within the workplace through agreed action plans. Failure to provide support to services could place the Authority at risk of increasing the number of days lost to stress at a time when the Authority is reducing capacity and increasing liability to claims for compensation from employees.	0.032	0.032	
Corporate and Customer Services	Occupational Health & Safety	Reduce Health and Safety advice, guidance and support.	Reductions in the provision of local advice, guidance and support to all service areas. This includes attendance at local health and safety related meetings by appropriate officer(s). The removal of support will require service managers to take greater ownership of ensuring and demonstrating health and safety compliance. All managers will still be able to access Health and Safety officers for support via telephone at all times. Training for managers will also continue to be provided where necessary.	0.018	0.018	
Corporate and Customer Services	Risk & Insurance	Reduce resources for insurance claims handling.	A reduction in claims handling resources will place the Authority at risk of non-compliance with the emerging Ministry of Justice requirements to determine liability within 30 days as opposed to 90 days. A reduction in capacity will impact on effective claims management and lead to a risk of increased claim costs. The average cost of 1 claim lost is £10,000, and thus any saving to	0.025	0.025	

			the Authority from a reduction in resources would be easily wiped out by a small increase in claims lost. This risk will be monitored accordingly. All managers will still be able to access Risk and Resilience Officers for support via telephone at all times. Training for managers will also continue to be provided where necessary.			
Corporate and Customer Services	Environmental Health and Consumer Protection	Reduction in enforcement interventions in relation to environmental permitting and support for Planning Committee.	Reducing the service from three to two scientific officers will reduce support for requests in relation to environmental permitting, increasing response and resolution times. There will also be a reduction in support to the Planning Committee in relation to assessing the environmental impact of developments. The impact will be mitigated by the introduction of mobile technology, business process re-engineering, and improved triage of complaints.	0.036	0.036	
Corporate and Customer Services	Environmental Health and Consumer Protection	Refocused Better Regulation work.	A refocusing of resources from Better Regulation and Compliance work to Private Sector Housing Enforcement. This would include:- - A reduction in the capacity to arrange/undertake RIPA activity in line with a recent significant reduction in the Council's use of RIPA and changes in legislation. - A reduction in the promotion and delivery of the Primary Authority principle and associated difficulty in generating additional work/income. - The service prioritising its responses to Government consultations and lobbying work on regulatory matters.	0.012	0.012	
Corporate and Customer Services	Democratic Services	Revised Decision-making Structure.	Review of structure to achieve a more streamlined approach. Immediate action with a longer term monitoring review for future years to achieve a reduction in the number of formal meetings and requisite support.	0.050		0.050

Corporate and Customer Services	Business Support,	Streamlined Business Support service.	Reductions in some services will require Business Process Re-engineering work to be completed and systems streamlined in order to reduce resource requirements. There will be an impact due to reduced business and admin support for managers and teams. There may also be some impact on front line service delivery due to administrative delays and reduced capacity in support services.	0.857	0.428	0.429
Finance and Information Technology	Financial Management Service	Reduce financial support to council wide projects.	Reduce support to council wide projects from 222 days (1 fte) to 67 days (0.3 fte) per year. Resource to be prioritised by Director of Finance and IT.	0.028	0.028	
Finance and Information Technology	Financial Management Service	Reduced budget monitoring and financial advice.	Reduced challenge and lower skilled support for budget monitoring. Responses will be prioritised based on the service risk, and on an allocated number of days per month. To mitigate this, service managers will have online access to budget information and will be able to raise queries with finance teams. The Council's ability to meet statutory requirements will be maintained – but will be weakened through reduced quantity and effectiveness of financial management support.	0.030	0.030	
Finance and Information Technology	Financial Management Service	Reduced monitoring of capital schemes.	Reduce capital monitoring on high value schemes to three times per year and twice per year for all other schemes, with two consolidated reports presented to Cabinet per year.	0.021	0.021	
Finance and Information Technology	IT Service	Move from a four-year to a five-year PC Replacement Programme.	PCs and laptops will be out of warranty for up to two years (rather than one year) which may increase hardware issues and support calls.	0.042	0.042	
Finance and Information Technology	IT Service	Reduced IT Planning and release management.	Service managers will have to take more ownership for IT systems discussing new software releases with the IT service direct rather than through specific liaison roles.	0.037	0.037	

Finance and Information Technology	Revenues	Reduced payments reconciliation work.	One post will be deleted which will reduce support for reconciliation work on payments to the Council. Increased scope for unidentified payments to remain unresolved could lead to increased complaints from customers.	0.025	0.025	
Health and Social Care	Externally Commissioned Services (including Care Management and Safeguarding)	50% reduction in support services relating to older person's sheltered housing.	This proposal will work with providers to re-prioritise support to those most at risk of losing their independence. At present, each scheme has a dedicated scheme manager. The likely result of this work will be that schemes will share managers. There will be a reduction in preventative work but issues of safety and immediate need will be dealt with. There may be an adverse reaction from individuals and family members and we will need to underpin the service change with a consultation process.	0.380	0.380	
Health and Social Care	Externally Commissioned Services (including Care Management and Safeguarding)	Adaptations - reduced equipment provision.	Small pieces of equipment and bathing aides would no longer be provided. Retail model will be established at the Centre for Independent Living offering alternative provision that people can pay for.	0.035	0.035	
Health and Social Care	Externally Commissioned Services (including Care Management and Safeguarding)	Cease housing related floating support for offenders.	Provision of specialist housing related support for offenders will stop. This service provides time limited housing related support to approximately 65 people per year. The impact of ceasing this support may be fewer offenders being able to sustain their tenancy. This will be mitigated by the housing options service, the tenancy bond scheme and stakeholders continuing to work together to ensure that the statutory housing needs of this group continue to be met.	0.118	0.073	0.045
Health and Social Care	Externally Commissioned Services (including Care Management and Safeguarding)	Reduce Adaptations Team support.	The Surveying team would reduce by one staff member and work would be reorganised, with some simple schemes being designed by the adaptation provider.	0.037	0.037	

	Safeguarding)					
Health and Social Care	Externally Commissioned Services (including Care Management and Safeguarding)	Reduce substance misuse floating support.	One support worker post with specialism in housing related issues to be deleted. There will be a reduction in practical support to this group of people. This may impact on their recovery and ability to sustain their independence. We will work with other substance misuse providers to ensure that staff in these services have an awareness of housing related issues.	0.030	0.030	
Health and Social Care	Externally Commissioned Services (including Care Management and Safeguarding)	Reduce Supported Living Individual support hours (c.5 hours per week per individual).	People in supported living will have a reduction in dedicated personal support (c. five hours per week per individual, but for a few individuals this could be considerably more). This may result in a reduction of choice and less ability to participate in community focussed activities. Each person affected will have a personal review of his or her needs.	0.600	0.600	
Health and Social Care	Externally Commissioned Services (including Care Management and Safeguarding)	Reduced Respite provision.	An annual reduction of 278 weeks in respite provided to people with disabilities and older people and their carers. This will be underpinned by a review process, which will seek to address equity issues and mitigate the impact on carers and their ability to maintain a long-term caring role.	0.140	0.140	
Health and Social Care	Externally Commissioned Services (including Care Management and Safeguarding)	Reduction in block purchased support available to individuals.	There will be a reduction in the amount of block purchased support available to individuals, for example day placements. This will reduce the level of unused funding which we have seen in recent years. Carers respite fund will be reduced. The use of carers respite vouchers will be reduced and contribution to pooled budgets will be reduced. We will still need to provide support but this will be purchased individually or provided via a personal budget. There will be less resource to support carers to take a break from their caring role	0.254	0.254	

			and this may have an impact on their ability to provide long-term care. Reducing contributions to the pooled budgets will require discussion and negotiation with health colleagues.			
Health and Social Care	Externally Commissioned Services (including Care Management and Safeguarding)	Reduction in tenancy services to excluded groups.	<p>Some services will operate at reduced capacity - including decommissioning of the following services:</p> <ul style="list-style-type: none"> <li>• Teenage Parent accommodation service - Roughdale Court</li> <li>• HIV and Aids floating support service</li> <li>• Support to dispersed accommodation for Young People</li> <li>• Homeless prevention, Young Person's mediation service</li> <li>• The housing related support services provided by Centre 63</li> </ul> <p>The reduction or withdrawal of these services will lead to reduced support to prevent homelessness and tenancy breakdown (including evictions and abandonments) and alcohol related hospital admissions. These options could also impact on the delivery of the troubled family and community cohesion agendas. Some of the services are currently underused and the expansion and development of targeted and sustainable volunteer services and integrated area based working would mitigate some of the risks presented to individuals. There are a range of service changes being proposed so there will need to be robust consultation processes.</p>	0.320		0.320
Health and Social Care	Externally Commissioned Services (including Care Management and Safeguarding)	Residential placements - review cost of residential placements above £1,000 per week.	Residential placements - Unit cost of 20 residential placements above £1,000 per week will be reviewed and rates renegotiated. This is part of ongoing commissioning activity and will not have an impact on service delivery.	0.104	0.104	

Health and Social Care	Externally Commissioned Services (including Care Management and Safeguarding)	Review of Community based services.	A robust review programme will be undertaken in order to reassess levels of need and identify any potential for reduction in the size and cost of packages. This may lead to a reduction in ability to access social activities. This may also impact on carers' ability to have a break. It will be underpinned by a review process, an appeals process and a clear and justifiable audit trail of reassessment to avoid potential for judicial review.	0.888	0.888	
Health and Social Care	Internally Commissioned Services	Adult Day Service - Meals will no longer be provided from Bewley Drive or Sedburn.	People will have to bring their own meals as they do in other day services. The staff affected will be put at risk and redeployment offered wherever possible.	0.042	0.042	
Health and Social Care	Internally Commissioned Services	Adult Day Service - Income generated through charging £3 per person for transport.	People receiving transport to attend Adult Day service will be charged for the service. Some of these individuals will have been affected by previous increases in charging for domiciliary and day services. The Council will consult on implementation of this measure.	0.176	0.176	
Health and Social Care	Internally Commissioned Services	Community Partners - the provision of day service support will be remodelled for delivery via direct payments.	Day support will be provided through a Direct Payment. This may mean that a service user's regular carer no longer wants to support them, as they do not want to be paid through a Direct Payment. We have undertaken a comprehensive consultation exercise and are offering support from a range of agencies including the direct payment support service.	0.039	0.039	
Health and Social Care	Internally Commissioned Services	Occupational Therapy - Reduced level of response to people requiring support to live at home and / or equipment.	Reduction of four posts offering low-level occupational therapy support. This may impact on waiting lists, which may result in an increase in falls and hospital admission. People will be encouraged to attend the CIL and to self assess.	0.107		0.107

Health and Social Care	Internally Commissioned Services	Older Peoples Day Service - Income generated through charging £3 per person for transport.	People receiving transport to attend Older Peoples Day service will be charged for the service. Some of these individuals will have been affected by previous increases in charging for domiciliary and day services. The Council will consult on implementation of this measure.	0.037	0.037	
Health and Social Care	Internally Commissioned Services	Reablement - there will be a reduction in capacity of approximately 150 hours within the service.	This will be achieved by a reduction in funding resulting in less Re-ablement service being delivered. This is the result of a recent review of the service, which recommended that we focus the provision of care in the morning and evening. This will mean a combination of reduction in hours for existing staff and/or a reduction in posts totalling 150 hours plus the disestablishment of three vacant posts. This will be mitigated by the development of a prioritisation model for reablement services and work with domiciliary care agencies to adopt a reabling approach. There will need to be consultation with unions and staff over proposed changes.	0.177	0.177	
Health and Social Care	Internally Commissioned Services	Reablement - there will be a reduction in funding from the Council, which will be replaced by recurring grant funding from the health funding transfer.	There will be no impact on service delivery. Funding will be secured from grant income.	0.150	0.150	
Health and Social Care	Internally Commissioned Services	Reduced social inclusion activity.	Mental Health Support Workers to be reduced by one full time post. The Council will work with mental health trusts to restructure community support.	0.027		0.027
Health and Social Care	Internally Commissioned Services	Review of provision of Adult Day Care.	This will be underpinned by a programme of review by social workers and will mean that 50 people who currently receive five or four days' service per week would be re-allocated three days.	0.230	0.230	

			People's access to independent activity will be reduced. There may be an impact on carers as they will receive less support with caring role and this may impact on their ability to provide ongoing support or their ability to work. This may lead to complaints and or challenge from carers.			
Health and Social Care	Internally Commissioned Services	Supported Living - housing provision with personal care support will be reduced.	Two adults with learning disabilities will be co-located within the Supported Living service. This will be achieved through closing one unit, people moving to share accommodation and ensuring a level of support in a combined unit. This will be underpinned by best interests assessments and consultation with families where appropriate.	0.035	0.035	
Health and Social Care	Internally Commissioned Services	Supported Living - internal housing with personal care support will be reduced.	Two clients would no longer be supported by the supported living service. These two individuals would move to live in more age appropriate accommodation for example, extra care housing. This will be underpinned by best interests assessments and consultation with families where appropriate.	0.030	0.030	
Health and Social Care	Internally Commissioned Services	Unused respite allocation withdrawn to facilitate service efficiencies.	Services would continue to support the same number of people but there are times when the units are not fully occupied. It is planned that this unused respite allocation will be withdrawn to enable one of the units to close for an additional two to three weeks a year. Staff would be reallocated to cover other areas of support such as the supported living service. This will be underpinned by a review process and monitoring of unused respite allocation and cannot be implemented without a consultation process. The Council will also plan usage of the units to ensure that it minimises the need for night cover.	0.060	0.060	

Human Resources	Human Resources / Payroll	Reduced HR support for managers and schools.	<p>Reduced capacity for HR attendance during meetings such as disciplinary investigations (HR would only attend formal hearings). HR advice would remain available via case discussions or policy advice.</p> <p>Reduced capacity for HR attendance during some grievance/dignity at work investigations. HR advice would still be available via case discussions or policy advice.</p> <p>No attendance at welfare interviews where ill-health retirement and medical incapability are likely – these are the only welfare cases which HR still attend.</p> <p>A reduction in the preventative or specialist work carried out in relation to sickness absence. This could include reduced capacity to attend managers' workshops and provide targeted support to tackle absence hot spots.</p> <p>No support for assessment testing (including apprentice testing). Longer response times to general queries, including no flexibility for payroll adjustments outside of deadlines.</p> <p>Reduced support to managers in respect of CRB disclosures for existing employees (meaning longer response times).</p> <p>All managers will be able to access HR support via telephone at all times. Training for managers will also continue to be provided where necessary.</p>	0.128	0.128	
Human Resources	Human Resources / Payroll	Reduced internal consultancy support for staff development and pre-employment CRB checks.	<p>Reduced resources for the purchase of services and support for staff development.</p> <p>Reduced support to managers / schools in respect of CRB disclosures for existing employees (meaning longer response times).</p> <p>Other savings will be achieved through savings on stationery, office equipment, consumables, external advertising costs etc.</p> <p>All managers will be able to access HR support via telephone at all times. Training for managers will also continue to be provided where necessary.</p>	0.063	0.063	

Human Resources	Organisational Development	Reduced support for learning and development.	Only statutory and other essential learning and development interventions based on key Council priorities will be provided. The savings will be achieved by reductions in post entry training and the deletion of 1.6fte posts. Significantly reduced support in areas such as E-learning developments, training capacity, workforce/succession planning, and collaborative work with partner organisations.	0.072	0.072	
Leader's Portfolio	Neighbourhood Management	Relocate Halewood Area Team.	Relocation of the Halewood Area Team from the New Hutte Centre to rent free accommodation in a Council building, possibly Halewood Leisure Centre.	0.017	0.017	
Leader's Portfolio	Neighbourhood Management	Restructure of Area Management.	Disestablishment of Area Manager Post. This proposal will reduce capacity, but this would be mitigated by a focus on integrated area working and the remodelling of governance arrangements.	0.060	0.060	
Leader's Portfolio	Business Improvement	Streamlined Business Improvement function.	An integrated team will ensure services are re-engineered to be commissioning ready, reducing cost and ensuring in-house services are as competitive as possible. Team will have a savings target, which will be focussed to meet the Council's business improvement needs, but builds in the principle that the team will be reviewed again if targets are not met.	0.072	0.072	
Leisure Community and Culture	Leisure & Culture Development	Remodel Community Use of Centres for Learning.	Rationalise the number of Centres for Learning open in community use time in 2014/15. This will be based on demand for community access and income generated. Users will be sign posted to alternative facilities and services in the area.	0.046	0.046	

Leisure Community and Culture	Leisure & Culture Operations	Rationalising Leisure Centre Opening Hours by 88 hours per week.	<p><i>Reduced Leisure Centre operating times would now be introduced across all Centres at the same time, rather than having a phased implementation as originally envisaged. Through more efficient working plans, the full saving can be achieved through a lower reduction of hours than previously anticipated – a reduction of 54 hours compared to the original 88 hours.</i></p> <p>The proposed reductions have been determined by scrutinising current footfall and usage patterns to ensure minimal impact on existing service users.</p>	0.182	0.182	
Leisure Community and Culture	Leisure & Culture Operations	Transfer King George V Facility.	The transfer of KGV to a Social Enterprise will be undertaken over the next 18 months and is related to growing Knowsley's social sector and the Council's pledge to develop community owned businesses and enterprises. It will utilise the Gateway process for assessing future Social Sector Options.	0.093	0.093	
Leisure Community and Culture	Libraries	Full closure of Whiston and Page Moss libraries	<p><i>A review of the Libraries savings options approved in 2013/14 has confirmed that the savings arising in 2014/15 will be greater than originally estimated without any additional service impact. However offsetting this, fewer savings will be released through the separate reduction in opening hours, which is to be implemented in 2015/16.</i></p> <p>The closure of these libraries will potentially impact upon customer take-up of service and subsequent performance outcomes and outputs. The main risks and impact would include: removal (relocation) of Library access and facilities for the local community; including the provision of resources, curriculum support, advice and guidance regarding reading, learning and information which could impact on educational attainment. There could be local residents' opposition to closure. There would be reduced access to ICT and reduced support for the community to gain digital skills. The service currently complies with 1964 Act, which requires each local authority to provide a 'comprehensive and efficient service.' This will continue. Opportunities will be</p>	0.124	0.124	

			<p>explored as to whether there could be a “hand over” of the current Whiston and Page Moss Library facilities to be operated by community or other groups.</p> <p>The mobile Library service will continue and all services that are currently offered within the Library service will continue to be provided from the Council’s remaining libraries.</p>			
Leisure Community and Culture	Libraries	Reduced opening hours in all remaining libraries. Libraries will remain open on Saturday mornings.	<p>A Review of all Libraries savings options approved in 2013/14 has identified that more savings can be released through this option in 2014/15 without any additional service impact, and less will be released through the reduction in opening hours to be implemented in 2015/16. A reduction in library opening hours could have a significant effect on customer take-up of service and subsequent performance outcomes and outputs. The main risks and impact would include reducing access to Library resources for communities; reduced provision of resources, curriculum support, advice and guidance regarding reading, learning and information which could impact on educational attainment; reducing access to ICT and reducing support for the community to gain digital skills.</p> <p>The mobile Library service will continue and all services that are currently offered within the Library service will continue to be provided from the Council’s remaining libraries. Customers will still be able to access libraries on a Saturday.</p>	0.096		0.096

Leisure Community and Culture	Environmental Sustainability Service	Reductions in the Environmental Sustainability Service (ESS).	<p><i>A vacancy in the Service has enabled £0.031m of the saving to be achieved earlier than originally envisaged.</i></p> <p>Integrating the Behaviour Change and Climate Change Teams whilst retaining a strategic approach to Green Space Strategy and Climate Change. Budgets for maintaining wildflower meadow, woodland maintenance, allotments and playground equipment will be protected. The proposal will reduce the volume of activity that has been achieved in the past but capacity has been retained to facilitate community activity and associated funding bids to maintain quality outputs across these agendas whilst focusing on the health and wellbeing outcome in utilising our green space assets.</p>	0.162	0.031	0.131
Leisure Community and Culture	Youth	Youth Service Mutualisation (Three year phased implementation).	<p>This proposal relates to ongoing work with the Youth Service to establish the viability of an employee-owned mutual. It is hoped that this model will allow additional income to be generated, which will offset a reduction in Council, funding for this non-statutory service.</p> <p>It is anticipated that at least the current level of youth work in the borough will be maintained. However, the extent and quality of this provision may rise as the benefits of employee owned mutualisation takes shape. Should this approach not be achievable then the non-statutory service will reduce in line with other council business and service levels will be withdrawn. If this is the case then a model for service reduction will need to be developed in consultation with the Cabinet Member.</p>	0.240	0.120	0.120

Neighbourhood Delivery	Grounds Maintenance	Reduced grass cutting and collection frequencies.	<p><b>2014/15</b> - Pedestrian and triple ride on mowing (90% of cutting operations) will reduce from a five to ten day frequency (continue to maintain high standard of open space maintenance). Grass cut and collect will be retained (10% of cutting operations). There will be an increase in grass cuttings on the highway and footpaths in moving to a ten day cut which the service will be unable to remove. No staff at risk but seasonal workforce will reduce from 24 to 13 posts.</p> <p><b>2015/16</b> - Grass cut and collect will stop (standard of open space maintenance will reduce from high to good) and new plant will be used which will be tested in 2013/14. Four staff will be at risk, however, ERVS will reduce this and the 13 season staff will reduce to zero. Parks will continue to be cut and maintained to a high standard and spring, summer and winter bedding at existing locations will be retained across these 3 years.</p> <p>The budget was £3.7m in 2009/10 which reduced to £1.8m by 2012/13 and this plan will reduce it to £1.6m in 2014/15 then to £1.2m in 2015/16.</p>	0.600	0.232	0.368
Neighbourhood Delivery	Huyton Suite	Huyton Suite to become self-financing.	The service will become self-financing over a three-year period by reducing operating costs, increasing new business activity and integrating management with Leisure Centres, Community use of Centres for Learning and Area Teams. The name of the Suite will need to change to improve marketing opportunities and should the venue not achieve its target reduction by 2016 it is proposed to dispose of this asset in accordance with the principles within the Corporate Property Plan.	0.129	0.056	0.073

Neighbourhood Delivery	Street Scene and Pest Control	Street Scene and Pest Control - reduced litter picking, litter bin emptying, cleaning and sweeping.	<p><b>2013/14</b> - Area Managers will reduce from four to three and Pest Control will be free of cash limit.<b>2014/15</b> - Litter picking and litter bin emptying will reduce from weekly to fortnightly. A reactive response of up to five days will be established and this reduction in frequency will benefit from the new approach to environmental enforcement and associated behaviour change from residents, which will reduce service demand over time. Winter Gritting will be unaffected by changes.<b>2015/16</b> Mechanical sweeping of channels and footpaths to move to a four weekly frequency and reactive response times will increase to up to eight days. The new Enforcement Approach will be fully embedded by 2015/16 with demand for cleansing volumes having fallen across the borough. Daily planned manual cleansing of shopping parades, town centres and school frontages will continue at existing levels then taper off when enforcement impacts and service demand falls. The budget was £2.8m in 2009/10 which reduced to £1.9m by 2012/13 and this plan will reduce it to £1.85m in 2013/14 then to £1.63m in 2014/15 and £1.43m in 2015/16.</p>	0.422	0.220	0.202
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Neighbourhood Delivery	Waste Management & Recycling	Introduce Alternate Weekly Collections (AWC) and cease food waste collections.	Introduce Alternate Weekly Collection of maroon bin from October 2013 to be delivered from Tuesday to Friday over 36 hours. Food waste collection will stop and this waste will go in the maroon bin – only 30% of households (3,600) from 12,000 registered are actually participating costing £0.234m. Maroon bin will be collected on Week One and Grey & Blue bins on Week Two. This will increase our recycling from 32% to 40% and reduce the £7m Levy charge in 2015/16. A comprehensive communication pack will be developed for residents and elected members. All community groups will be directly engaged with by the service before, during and after implementation to minimise disruption. The number of jobs at risk will be reduced from 10 by creating our own staff pool of six employees instead of using agency staff and by appointing the remaining four staff to the eight seasonal recycling officer posts. The budget was £4.2m in 2009/10 which reduced to £2.9m by 2012/13 and this plan will reduce it to £2.7m in 2013/14 then to £2.4m in 2014/15.	0.236	0.236	
Regeneration, Economy and Skills	Community Development	Restructure Community Development Team.	Restructure the community development team from four officers (one supervisor and three community development workers) to three, including the supervisory role. The impact would be mitigated by the supervisor taking responsibility for a geographical area and the wider ongoing work around integrated area working.	0.047	0.047	
Regeneration, Economy and Skills	Voluntary Sector Grant Aid	Service Level Agreement with Knowsley Council for Voluntary Services (KCVS).	A 25% reduction in 2014/15, which will enable appropriate consultation with KCVS and for alternative models for the organisation to be explored. This will also enable KMBC to consider the most appropriate way to deliver outcomes linked to the Social Growth work stream.	0.029	0.029	

Regeneration, Economy and Skills	Business Development in Borough	Business Investment - Re-organisation of service and increased trading at Kirkby Market.	The re-organisation may result in the net loss of one post in the Business Investment Team as well as a reduction in the Business Investment Fund, which will result in the service having less capacity and financial resources to support businesses. The impact will be minimised by refocusing activity on key sectors and seeking external funding. Additional trading days will be introduced at Kirkby Market following its redevelopment.	0.030	0.030	
Regeneration, Economy and Skills	Community Centres	Change in provision of Community Centres.	This proposal will eventually see the Council no longer providing community centres. The Council's provision of community space will be centred on the Leisure Facilities and the Centres for Learning. The Council will actively seek to identify management for these facilities from the community and voluntary sector for which tapered financial support can be applied. Where a new provider cannot be sourced over time, the centre will be closed and the asset disposed of as part of the Corporate Property Plan. Knowsley is rich in community facilities (including the Centres for Learning, Leisure Centres and existing third sector facilities). These offer community groups alternative venues, although provision might not be as accessible as is currently the case for some users.	0.170	0.170	
Regeneration, Economy and Skills	Infrastructure	Reduce resources to maintain the Borough's Highways.	It is proposed to reduce the spending on road maintenance from 2014/15. This will in part be mitigated by contract savings, which have recently been achieved through tendering the contract. Further cost savings will be achieved through the use of the most appropriate and best technologies. However, there will be an impact on the service, as resources will need to be directed to deal with high priority works. Works will be prioritised on proven asset condition rather than public perception. The remaining portion of the saving will be achieved through a reduction in local safety schemes including a reduction in the number and placement of School Crossing Patrols. The exact reductions will follow a review to be undertaken in 2013/14 and only those crossings which exceed national guidelines will be considered for removal.	1.249	1.249	

Regeneration, Economy and Skills	Strategic Housing Service	Cease Domestic Energy Enabling Fund.	Cease the Domestic Energy Enabling Fund, which is used to address fuel poverty, enable carbon reduction and increase health outcome. The costs can be offset against savings achieved by the individual homeowners.	0.050	0.050	
Regeneration, Economy and Skills	Strategic Housing Service	Housing Renewal work to be self-financing.	Disestablishment of the post supporting the recovery of Renewal Grant Funding and accessing other financial support for the privately owned homes in the Borough. The post is to be disestablished in 2014/15 to allow time to determine if this post can become self-financing, whilst still recovering sufficient funds for emergency cases.	0.034	0.034	
Regeneration, Economy and Skills	Asset Management	Reductions in non-priority repairs and maintenance.	Priority repairs and maintenance requirements will be undertaken but facilities could show signs of deterioration as reduced budgets are directed to essential maintenance rather than cosmetic items. However, through efficient asset management and the Council's building rationalisation programme there has been a significant reduction in the level of backlog repairs across the Council's property estate. This reduction should continue as further buildings become surplus to requirements, such as the existing Kirkby library and Gallery, the existing adult disability resource centre and potentially other facilities, such as the Kirkby Municipal Buildings.	0.085	0.085	
			<b>Total</b>	<b>12.924</b>	<b>9.066</b>	<b>3.858</b>

**THE CABINET'S PROPOSALS FOR PERMANENT INVESTMENT**

<b>Permanent Investment Options</b>	<b>Portfolio</b>	<b>Description</b>	<b>Cost in 2014/15 £m</b>
Traffic Management Contract	Neighbourhood Delivery	Traffic management for environmental maintenance operations was introduced in June 2012 following a health and safety review. A joint procurement exercise and rationalisation of the contract specification enabled the original estimated costs of £0.500m to be significantly reduced. This investment will provide funding for the ongoing cost of such work.	0.096
Adoption and Fostering Fees	Children and Family Services	All allowances within the service are now required to be paid at the same level nationally. This investment will allow for these payments to be made at the required rate.	0.148
Community Safety Grant Replacement	Community Safety and Social Inclusion	This investment would offset significant reductions in the Home Office grant which currently underpins community safety activity in the Borough (including the Anti-Social Behaviour Unit).	0.108
School Improvement	Children and Family Services	This investment would fund two additional School and Educational Attainment Officers, which are needed due to changes in national policy regarding the Council's role in school improvement. The funding will help to ensure that the Council secures an effective judgement under the new inspection framework and would also support the delivery of the Council's Educational Attainment Pledge.	0.155
<b>TOTAL</b>			<b>0.507</b>

**THE CABINET'S PROPOSALS FOR TEMPORARY INVESTMENT - SUSTAINABILITY OF THE BOROUGH**

<b>Investment Options</b>	<b>Portfolio</b>	<b>Description</b>	<b>2014/15 £m</b>
Strategic Housing Land Disposal Programme	Regeneration, Economy and Skills	<p>Acceleration of the Strategic Housing Land Disposal Programme would ensure that Council-owned sites are brought forward for development at the earliest opportunity. It is estimated that the disposal of such sites would generate capital receipts in excess of £25 million and deliver over 1,500 new dwellings, generating an estimated additional £1.5m per annum in Council Tax receipts in future years (i.e. once the land has been developed). The required investment would fund site-specific design guidance to ensure deliverability and minimise risk to potential developers. A dedicated Land Disposal team would be required to deliver a 5-year programme.</p> <p>If approved, this investment would be treated as capital expenditure and would therefore be added to the Council's Capital Programme in 2014/15 and future years. It is also intended that capital receipts generated through the sale of the land would be used to fund the costs of the future phases of the programme in the coming years.</p>	0.285
Liverpool City Region Growth Plan	Leader's / Regeneration, Economy and Skills	<p>The Liverpool City Region is developing a Growth Plan (which will set out the economic vision for the City Region for the next 20 years) and an associated Strategic Economic Plan (which will set out the projects and services to be delivered as part of the implementation of the Growth Plan). The Growth Plan will guide the investments from the £2 billion Local Growth Fund, which will be devolved to the City Region from 2015/16. This funding will create a number of fixed term posts and provide the funding for a masterplan, technical appraisals etc to ensure that the Council takes advantage of this opportunity and is able to access the funding available to the wider City Region.</p>	1.100
Skills for Growth in Schools	Leader's / Children and Family Services / Regeneration, Economy and Skills	<p>Schools have a responsibility to prepare their pupils for learning or work. Traditionally, this is an area of work which schools have underdeveloped and employers continue to highlight the lack of skills to start work. It is proposed to establish a team to work with Knowsley schools to build their capacity to work with businesses and develop curriculum materials linked to future job opportunities.</p>	0.125
<b>TOTAL</b>			<b>1.510</b>

**THE CABINET'S PROPOSALS FOR TEMPORARY INVESTMENT – SPENDING PRESSURES**

<b>Investment Options</b>	<b>Portfolio</b>	<b>Description</b>	<b>2014/15 £m</b>
Child Care Placements	Children and Family Services	Significant variations in costs over the last three years indicate an underlying budget pressure. The Children's Social Care service will carry out a full review in order to examine the scope to manage the underlying trend. This investment will provide the capacity to manage the pressures while the review identifies ongoing solutions.	0.700
Care Bill Implementation	Health and Social Care	To minimise the financial impact of the Care Bill, it is proposed to carry out an assessment of carer need (in order to inform low cost community solutions) and increase project management capacity across adult safeguarding partnerships (in order to develop a shared responsibility when adult safeguarding is placed on a statutory footing).	0.194
Child Protection Legal costs	Children and Family Services / Corporate and Customer Services	The Legal Services team has seen a significant increase in the number of instructions received relating to child care proceedings. The consequential increased workload has required the recruitment of locum staff in Legal Services. Each care proceeding costs in the order of £6,250 in Court fees and is required to be completed within a statutory time limit of 26 weeks.	0.237
<b>TOTAL</b>			<b>1.131</b>