

Central
Bedfordshire
Council
Priory House
Monks Walk
Chicksands,
Shefford SG17 5TQ



**TO EACH MEMBER OF THE
CHILDREN'S SERVICES OVERVIEW & SCRUTINY COMMITTEE**

13 January 2017

Dear Councillor

**CHILDREN'S SERVICES OVERVIEW & SCRUTINY COMMITTEE - Tuesday 17 January
2017**

Further to the Agenda and papers for the above meeting, previously circulated, please find attached the following papers that were not circulated within the agenda:-

15. Draft Budget & Medium Term Financial plan 2017/18 – 2020/21

To consider the relevant aspects of the draft Budget and updated Medium Term Financial Plan (MTFP) pertaining to remit of this Committee only. Information relating to those aspects of the budget outside of the Committee's remit will be considered by the other relevant Overview and Scrutiny Committees. Members are requested to review the report and provide their comments, observations and recommendations in respect of the Executive's proposals with particular reference to those aspects within the remit of the Committee, to the meeting of the Executive.

To reduce printing papers copies of the Executive report on the draft Budget and updated MTFP the reports are available online at the following address:-

<http://centralbeds.moderngov.co.uk/ieListDocuments.aspx?CId=577&MId=5232&Ver=4>

Hard copies of these papers will only be provided on request in advance of the meeting.

16. Draft Capital Programme 2017/18 – 2020/21

To consider the relevant aspects of the Draft Capital Programme pertaining to remit of this Committee only. Information relating to those aspects outside of the Committee's remit will be considered by the other relevant Overview and Scrutiny Committees. Members are requested to review the report and provide their comments, observations and recommendations in respect of the Executive's proposals with particular reference to those aspects within the remit of the Committee, to the meeting of the Executive.

To reduce printing paper copies of the Executive report on the Draft Capital Programme, the reports are available online at the following address:-

<http://centralbeds.moderngov.co.uk/ieListDocuments.aspx?CId=577&MId=5232&Ver=4>

Hard copies of these papers will only be provided on request in advance of the meeting.

17. Period 6 (Quarter 2) – 2016/17 Revenue Budget Monitoring

To receive the relevant quarterly budget monitoring information.

To reduce printing paper copies of the Executive report on the quarterly budget monitoring information, the reports are available online at the following address:-

<http://centralbeds.moderngov.co.uk/mgChooseDocPack.aspx?ID=5159>

Hard copies of these papers will only be provided on request in advance of the meeting.

Should you have any queries regarding the above please contact Democratic Services on
Tel: 0300 300 4634

Yours sincerely

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Central Bedfordshire Council

EXECUTIVE

10 January 2017

Draft Budget 2017/18 and Medium Term Financial Plan

Report of Cllr Richard Wenham, Executive Member for Corporate Resources
(cllr.richard.wenham@centralbedfordshire.gov.uk)

Advising Officers: Charles Warboys, Director of Resources and S151 Officer
(charles.warboys@centralbedfordshire.gov.uk)

This report relates to a non-Key Decision

Purpose of this report

1. The report proposes the draft Budget for 2017/18 and updates the Medium Term Financial Plan (MTFP) approved by Council in February 2016. The Provisional Financial Settlement for local government was released on 15 December 2016. The announcement covers many complex areas of funding and in the short time available before publishing this report, it has not been possible to reflect all of this.
2. The Provisional Financial Settlement is covered in more detail at paragraph 46, but the main headlines include the flexibility for Councils to raise the adult social care precept to 3% in 2017-18 and 2018-19 but no more than 6% over the next three years and changes to New Homes Bonus (NHB) and a one off Adult Social Care Grant, funded from a top slice to NHB.
3. Minor changes to the National Non Domestic Rates (NNDR) baseline are included in this draft budget but the Adult Social Care Grant and the potential uplift to the Adult Social Care precept are not included.
4. During last year's Financial Settlement, the Government made the assumption in its financial modelling that councils will raise Council Tax by both the 2% precept earmarked for adult social care and an assumed 1.75% for inflation in each of the next four years. The draft Budget 2017/18 – 2020/21 MTFP currently (excluding the Adult Social Care changes announced in the Provisional Local Government Financial Settlement) continues to broadly reflect that assumption.
5. This is in addition to the significant efficiencies contained in the draft Budget/updated MTFP.

RECOMMENDATIONS

The Executive is recommended to:

- 1. approve the draft Budget for 2017/18 and the updated MTFP 2017/18 – 2020/21 as the basis for consultation with the Overview and Scrutiny Committees and other interested parties.**

Overview and Scrutiny Comments/Recommendations

6. Overview and Scrutiny Committees will consider the draft budget and MTFP proposals in their January 2017 cycle of meetings and comments will be included in the final Budget report to be presented to Council at its 7 February 2017 meeting.

Issues

7. The Medium Term Financial Plan (MTFP) is intended to set out a sustainable and affordable financial plan that addresses the Council's priorities over the next four years. It should provide for realistic levels of spending, not dependent upon the use of one-off reserves. It should provide for a prudent level of reserves for contingencies.
8. The draft Budget for 2017/18 sets out the Council's finances and identifies the efficiencies required to produce a balanced budget in the light of the ongoing reduction in funding from Government and other pressures (excluding the Adult Social Care changes announced in the Provisional Local Government Financial Settlement). £15.2M of efficiencies are identified for 2017/18.
9. The draft Capital Programme is included elsewhere on the Agenda. However, the revenue implications of the draft Capital Programme are reflected in the proposals contained in this report.
10. A separate report in respect of the Housing Revenue Account (Landlord Services Business Plan) is also presented to this Executive.

Reasons for decision

11. To enable consultation on the draft Budget 2017/18 and Medium Term Financial Plan 2017-2021, prior to final recommendations being made by the Executive to Council on 7 February 2017.

Council Priorities

12. The Council approved the Medium Term Financial Plan (MTFP) for 2016/17 to 2019/20 in February 2016. The MTFP has been updated and extended to 2020/21 and an initial draft Budget for 2017/18 prepared, reflecting new cost pressures and offsetting efficiencies. (It excludes the Adult Social Care changes announced in the Provisional Local Government Financial Settlement.)
13. The Council's priorities are:
 - Enhancing Central Bedfordshire.
 - Great resident services.
 - Improving education and skills.
 - Protecting the vulnerable; improving wellbeing.
 - Creating stronger communities.
 - A more efficient and responsive Council.

These priorities are reflected in the budget proposals included in this report.

Corporate Strategy and Background to the Budget Setting Process

14. In February 2016 the Council approved the 2016/17 Budget and Medium Term Financial Plan to 2019/20.
15. Last year, 2016/17, was the first time for a number of years that the Council increased Council Tax which was as a result of a change in Central Government policy in the way in which Local Authorities are funded (see Paragraph 78).
16. Prior to that, the Council has generated savings of more than £104M in order to avoid the necessity of increases in Council Tax whilst protecting front line services. It has managed to achieve this by adopting a whole Council approach to robust budget management, delivering more efficient ways of working and ensuring that the Directorate and Service priorities are clearly identified and resourced.
17. As part of the MTFP process for 2017/18 – 2020/21 in developing the strategy for efficiencies over the next four years, the Council developed both a thematic approach and also a focus on key specific issues.

18. The themes the Council is looking to address during this MTFP period are:
 - Delivering operating efficiencies including through digitisation (those things that are essentially internal arrangements and will not impact adversely on the public. This includes internal restructures).
 - Generating income (some based on capital investments).
 - Intervening early to reduce demand (where we are looking to reduce the need to provide a service by prevention actions “upstream”).
 - Determining the Council’s offer (areas where we are looking to limit the Council’s financial exposure but in some cases residents could opt to make their own contributions to “top up” the service they receive).
 - Withdrawing services where the continued need for them is not apparent.
19. In addition to those themes, the Council also focussed on a number of specific issues and used internal resource which was released for three months on secondment to undertake a series of reviews.
20. Those reviews (known as the MTFP Workstreams covered the following areas):
 - Shared services (working more effectively with partners).
 - Financial transactions (process efficiencies and realigning responsibilities).
 - Recruitment (new emphasis on internal opportunities).
 - Waste (changing residents’ behaviour).
 - Commissioning (joint approach with partners / directorates).
 - Learning and Development (unified approach across the Council).
 - Income from assets (invest to save projects).
 - Digitisation (looking at automating key processes)
 - Customer Pathways (reviewing the ways in which customers interact with the Council).

21. The workstream approach has yielded direct savings opportunities which can be built into the MTFP now and there are further opportunities which can be developed in the coming years.
22. Spin off benefits include identifying and freeing up talent within the organisation to look at areas outside their existing knowledge and experience. This process also stimulated some fresh thinking about our operating model and the opportunities presented by digitisation.
23. The outputs from both the thematic approach and the MTFP workstreams were fed into the Budget Strategy Review process.

Budget Strategy Review Process

24. The Budget Strategy Review Process for 2017/18 built on that adopted in prior years with a series of “Budget Strategy Reviews” at an early stage. Given the ever increasing pressures on local authority finances, this year a greater emphasis was placed on planning for the whole 4 year period of the MTFP. For this year this was mainly conducted at Assistant Director (AD) level. This process was refined following input from Senior Management across the Council and key stakeholders. ADs were requested to present their budget in detail covering the full four years of the MTFP. Both the key themes and MTFP workstreams were integrated with the Budget Strategy Reviews.
25. The outcome of these reviews have been reflected in the budget efficiencies shown at Appendix D(ii).
26. As per last year, the Capital Programme was also included in the Budget Strategy Review process, the two (i.e. revenue and capital plans) being run concurrently. The MTFP workstreams also provide input to a number of capital schemes. There was an increased focus on what drives costs, and the degree to which these can be controlled, together with a rigorous approach to reviewing pressures & efficiencies. Focus was on the major challenges and opportunities facing the Council over the four years to 2020/21.
27. The Capital Programme was also built up thematically. More detail is contained in the draft Capital Programme, also on the same agenda, but in summary, those themes are:
 - Replacing and renewing operational assets.
 - Investing to save.
 - Capturing the benefits of growth for all.
 - Protecting and enhancing Central Bedfordshire.
 - Responding to new opportunities.

Budget Context

Political

28. The MTFP has been updated against a background of significant challenges. On the 23rd June 2016, the United Kingdom (UK) voted to leave the European Union (EU). At the time of this report, the required process to trigger the UK leaving the EU (Article 50 of the Treaty on European Union) has not been invoked although the Government has issued a statement that it will start the formal process by March 2017.
29. Once Article 50 is invoked, the exit process is expected to last for up to two years although the political and economic ramifications will probably be felt for many years.
30. The longer term implications of leaving the EU are uncertain at this time. The Council will need to keep a careful eye on developments as the process evolves.

Autumn Statement and Spending Review 2015

31. During last year's Autumn Statement, the former Chancellor also advised that councils will retain 100% of Business Rates receipts as a sector and a number of grants would be phased out to deliver a financial package for local government that overall would be cost neutral. The Business Rate levy on growth would also be abolished. The details of this are still not yet clear and changes to the current system are not expected until c.2020 and will be subject to consultation. Some redistributive elements of the Business Rates system are likely to remain. Of particular significance is what additional responsibilities will be allocated to councils as a result of the changes to the financing of local government. At present this is still unclear.
32. The former Chancellor also announced two other major changes :
 - A National Living Wage was introduced from April 2016 setting a national minimum of £7.20 per hour for people aged 25 years and over, rising to £9.00 per hour by 2020.
 - Rents in the social housing sector would reduce by 1% a year for four years (commencing in 2016/17) which has been factored into the updated Housing Revenue Account (HRA) plan but of itself represented a significant change in policy.
33. The former Chancellor also announced the impact of the review on local authority spending (for current responsibilities) at a national level. Detail at individual local authority level was issued in late December 2015.

34. Other major announcements included:
- RSG to be phased out by 2019/20.
 - The introduction of an option to raise a 2% Council Tax Precept to help fund Adult Social Care. This was not one off and would be 2% compounded per year. This is entirely separate from a general increase in Council Tax, where the referendum cap is still 2%.
 - New Homes Bonus will be reviewed and possibly restricted to 4 years (currently 6 years). The Government response to an earlier consultation is still awaited (see Financial Settlement paragraph 47)
 - An apprenticeship levy will be set at 0.5% of an employer's pay bill for companies with payrolls over £3M. This levy will cost CBC £0.450M (including Schools), commencing in 2017/18.
35. The Financial Settlement which followed in December 2015 also introduced the offer of a four year Certainty Deal (also called Efficiency Plan). Authorities were invited to submit an application for a deal which would fix the level of Settlement Funding to those advised at December 2015. This effectively only relates to the Revenue Support Grant (RSG) element of the Settlement.
36. CBC's application for the four year deal was accepted. The Draft Budget currently assumes the RSG levels as advised last year which have now been confirmed in the Provisional Financial Settlement of December 2016.

Autumn Statement 2016

37. On 23 November 2016 the Chancellor of the Exchequer, Phillip Hammond MP, announced the Autumn Statement 2016. This was the first economic statement given by the Government since the vote to leave the European Union.
38. Although we await the Financial Settlement expected in mid December 2016 which will provide detail at an individual local authority levels, the key issues that were covered in the Autumn Statement include:
39. A National Productivity Investment Fund (NPIF) - A new fund targeted at 4 areas that are critical for improving productivity: housing, transport, digital communications, and research and development (R&D). The NPIF will take total spending in these areas to £170bn over the period from 2017-18 to 2021-22, reaching 1.7% of GDP in 2021-22. The new spending includes:

- £7.2Bn to support the construction of new homes, including spending by Housing Associations.
 - £4.7Bn on science and innovation.
 - £2.6Bn to tackle congestion and improve transport networks.
 - £0.7Bn to support the roll out of full-fibre connections and future 5G communications.
 - An additional £1.1Bn by 2020-21 in new funding to relieve congestion and deliver upgrades on local roads and public transport networks. On strategic roads, an extra £220M will be invested to tackle key pinch-points. The government will recommit to the National Roads Fund announced at Summer Budget 2015.
40. National Living Wage – Following the recommendations of the independent Low Pay Commission, the National Living Wage (NLW) will increase by 4.2% from £7.20 to £7.50 from April 2017.
41. Local Infrastructure - Local Growth Fund. An allocation of £1.8bn to Local Enterprise Partnerships (LEPs) across England through a third round of Growth Deals including £556M to the North of England, £392M to the midlands, £151M to the east of England, £492M to London and the south east, and £191M to the south west. Awards to individual LEPs will be announced in the coming months.
42. Business Rates - Full fibre infrastructure relief - A new 100% business rates relief for new full-fibre infrastructure for a 5 year period from 1 April 2017
43. Rural rate relief – To remove the inconsistency between rural rate relief and small business rate relief the government will double rural rate relief to 100% from 1 April 2017.
44. Revaluation – The Chancellor announced that DCLG “Will lower the transitional relief cap from 45% next year to 43%, and from 50% to 32% the year after”. This discretionary relief is fully funded through Section 31 grants.
45. Changes to the financial statements - To promote certainty and simplicity within the tax system, the government intends to move towards having a single major fiscal event each year. In 2017 two budgets will be delivered in Spring and Autumn.

46. From 2018 onwards only one Budget will be delivered in Autumn. The Office of Budget Responsibility (OBR) will continue to produce a Spring forecast and the government will make a Spring Statement responding to that forecast. However, the government will retain the option to make changes to fiscal policy at the Spring Statement if the economic circumstances require it.

Provisional Financial Settlement December 2016

47. The key issues arising from the Provisional Financial Settlement include:
- Confirmation of the 2.00% Council Tax referendum principle.
 - Confirmation of an additional 2% adult social care precept and ability to raise the adult social care precept to 3% in 2017-18 and 2018-19 but no more than 6% over the next three years.
 - A reduction in Revenue Support Grant of £9.6M as identified in last years settlement and following the successful application by CBC for the Four Year Certainty Deal.
 - A reduction in the number of payment years for the New Homes Bonus from 6 years to 5 years in 2017-18 and to 4 years in 2018-19. Bonus will also only be paid above a 0.4% housing growth baseline.
 - Consultation on further New Homes Bonus reforms in 2018-19.
 - Savings from NHB will be allocated to local authorities as the £241M (national) £0.689M (CBC) Adult Social Care Support Grant based on the adult social care relative needs formula. This is one off funding.
 - Confirmation of the 2017/18 Transitional Funding advised last year
 - Confirmation of the NNDR baseline for CBC.
48. As mentioned previously, the Adult Social Care changes announced in the Financial Settlement are not yet been included in the draft Budget. RSG and Transitional Funding is in line with our planning assumptions based on the Certainty Deal.

Social

49. There are significant social and economic drivers of change within Central Bedfordshire across the medium term and beyond, particularly:

- Central Bedfordshire's population has increased at a faster rate than nationally at 17.3% since the 2001 census and a further 7.6% increase is forecast between 2015 and 2021.
- Population growth will be highest in the 90 + age group, 38% growth by 2021. Significant growth is also anticipated in the 85+ age group of 33% and 65 + age group of 18%.
- Continuing increased numbers and complexity of demand for unaccompanied asylum seeking children (USAC). CBC is experiencing the second highest numbers (proportionately) of UASC in the Eastern Region as a result of the service station at Toddington which is a major stopping point for Heavy Goods Vehicles that arrive from the continent.
- Schools moving to Academy status and out of local authority control. We expect to maintain a mixed economy of maintained schools, academies and free schools.
- Additionally, technological change is having a profound impact on the delivery and public access to services; this is reflected in use of the internet and social media.

Budget Objectives

50. The principal objectives of the 2017/18 Budget have been:
- To produce a sustainable plan which allows Council priorities to be delivered;
 - Realistic spending year on year not dependent on reserves;
 - Reserves maintained at, or above, an agreed minimum prudent level which reflects the risks faced by the Council;
 - Cuts to front line services to be avoided; and commitment to efficiency as a means of delivering savings.

Economic Outlook

Inflation

51. The November 2016 Quarterly Inflation Report issued by the Bank of England advised that inflation as measured by the Consumer Price Index (CPI) is projected to rise above the 2% target within the next twelve months, and the fall in sterling since the referendum suggests inflation could reach 2.7% in 2018. The most recent official figures for November 2016 showed that CPI is running at 1.2% (12 month average) compared to 0.9% in October 2016.

52. The Bank does not expect inflation to return to its 2% target until 2020.
53. Others see a more dramatic move higher in inflation. The National Institute for Economic and Social Research said it expected inflation to quadruple to about 4% in the second half of 2017. The think tank also warned that prices would "accelerate rapidly" during 2017 as the fall in sterling is passed on to consumers.

Economic Growth and Unemployment

54. The Bank increased its prediction for economic growth from 0.8% to 1.4% 2017, but cut the 2018 forecast from 1.8% to 1.5% (note the Autumn Statement cites growth of 1.4% for 2018 picking up to 1.7% the following year).
55. Unemployment is expected to remain stable and is currently at 4.9% nationally (June to August 2016 figures).
56. The Bank of England now thinks the impact of the Brexit vote will be felt later than expected.

Interest Rate Implications

57. The Council's treasury management advisers, Arlingclose Ltd, do not expect the Bank of England to raise its base rate from its current level of 0.25% over the next three years given the weakness of global growth and a low risk of inflation.
58. The Council is exposed to risk in terms of interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For example, a rise in interest rates would increase the revenue cost of borrowings at variable rates. The Council has a number of strategies for managing interest rate risk and aims to keep a maximum of 50% of its borrowings in variable rate loans.
59. With short term interest rates being much lower than long term rates, it continues to be more cost effective in the short term to use a combination of internal resources and short term borrowing, rather than undertake further long term borrowing. By doing so, the Council is able to minimise net borrowing costs and reduce overall treasury risk.
60. Revenue implications of the draft Capital Programme have been calculated on the assumption that new borrowing will largely be taken on a short term basis, taking advantage of current low interest rates. Council borrowing has traditionally been obtained from the Public Works Loan Board (PWLB).

However in the current market, public authorities are lending to each other at rates below the PWLB for short term periods and the inclusion of these rates coupled with revised assumptions in respect of future increases in UK base rates has lowered the projected revenue implications of the draft Capital Programme over 2017/18 to 2020/21. In years 3 and 4 of the MTFP an assumption has been made that some borrowing will be taken at fixed interest rates.

61. The rate of interest used is important in determining the revenue implications of borrowing arising from the draft Capital Programme. Importantly, the assumed borrowing costs over the period of the MTFP are particularly sensitive to any unexpected increases in interest rates. Table 1 below demonstrates the impact on the MTFP of interest rates above those assumed in the Plan.

Table 1 - Additional costs over the Medium Term Financial Plan period of an unexpected increase in the interest rate

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
1% Point Higher	1,120	1,430	1,620	1,710
2% Points Higher	2,240	2,860	3,240	3,420

62. There is a risk that interest rates may be higher than current rates when it comes to refinancing debt taken out on a short term basis. This would lead to higher revenue implications arising from the draft Capital Programme over the longer term within and beyond the current MTFP period. Conversely, higher interest rates might reduce the Council's net pension liability which would be reflected in the triennial assessment of employer's contributions by the Local Government Pension Scheme Fund Actuary.
63. The Council's MTFP assumes variable interest rate forecasts as follows in table 2:

Table 2

	2017/18	2018/19	2019/20	2020/21
Rate %	0.50%	0.50%	0.50%	0.63%

64. The Council reviews its Treasury Management Strategy annually and monitors financial markets on an on-going basis. It is possible that, based on market conditions, the Council may choose to borrow at a fixed rate of interest to reduce exposure to variable debt. However, fixed interest rates are higher than variable rates and any decision to fix more debt in the short term would adversely impact revenue implications within the MTFP period.

Budget 2017/18 Consultation

65. The Council has a responsibility to consult with residents and businesses on its draft Budget.
66. Each year the Council conducts a consultation on the budget proposals, in advance of decision making in February.
67. The Council has a track record of having regularly sought feedback from residents both on the specific Medium Term Financial Plan proposals and on more general perceptions of the Council. The most recent resident survey confirmed that a majority of residents agree that the Council is delivering Value for Money (58% which is 6% above the national average) and an increasing proportion of respondents regard the Council to be efficient and well run (56% which is an increase of 9% over the past two years). Although the proportion of respondents who believe residents can influence decisions is somewhat lower at 39%, this response marks a 5% improvement over the past five years.
68. This consultation is planned to launch in early January and will comprise online and paper questionnaires, promoted to residents through a mixture of social and conventional media initiatives. Key stakeholder groups will also be targeted for promotion, including Town and Parish Councils, the Council's Equality Forum, Youth Parliament the business community (see paragraph 68) and Older Person's Forum.
69. Following the conclusion of the budget process for 2017/18, communication about the final decisions and implications for residents will take place through a range of communications, including a household leaflet that will be delivered with the Council Tax notices in Spring 2017.

Consultation and Communication

70. The planned consultation process and timelines are as follows:
71. Budget Consultation:
 - Sign off consultation questionnaire, supporting documentation by the 22 December 2016.
 - Consult 4 January 2017 – 30 January 2017.
 - Feedback will be invited via an online survey, hard copies of which will also be made available in service outlets and promoted through a range of media outlets and channels.
72. Full results will be presented to 7 February 2017 Executive.

73. A plan for consultation with businesses has also been drawn up which includes;
- Email bulletins on the Budget Consultation via our 'Lets Talk Business' e-newsletter (a 'Coming Soon' email in December, followed by a 'Consultation now live' in January).
 - Details of the consultation posted on the CBC Business Support webpages.
 - An article on the budget consultation included in the local B2B newsletter (bimonthly).
 - Promotion through the local Federation of Small Business and Chamber of Commerce.
 - An invitation to businesses for CBC to join any face to face network meetings they (the businesses) may hold to present the budget and invite feedback.
74. Depending on the nature of the budget proposals, further and more targeted consultation will be required with groups (residents or businesses) directly affected by any anticipated changes.

Budget Assumptions

75. The MTFP has been prepared taking account of various scenarios with input from the Local Government Association model and also a model provided by LG Futures. However, the proposed MTFP does not yet reflect the Adult Social Care changes announced in the Provisional Local Government Financial Settlement.
76. The following assumptions have been applied in producing the Medium Term Financial Plan.

2015/16 Forecast Outturn

77. Based on the current forecast, this draft Budget assumes 2016/17 outturn will be on budget.

Funding

78. Revenue Support Grant (RSG)
- Last year's Financial Settlement made an offer to Councils to seek agreement to a Certainty Deal that effectively fixed RSG for the current MTFP. As mentioned in paragraph 35, CBC's application was accepted and the current assumption was confirmed in the Financial Settlement.

- This resulted in a reduction of RSG from £20.5M in 2016/17 to £9.5M in 2017/18, £5.9M in 2018/19 and zero thereafter.
- The current national proposals concerning 100% retention of business rates assume that the removal of RSG would be compensated by local retention of Business Rates. But what additional responsibilities may be allocated to councils is not yet clear.

79. Council Tax

- During the last Financial Settlement, DCLG radically changed the way in which Councils are funded by introducing a Comparative Spending Power approach.
- Fundamental to the calculations that see a significant reduction in RSG and its subsequent removal, is the expectation that CBC will increase Council Tax charge by 1.75% (based on OBR forecast for CPI at that time) per year on average over the life of the MTFP, and also increase by 2.0% to provide funding for Adult Social Care. General fund Council Tax increases of 1.75% in 2017/18 and 1.55% thereafter are proposed in this MTFP.
- The Council Tax base for 2017/18 has grown by 2.25% as a result of housing growth within Central Bedfordshire and also a reduction in the number of claimants of Local Council Tax Support (LCTS).
- For future years, there is an assumption that the tax base will increase by 1.75% per annum as a result of housing growth and also an increase of 0.1% per annum as a result of fewer people claiming LCTS and therefore they are due to pay the full rate of Council Tax. The combined assumption is a continuation of a 1.85% tax base increase per annum.
- Therefore over the MTFP period Council Tax funding is forecast to rise from £143.0M in 2017/18 to £162.4M in 2020/21.

80. Retained Business Rates

- Business Rates growth has been forecast as a result of new businesses being attracted into the Central Bedfordshire area. Additional business rates income of: £3.0M in 2017/18, £0.8M in 2018/19, £1.5M in 2019/20 and £2.5M in 2020/21 has been included in the MTFP.
- The Business Rates figure in 2017/18 is reduced as a result of a Collection Fund deficit (£0.585M), which because it is one off, reverses in 2018/19 increasing that year's income from business rates. Thereafter the Collection Fund impact is assumed as zero.

- The Council receives a Section 31 Grant each year as compensation for the Government decision to cap NNDR increases at 2% rather than the full RPI increase due, amongst other factors. This mitigates the deficit referred to above.
- It is currently assumed that a similar level of this grant will be received in each of the following financial years
- The draft Budget includes the following amounts of s31 Grant: 2017/18 £1.9M, 2018/19 to 2020/21 £1.6M per annum.

Business Rates Review

81. The Business Rates Retention scheme was introduced in 2013/14. Current forecasts for this suggest that Central Bedfordshire will exceed the “Baseline Funding Level” set by Government for the year 2016/17 and hence be able to retain a small element of growth. However, given the uncertain nature of this income, including potential appeals and bad debts, only specific known growth of income has been forecast for 2017/18. For the remaining three years an element of growth has been added, based on modelling work of future developments.
82. As mentioned previously, the 2015 Autumn Statement announced that a review of the structure of business rates will be carried out by the Government, reporting by Budget 2016 (still awaited). The review will be fiscally neutral and consistent with the Government’s agreed financing of local authorities at national level.
83. The timing of the introduction of changes resulting from this review is not known as yet, but is likely to be at the end of this MTFP period, c.2020.

2017 Business Rates Revaluation

84. In October 2014 the Government introduced a new Growth and Infrastructure Bill into the House of Commons which included measures to postpone the next business rates revaluation in England from 2015 to 2017.
85. The Revaluation which comes into effect for the financial year 2017/18 is expected to be fiscally neutral as DCLG will use the Tarrif/Tops Up system to equalise any impact on a national basis.

New Homes Bonus (NHB)

86. There is considerable uncertainty about the future of the NHB scheme.
 - DCLG recently consulted on a number of proposed changes to the way in which NHB is administered and awarded.

- The Provisional Financial Settlement confirmed a reduction in the number of payment years for the NHB from 6 years to 5 years in 2017/18 and to 4 years in 2018-19. In addition, NHB will also only be paid above a 0.4% housing growth baseline.
- Previously the MTFP has assumed NHB at the 2014/15 level of £6.9M and any growth above this baseline since then has been held in an Earmarked Reserve (EMR) to be used to fund infrastructure costs incurred as a result of growth, or to generate income streams (access to the reserve is subject to an approved business case where appropriate).
- In anticipation of further changes to NHB funding, the revised MTFP assumes NHB at £6.9M for 2017/18 and 2018/19 and then the loss of NHB over the last two years of the MTFP (£2.3M in 2019/20 and £4.6M in 2020/21).
- Any NHB actually earned during the life of the MTFP above the current baseline of £6.9M will still go to the NHB EMR.

Expenditure

87. Economic

- For 2017/18, non pay inflation is allocated to Directorates on a contract by contract basis. For the following three years this is then increased in line with the latest Office of Budget Responsibility inflation projections (3.0% 2018/19, 3.2% 2019/20 and 3.3% 2020/21).
- Pay is assumed at 1% for all years of the MTFP. The additional impact of the National Living Wage (NLW) for Council employees is £158K in 2017/18, £187K in 2018/19, £259K in 2019/20 and £382K in 2020/21.
- Provision has also been made for the pensions impact of the triennial actuarial review.
- Other increases in costs due to legislative changes announced as part of the Emergency Budget in July 2015 are estimated at c£1.2M per year over the life of the MTFP.
- Provision has been made in the latter years of the MTFP for a more general impact of inflation being higher than the specific provisions made above.

88. Financial

- General Fund Reserves remain at the 2015/16 level of £15.5M.
- A detailed analysis of reserves is at appendix G.

89. Contingency

- The contingency within the budget remains at £2.1M. A contingency at this level is considered appropriate taking into account risk, the level of savings proposed and difficulties in achieving targets (some of which involve significant organisational change) – including uncertainties over future funding. Holding a contingency within the approved budget provides in-year flexibility to respond to any unanticipated developments. It must also be assessed alongside the level of General Fund reserves.

Better Care Fund (BCF)

90. Last years Settlement confirmed the continuation of the Better Care Fund (BCF) and increase in funding for adult social care (paid for by a reduction to NHB) through the BCF worth £1.5Bn by 2019/20. In the interim years, the additional funding through the BCF will be worth £105M in 2017/18 and £825M in 2018/2019.
91. The Government has proposed to distribute this funding so that the grant acts as a method of equalising the relative needs for social care services and the maximum possible impact of the social care council tax precept. This would lead to some social care councils receiving no additional BCF money.
92. For CBC the expected additional funding totals £0.618M in 2018/19 (as advised in last year's Settlement).
93. The introduction of the BCF has marked an important change in how care and health interact within a place. The fact that the nationally mandated £3.8Bn BCF in 2015/16 was increased by an additional £1.5Bn from local care and health budgets demonstrates that local areas are ambitious about integration
94. Last years Settlement confirmed that there were no changes to the amounts available through the Improved Better Care Fund.

Education Services Grant (ESG)

95. Local authorities currently receive funding from the government for their responsibilities for schools from two different funding streams – the Dedicated Schools Grant (DSG) funding that is held centrally by the local authority and the retained duties element of the ESG.

The Government is proposing to bring these two funding streams together into a new fourth block of the DSG the 'central schools block', distributed on a simple per-pupil formula. Centrally retained DSG is not currently allocated on a formulaic basis.

96. The Government has announced the new funding scheme will now not apply until 2018/19. However, an announcement that the DSG baseline for 2017/18 is to include 'Transferring ESG retained duties funding, total £117M, in to the DSG schools block from 2017/18' suggests that the Government's intention is to bring these two funding streams together. No further detail has been provided in relation to the councils' statutory responsibilities or transitional arrangements for the removal of the ESG general funding rate for academies and local authorities. We await a second consultation.
97. The Government has made it clear that the expectation is that local authorities will step back from running school improvement from September 2017 and therefore will not require funding for this function.
98. CBC currently receives £2.1M of ESG and under these proposals would lose £1.5M from September 2017. The impact on the MTFP is therefore a pressure of £0.875M in 2017/18 and £0.625M in 2018/19 as the Grant follows the school academic year rather than the Council's financial year. These pressures have been factored into the MTFP.
99. The actual ESG allocation for 2017/18 is not expected to be announced until the 20th December 2016 (after publication of this paper) and so any changes will need to be reflected in the Final budget paper in February 2017.
100. The Government has suggested the second stage of the consultation (announced in December 2016) will include additional duties which are to be removed or reformed to support the move to a school-led system and help with managing the savings (loss of ESG). The Government recognises that local authorities will need to use other sources of funding to pay for education services once the general funding rate has been removed.
101. The proposal is to allow local authorities to retain some of their maintained schools' DSG to cover the statutory duties that they carry out for maintained schools. This would need to be agreed by the maintained school members of the Schools Forum (assuming current regulations will apply).

Public Health 0 to 19 Children

102. From the 1st October 2015, responsibility for the commissioning of 0 to 5 year old children's public health services transferred from NHS England to Local Government. CBC already had responsibility for 6 - 19 Public Health for Children.

103. The 0 to 5 children's public health commissioned service currently includes the Healthy Child Programme provided predominantly by health visitors and the Family Nurse Partnership (FNP) targeted services for teenage mothers.
104. This transfer was initially fully funded by an increase to the Public Health Grant. The full year cost for 2016/17 was £3.8m. However, the 0 to 5 children's public health service was included in the grant that was subject to a 6.2% in year reduction (£1.0M in 2017/18) across all aspects of Public Health. This is not expected to impact the net budget position.
105. Spending plans for 2017/18 to 2020/21 will be reduced in order to operate within the limit of the revised Public Health Grant.

Medium Term Financial Plan (MTFP)

106. The key elements of the draft MTFP for 2017/18 to 2020/21 are shown at Appendix B. Table 3 shows a summary of this plan. Note both the table and the appendix exclude the Adult Social Care changes announced in the Provisional Local Government Financial Settlement.

Table 3 Medium Term Financial Plan

Medium Term Financial Plan	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m
Funding				
Revenue Support Grant	10.6	4.7	0.0	0.0
Retained Business Rates	34.3	36.4	37.7	41.2
Council Tax	143.0	146.0	154.0	162.4
Use of / Contribution to Reserves	(0.9)	(0.6)	(1.5)	(1.6)
Transitional Funding	2.2	0.0	0.0	0.0
Renewable Energy NNDR	0.4	0.4	0.4	0.4
Total Funding	189.6	186.9	190.6	202.4
Revenue Budget				
Opening Base Net Revenue Budget	189.2	189.6	189.3	191.1
Inflation	2.4	2.5	2.6	2.6
Pressures	13.2	8.0	13.5	18.7
Revenue Budget before efficiencies	204.8	200.1	205.4	212.4
Efficiency Savings identified	(15.2)	(10.7)	(11.9)	(8.6)
Closure of prior year gap	0.0	0.0	(2.5)	(0.5)
Total Revenue Budget after efficiencies	189.6	189.3	191.1	203.3
Budget Gap/ (Surplus)	0.0	2.5	0.5	0.9

(Note – Any minor rounding differences are due to linking to detailed spreadsheets. For more detail see appendices).

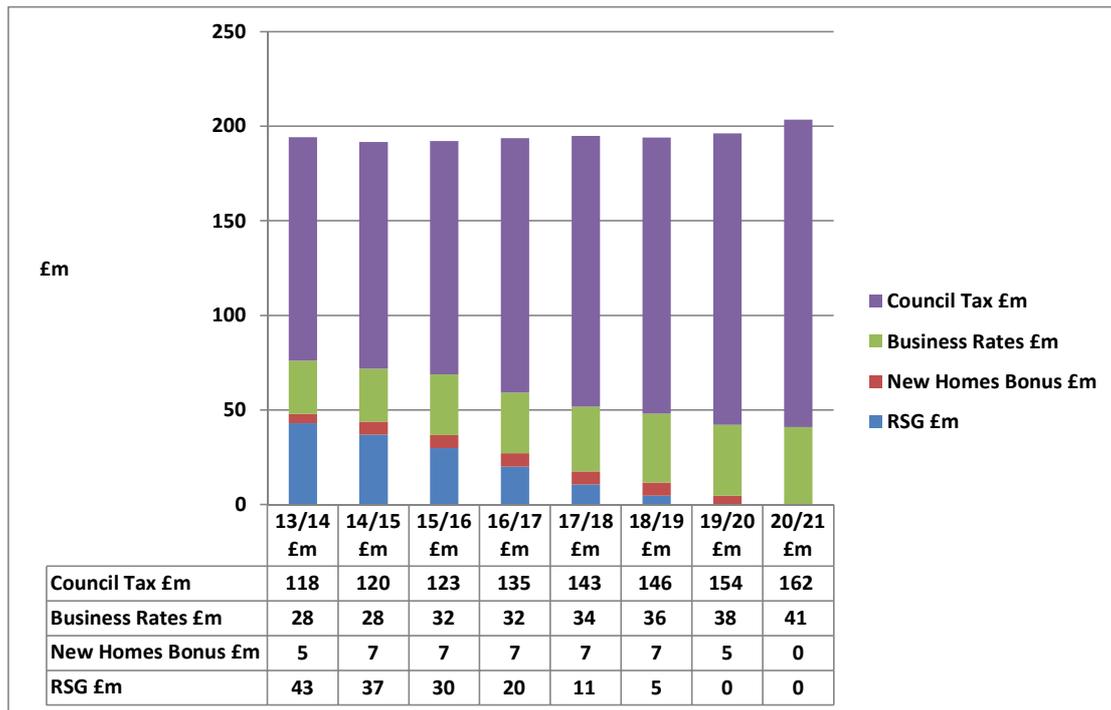
Funding Sources

107. The Council's funding from Government over the MTFP period comprises three elements:
 - Revenue Support Grant (RSG) – two years only.
 - Business Rates Retention Scheme and
 - Grants, including Ring Fenced Grants & New Homes Bonus

108. Local Government funding sources are forecast to change significantly over the Medium Term Financial Plan period 2017/18 to 2020/21.

109. Figure 1 below shows how funding sources are forecast to change over the MTFP period, with 2013/14 to 2015/16 as comparators.

Figure 1 – CBC Revenue budget Funding Sources Projection

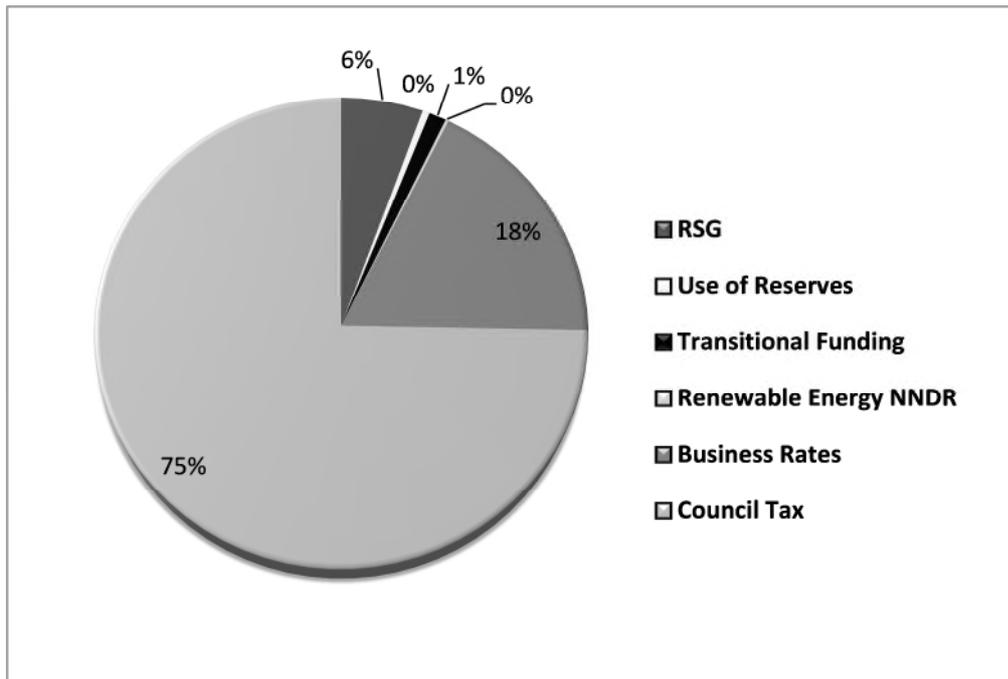


110. The above graph, which excludes the Adult Social Care changes announced in the Provisional Local Government Financial shows that over the MTFP period:

- The Council Tax element increases from approximately 74% of total funding in 2017/18 to 84% by 2020/21.
- Business Rates Retention increases from 18% in 2017/18 to 21% in 2020/21.
- New Homes Bonus reduces from 4% in 2017/18 to zero by 2020/21.
- Revenue Support Grant decreases from 5% in 2017/18 to zero in 2019/20.

111. The 2017/18 draft net revenue budget funding sources are shown in Figure 2.

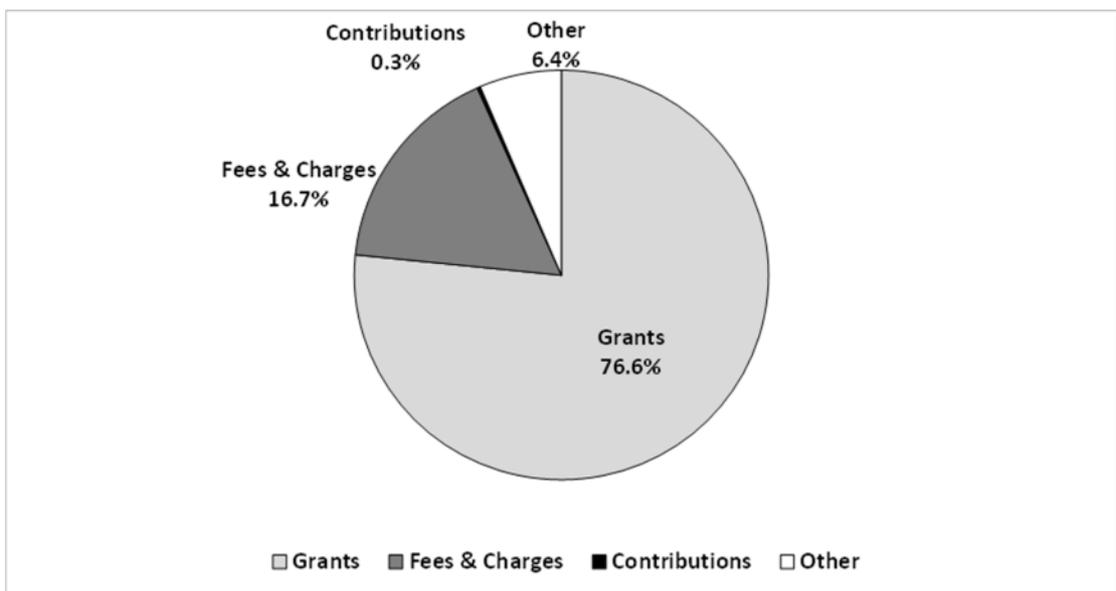
Figure 2 – 2017/18 Draft Net Revenue budget income sources



Gross Budget Income Sources

112. Figure 3 below shows the 2017/18 Gross revenue budget income sources (note this is mainly grant income and does not include RSG, Council Tax etc.)

Figure 3 – Estimated 2017/18 Gross budget income sources



Fees and Charges

- 113. For the majority of services there will be a 1% increase for 2017. Fees & Charges for 2017 were subject to a separate report which was approved by Council in November 2016.
- 114. New prices for Social Care Health & Housing are due to be taken to Council in February 2017, as changes take effect from April 2017 in line with benefits changes.

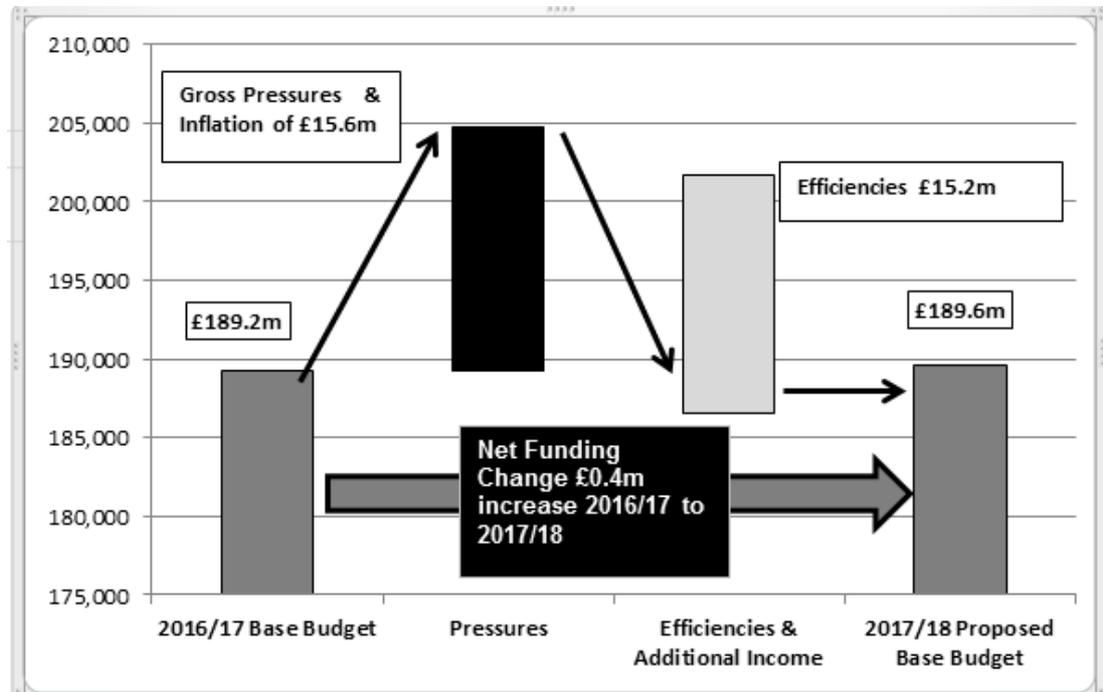
Grants

- 115. A detailed analysis of grant income will be provided as an appendix to the final budget report due to Council in February 2017.

Expenditure Budget Detail

- 116. Figure 4 below which excludes the Adult Social Care changes announced in the Provisional Local Government Financial Settlement reflects the change in Council's cost base.

Figure 4 Summary of changes to CBC's Net Expenditure Budget 2016/17 to 2017/18



(Notes – Any minor rounding differences are due to linking to detailed spreadsheets.)

- 117. The information in figure 4, above, is broken down by Directorate in table 4 below.

Table 4 2017/18 Net Expenditure Budget breakdown by Directorate

Medium Term Financial Plan	Net Base Expenditure Budget	Inflation	Unavoidable Cost Pressures	Efficiencies	Net Base Expenditure Budget 2017/18
	£m	£m	£m	£m	£m
Social Care, Health & Housing	69.3	1.0	7.3	(4.1)	73.5
Children's Services	36.4	0.2	1.7	(2.3)	36.0
Community Services	47.4	0.9	0.7	(3.6)	45.5
Regeneration and Business Support	5.1	0.1	0.0	(0.6)	4.6
Public Health	0.0	0.0	1.0	(1.0)	0.0
Chief Executive's Team	7.4	0.1	0.4	(0.9)	6.9
Resources	11.7	0.1	0.3	(1.4)	10.7
Capital Financing Costs	13.9	0.0	0.7	0.0	14.6
Corporate Costs	(2.2)	0.0	1.1	(1.3)	(2.4)
Total	189.1	2.4	13.2	(15.2)	189.5

Efficiencies

118. £44.3M of the £46.5M of efficiencies during the period of the MTFP have been identified and in addition there are budget gaps of £3.9M between 2018/19 and 2020/21. The efficiencies are shown at Appendices D(i) and D(ii). A summary of these is shown below in Table 5 and Table 6.
119. Paragraph 18 highlighted the key themes identified within the budget strategy. The themes encapsulate the Council's approach to delivering efficiencies whilst maintaining the outcomes from services delivered. Table 5 below groups the efficiencies by these themes.

Table 5 Medium Term Financial Plan Efficiencies by Category

Ref	Category	2017/18	2018/19	2019/20	2020/21	Total
		£m	£m	£m	£m	£m
A	Delivering operating efficiencies	(7.9)	(4.5)	(4.3)	(1.9)	(18.7)
B	Determining the Council's offer	(2.1)	(1.6)	(1.5)	(3.8)	(9.0)
C	Withdrawing services	(0.4)	(0.1)	(0.7)	0.0	(1.3)
D	Intervening early to reduce demand	(2.7)	(3.1)	(3.0)	(2.0)	(10.9)
E	Generating Income	(2.0)	(1.4)	(2.4)	(0.8)	(6.6)
Total		(15.2)	(10.7)	(11.9)	(8.6)	(46.5)

120. These are included within the Directorate efficiencies as detailed in Appendix D (ii).
121. Table 6 below shows the breakdown of allocated efficiencies by Directorate.

Table 6 Efficiencies by Directorate 2017/18 to 2020/21

Efficiencies	2017/18	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m	£m
Social Care, Health & Housing :					
Identified	(4.1)	(3.7)	(5.0)	(3.0)	(15.8)
Yet to be identified	0.0	0.0	0.0	(2.2)	(2.2)
Children's Services	(2.3)	(1.7)	(2.0)	(1.8)	(7.9)
Community Services	(3.6)	(2.3)	(2.0)	(0.9)	(8.8)
Regeneration and Business Support	(0.6)	(0.2)	(0.4)	(0.2)	(1.4)
Public Health	(1.0)	(0.8)	(0.7)	(0.2)	(2.8)
Chief Executives Team	(0.9)	(0.3)	(0.2)	0.0	(1.4)
Resources	(1.4)	(0.7)	(0.5)	(0.1)	(2.7)
Corporate Costs	(1.3)	(1.1)	(1.1)	(0.1)	(3.5)
Total	(15.2)	(10.7)	(11.9)	(8.6)	(46.6)

(Note – Any minor rounding differences are due to linking to detailed spreadsheets. For more detail see the Pressures and Efficiencies appendices).

Pressures

122. A full breakdown of cost pressures is provided at Appendix C with the major items relating to:
- Increased demand for care services from an ageing population £7.7M;
 - Reduced reliance on NHB £6.9M;
 - Increased demand for adult disability services £6.2M;
 - Impact of legislative changes £5.0M;
 - Potential impact of funding changes £4.3M;
 - Financing costs of the Capital Programme £3.8M;
 - Impact of the changes to Council responsibilities as part of 100% Retained NNDR £2.0M.

Table 7 Pressures by Directorate 2017/18 to 2020/21

	2017/18	2018/19	2019/20	2020/21	Total
Pressures	£m	£m	£m	£m	£m
Social Care, Health & Housing	7.3	4.3	4.4	5.3	21.3
Children's Services	1.7	0.6	0.0	0	2.3
Community Services	0.7	0.3	0	0.3	1.3
Regeneration and Business Support	0.0	0.0	0.0	0.0	0.0
Public Health	1.0	0.8	0.7	0.2	2.8
Chief Executives Team	0.4	0.0	0.0	0.0	0.4
Resources	0.3	0.2	0.2	0.0	0.7
Corporate Costs	1.8	1.8	8.1	12.9	24.6
Total	13.2	8.0	13.5	18.7	53.4

(Note – Any minor rounding differences are due to linking to detailed spreadsheets. For more detail see the Pressures and Efficiencies appendices).

Reserves

123. One of the key budget objectives is to maintain General Fund reserves to at least a risk assessed prudent minimum level. The anticipated outturn for 2016/17 indicates a General Fund reserve position of £15.5M and so the previously identified minimum prudent level of £11.2M has been achieved. Reserve levels need to take account of the continued reductions in funding levels and significant future pressures across all forms of social care services in particular.
124. The reserves policy will be updated to ensure it accounts for these risk factors and will be presented with the final Budget report. The draft budget also includes a contingency element of £2.1M.
125. The assessment of the appropriate level of reserves is continually kept under review. See appendix G.

Risk Management

126. All budget proposals incorporate a degree of risk. Whilst the Council has a good track record of delivering the required budget savings to date, the following are highlighted as key risks within the proposals:
 - Demand: The wider impact of the current economic climate on local residents is placing further demands on the Council's services, at a time when the Council needs to reduce spending due to constraints on public expenditure.

- Reputation: If stakeholder engagement is not managed effectively, the need for the Council to take difficult decisions in response to the contraction of public expenditure will not be understood.
- Delivery: The delivery of the agreed savings proposals, including those which cut across more than one Directorate will need to be effectively managed to ensure they are realised in practice. Many require major organisational change programmes.
- Increases in the number of children and older people in care.
- Ability to achieve £15.2M savings in 2017/18 and £46.5M in total over plan period.
- Ability to collect the budgeted levels of Council Tax and Business Rates.
- Impact of Universal Credit.
- Inflationary pressures greater than assumed.
- Impact of economic volatility due to Brexit and other global developments.
- Changes to interest rates.
- Financial stability of the Health system.
- School conversions to Academies reducing Business rates.
- Risk of school deficits and redundancy costs falling to the Council.
- Uncertainty around the continuation of New Homes Bonus.
- Uncertainty over new responsibilities transferred to Local Government.
- Government announced changes to the National Living Wage commencing from April 2016. This will have significant implications for local authority costs and in particular, the care market. The Council has included estimated cost pressures in all years of the MTFP.

2017/18 Capital Programme

127. The draft Capital Programme is not included within this draft Budget report as it is subject to a separate report to Executive on this Agenda. However by way of context, the key figures within the draft Capital Programme Report 2017/18 are reflected below.

Table 8 2017/18 Capital Programme Budget (Excluding HRA)

Gross Expenditure	External Funding	Net Expenditure
£m	£m	£m
68.9	(32.4)	36.5

Table 9 2017/18 Capital Programme Funding (Excluding HRA)

Funding Source	2017/18
	£m
Gross Expenditure Budget	68.9
External Funding	(32.4)
Net Expenditure Budget	36.5
Funded by :	
Capital Receipts	(12.0)
Borrowing	(24.5)
Total Funding	(36.5)

Table 10 2017/18 Capital Programme Revenue Implications (Excluding HRA)

Minimum Revenue Provision	Interest	Total Revenue Implications
£m	£m	£m
9.0	5.6	14.6

128. Table 11 below shows the change in draft Capital Programme Revenue implications.

Table 11 Capital Programme Revenue Implications (Excluding HRA)

Year	Opening Position	Movements			Closing Position
		Interest Charges	MRP	Total Change	
	£m	£m	£m	£m	£m
2017/18	13.9	(0.3)	1.0	0.7	14.6
2018/19	14.6	0.2	0.6	0.8	15.4
2019/20	15.4	0.7	0.5	1.2	16.6
2020/21	16.6	0.8	0.3	1.1	17.7

Note: the opening position is as per the 2016/17 MTFP.

129. Minimum Revenue Provision (MRP) is the minimum amount which must be charged to the revenue account each year and set aside as provision for repaying the principal element of external loans and meeting other credit liabilities. Interest is the estimated cost of borrowing to fund the Capital Programme.

Timetable Milestones

130. The key milestones in the timetable for Council to agree its budget in February 2017 are set out in Table 12 below:

Table 12 Timetable Milestones

Date	Body	Outcome
Early January 2017	Public	Draft Budget papers made available to Public and Public Consultation commences
10 January 2017	Executive	Considers Draft Budget
12 January 2017	Sustainable Communities Overview & Scrutiny	Consideration of efficiencies and savings and draft budget proposals
17 January 2017	Children's Services Overview & Scrutiny	
23 January 2017	Social Care, Health & Housing Overview & Scrutiny	

24 January 2017	Corporate Resources Overview & Scrutiny	
7 February 2017	Executive	Recommends Final Budget
23 February 2017	Council	Approves Budget
28 February 2017	Council	Reserve Council Meeting in case of delay in receiving notification of other precepts.

Next Steps

- 131. A period of public consultation will commence from 4 January 2017.
- 132. Overview and Scrutiny Committees will consider the draft budget proposals in their January 2017 cycle of meetings and comments will be included in the final Budget report to be presented to Council at its February 2017 meeting.

Corporate Implications

Legal Implications

- 133. The Local Government Finance Act 1992 stipulates that the Council must set an amount of council tax payable for the financial year 2017/18 by 11 March 2017. Before calculating the level of council tax payable, the Council must consult representatives of non-domestic ratepayers in its area.
- 134. The Council's Constitution requires the Executive to publish a timetable for making proposals to the Council in respect of the Budget. The timetable was set out in the Budget Framework report to Executive on the 2nd August 2016.
- 135. There are statutory requirements in relation to consultation with users of the services the Council provides, employees and employee representatives. Where there are issues arising from budget proposals which require such consultation, the Council complies with these requirements.
- 136. Appendix F provides details of the statutory duties relating to specific budget proposals.

Risk

- 137. Covered in paragraph 126.

Financial Implications

- 138. The financial implications of the draft Budget 2017/18 and Medium Term Financial Plan are set out in the report.

Equalities Implications

139. Where appropriate, Equalities Impact Assessments will be carried out for proposals that impact on people or groups with protected characteristics.

Appendices

Appendix A - Budget Consultation (not required with the draft budget, but will accompany the final Budget Report in February).

Appendix B (i)	MTFP Four year Summary
Appendix B (ii)	Directorate Priorities
Appendix C(i)	Pressures Summary
Appendix C(ii)	Pressures by Directorate
Appendix D (i)	Efficiencies Summary
Appendix D (ii)	Efficiencies by Directorate
Appendix D (iii)	Efficiencies by Category
Appendix E	2017/18 Budget Diagram
Appendix F	Statutory Requirements of Budget Proposals
Appendix G	Reserves Policy

Background Papers

- (i) Budget Strategy - Executive, August 2016

Appendix B (i) Medium Term Financial Plan 2017/18 to 2020/21

Medium Term Financial Plan	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000
Funding				
Revenue Support Grant (RSG)	10,599	4,683	0	0
Council Tax Freeze Grant	0	0	0	0
Retained Business Rates	34,311	36,442	37,719	41,183
Council Tax	143,002	145,990	153,969	162,385
Transitional Funding	2,226	0	0	0
Use of / (Contribution) to reserves	(948)	(635)	(1,500)	(1,616)
Renewable Energy NNDR Income	391	395	399	403
Total Funding	189,581	186,875	190,588	202,355
Growth (%)		-1.45%	1.95%	5.81%
Planned Revenue Budget				
Base Revenue Budget Expenditure	379,273	379,662	379,414	381,158
Net Inflation	2,362	2,509	2,565	2,624
Pressures	13,221	7,975	13,519	18,713
Base Income	(190,081)	(190,081)	(190,081)	(190,081)
Total Planned Spending before savings	204,775	200,065	205,417	212,414
Growth before Savings (%)		-2.35%	2.61%	3.29%
Efficiency Savings	(15,194)	(10,732)	(11,882)	(8,644)
Closure of Prior Year Gap	-	0	(2,458)	(489)
Total Planned spending after savings	189,581	189,333	191,077	203,280
Growth after Savings (%)		-0.13%	0.91%	6.00%
Budget Gap / (Surplus)	0	2,458	489	925

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Appendix B(ii)

The future priorities and resourcing strategies for each Directorate are outlined below:

Children's Services

1. The Service is committed to ensuring that happy children live in Central Bedfordshire. Happy children are confident, safe, healthy and achieve great outcomes in their education.
2. The Service also works closely with partners to ensure that all children are well supported.
3. The Service has embarked on an ambitious programme of transformation to ensure that demand for services is managed effectively and that support is available when a need is identified, reducing the requirement for statutory services and providing good support to vulnerable children and their families.

Regeneration & Business Support

4. The core purpose of the Directorate is to enable growth to create a place of national and international significance, where people choose to live, work and visit, and a location where companies choose to invest.
5. In order to achieve these goals the Directorate will:
 - Enable and drive quality sustainable development and growth in Central Bedfordshire.
 - Stimulate the regeneration and renewal of our market towns.
 - Deliver growth infrastructure (employment skills, economic, digital and environmental).

Social Care, Health & Housing

6. The Directorate approach is to move investment from institutional to personal solutions. Modernisation continues across Adult Social Care and Housing Services, to prevent crisis, keep people safe and offer an improved customer experience, enabling people to live independently for longer.
7. The Directorate is responding to demographic pressures, constrained housing supply, increasing demand (including complexity of need e.g. dementia) and major legislative and other change programmes such as the Better Care Fund (April 2015) and the Care Act 2014 (phase one April 2015) and other welfare reform changes.

8. In addressing these pressures and ambitions, the Directorate will
- First and foremost – protect vulnerable people, keep them safe and respond to crises including homelessness, abuse and neglect.
 - Assist residents (including carers) who require care and support, irrespective of their financial means.
 - Deliver the right accommodation in the right places, to enable people to live independently.
 - Increase its focus on prevention, information and advice (including residents having the opportunity to self serve).
 - Continue the journey towards the integration of health and social care, so that residents can access as much of the help and support they may need as possible, closer to where they live, and reducing the need for people to resort to hospitals.
 - Customer Services will continue to respond to residents' contacts via phone, web, mail, and face to face, and aims to extend the range of services that can be accessed by customers on line.

Community Services

9. The Service aims to deliver excellent universal services which are fundamental to the Council's vision of making Central Bedfordshire a great place to live and work.
10. As demand for services increases and resources remain constrained, Community Services will:
- Drive efficiencies from procurement and supplier engagement.
 - Invest in services in order to reduce running costs and create opportunities to generate income.
 - Strengthen commercialisation, particularly developing the experience and skills of staff.
 - Set clear and transparent policies for what services the Council will provide
 - Make the best use of the Council's property assets.

- Ensure that employees of the Council are able to do their best work by creating an environment that supports flexible, mobile and paperless working.

Resources

11. The Resources Directorate provides specialist support to the whole of the Council through a range of different expertise and services. The Directorate provides the Council with Finance, Legal, HR and Governance services, the latter including Democratic and Committee Services and Coroner's and Registration support.

12. In addressing the resource challenges for the coming period, the Directorate will:

- Continue to provide financial and HR support and budgetary advice to the Council, with increasing focus on financial modelling and planning of the major changes the Council is introducing.
- Continue to review internal processes and procedures to ensure that they are fit for purpose and add value, including how financial transactions are managed across the Council.
- Provide financial and commercial advice to Directorates to assist them in delivering their efficiency plans.
- Further develop the digitisation of its customer facing services, such as e-claim benefit application forms to improve efficiency and customer experience and promoting customer self service, for example on-line setting up of direct debit payments.
- Ensure that its shared legal service, via LGSS Law Ltd, continues to offer excellent service and reduced costs to the Council.
- Develop the main SAP Finance and HR systems to deliver maximum efficiency of working and provide better support to all Directorates.
- Develop and embed a new approach to workforce planning and development that ensures the Council has the right mix of skills and aptitudes to deliver the ambitions of the Council.
- Embed a framework that promotes a culture and environment enabling our employees to do their 'best work'.
- Ensure support provided to Members is efficient and encourages the move towards paperless working whilst supporting Members in their role as community leaders.

- Continue to deliver a high level of customer satisfaction via the Coroner's and Registration services, assisting customers to self serve wherever possible.

Chief Executive's Team

13. The Chief Executives Team comprises the Information Technology and Communications teams. It provides support to all Directorates within the Council including leading on digitisation which is a key theme across all of the Directorate Plans.

Public Health

14. The Public Health service supports residents to make the right lifestyle choices for their health by either directly commissioning services, influencing and advising on commissioning decisions of partners or through directly providing services. It is evidence based in its approach. It understands population needs and closely monitors its health to improve outcomes.

To deliver its goals the Service will:

- Increase cross-directorate working to increase productivity.
- Work closely with the Bedfordshire Clinical Commissioning Group to identify and meet the needs of the population and improve consistency.
- Continue to embed prevention and early intervention.
- Commission and monitor services for effectiveness and efficiency.

Appendix C(i) - Pressures Summary

	2017/18 £'000s	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	Total £'000s
Social Care Health & Housing	7,287	4,300	4,428	5,269	21,284
Children's Services	1,661	625	-	-	2,286
Community Services	736	256	62	285	1,339
Regeneration and Business Support	-	-	-	-	-
Public Health	999	764	739	249	2,751
Chief Executives Team	413	-	-	-	413
Resources	321	218	200	-	739
Sub-total	11,417	6,163	5,429	5,803	28,812
Corporate Costs	1,804	1,812	8,090	12,910	24,616
Total	13,221	7,975	13,519	18,713	53,428

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Appendix C (ii) - Pressures Detailed List

Directorate	Reference	Details of pressure	Implications/ Impact	2017/18	2018/19	2019/20	2020/21	Total	Comments
				£'000s	£'000s	£'000s	£'000s	£'000s	
Children's Services	CSP171801	CWD		365	-	-	-	365	There have been an additional five out of area placements made since the budget build took place for 2016/17. There are currently no in-house beds available. Longer term plans arising from the recommendations of the SEND Vision and the CWD provision review are currently addressing the sufficiency issues. Out of area placements are made as a last resort when a high level of short break provisions can no longer meet the need and safeguard the child and/or their family, or appropriate in-house provision is not available
Children's Services	CSP171802	Corporate Parenting		200	-	-	-	200	This relates to pressures resulting from higher forecasting of internal foster carer recruitment than has proved practicable.
Children's Services	CSP171803	Corporate Parenting	CAMHS	28	-	-	-	28	Extra amount required for the CAMHS contract. This was identified as a shortfall in 2017/17
Children's Services	CSP171804	Corporate Parenting	St Christopher's	133	-	-	-	133	Extra amount required for the St. Christopher's contract. This was identified as a shortfall in 2016/17
Children's Services	CSP171805	Corporate Parenting	IRO	60	-	-	-	60	In order to maintain safe caseload levels across the IRO team this post was not able to be deleted.
Children's Services	CSP171806	ESG		875	625	-	-	1,500	This pressure related to the current uncertainty around the future of ESG. We await central government's decision. Worse case scenario would result in this budget pressure.
Children's Services				1,661	625	-	-	2,286	
SCHH	ASC1	Increased demand on care packages for Older People	More intensive support packages needed, unavoidable public financial support where residential care customers' income falls below the self funding threshold	1,910	1,671	1,866	2,237	7,684	People living longer with more complex needs, 85+ population increasing by more than 4% year-on-year

Directorate	Reference	Details of pressure	Implications/ Impact	2017/18	2018/19	2019/20	2020/21	Total	Comments
				£'000s	£'000s	£'000s	£'000s	£'000s	
SCHH	ASC2	Increased demand on care packages for People with a Learning Disability	Demand management approach to young people aged 14-17 to ensure appropriate and cost effective services are identified to support them (and their families) in adulthood	1,382	1,595	1,696	1,555	6,228	Funding within Adult Social Care for eligible transitions customers from Children's Services, mid life transitions customers (ageing carers)
SCHH	ASC6	Increased cost of service delivery due to legislative changes	Addresses risk around market sustainability, recognises rising cost of wages within the care sector and the need to fund a "fair cost of care"	1,094	1,234	1,171	1,477	4,976	Funding to address phased implementation of National Living Wage
SCHH	ASC7	Increased demand due to Homelessness	No impact as a variety of cost effective solutions have been implemented to deliver more affordable temporary accommodation	(100)	(200)	(305)	-	(605)	Phased repayment of prior years' pressure funding increased for temporary accommodation costs
SCHH	ASC8	Increase resources for the Let's Rent scheme		55	-	-	-	55	
SCHH	ASC 9	2016/17 underlying overspend	Residential homes for older people, pay budget shortfall.	500	-	-	-	500	Underlying base budget shortfall
SCHH	ASC10	2016/17 underlying overspend	Learning Disabilities Transfer supported living schemes - care and support hours shortfall	200	-	-	-	200	Underlying base budget shortfall
SCHH	ASC11	2016/17 underlying overspend	Placements and packages for OlderPeople	1,200	-	-	-	1,200	Underlying base budget shortfall
SCHH	ASC12	2016/17 underlying overspend	Placements and packages for People with Physical Disabilities	300	-	-	-	300	Underlying base budget shortfall
SCHH	EA104	Use of earmarked reserve to support development of Independent Living schemes	In this financial year (2016/17) earmarked reserves have been used to support efficiency targets in relation to the directorate budget	470	-	-	-	470	Technical adjustment to reflect full use of reserve. The entries in 2017/18 effectively add money back in to the base.
SCHH	EA110	Utilisation of earmarked reserves to meet Deprivation of Liberty Safeguarding (DoLS) pressures	In this financial year (2016/17) earmarked reserves have been used to support efficiency targets in relation to DoLS	276	-	-	-	276	Technical adjustment to reflect full use of reserve. The entries in 2017/18 effectively add money back in to the base
Social Care, Health & Housing				7,287	4,300	4,428	5,269	21,284	
Community Services	SC1	WASTE - Landfill tax uplift		13	14	14	15	56	A small amount of residual waste will continue to be sent to landfill, however this pressure has reduced due to new residual waste treatment and disposal contracts.

Directorate	Reference	Details of pressure	Implications/ Impact	2017/18	2018/19	2019/20	2020/21	Total	Comments
				£'000s	£'000s	£'000s	£'000s	£'000s	
Community Services	SC4	WASTE - Increase in waste collection costs as a result of increase in housing growth.		15	15	15	15	60	Housing growth impacts on waste management costs - the pressure reflects the expected number of new homes.
Community Services	SC5	WASTE - Treatment of Residual waste		206	-	-	-	206	Additional costs of new treatment contracts
Community Services	SC6	WASTE - Additional cost of bulking and haulage in the south		200	-	-	-	200	Waste from south central Bedfordshire will need to be bulked
Community Services	SC7	WASTE - Increase in waste disposal costs due to housing growth		113	101	78	70	362	Figures based on housing completion numbers
Community Services	SC8	COMMUNITY SAFETY - Gypsy and traveller resource		-	-	-	50	50	To cover cost of Gypsy & Traveller liaison officer - currently funded from reserves
Community Services	SC9	ASSETS - PFI	Private Finance Initiative (PFI)	38	38	38	38	152	Inflationary increase on contracted payments for Schools PFI contract
Community Services	SC10	ASSETS - Mailroom budget pressure	Postage volumes and the cost of postage have increased beyond the budget provision.	(33)	(33)	(34)	-	(100)	Mitigating action required across the Council to reduce pressure to zero over period of plan
Community Services	SC17	HIGHWAYS - Change to new highways contract format		(150)	-	-	-	(150)	Reversal of previous pressure relating to new Highways contract
Community Services	SC18	LEISURE - Technical costs of Dunstable Leisure Centre		144	142	(286)	-	-	Anticipated revenue cost of closing Dunstable Leisure Centre for rebuild
Community Services	CS1718E041	WASTE - Excess Pressure in Waste	Excess Pressure for 16/17 Disposal not required	(125)	-	-	-	(125)	16/17 and 17/18 pressure for transfer no longer required although most taken up by additional disposal and direct delivery costs.
Community Services	CS1718P006	Transport - mainstream		146	146	146	58	496	Based on forecasted projected pupil numbers
Community Services	CS1718P007	Transport - SEN		(39)	(117)	91	39	(26)	Based on forecasted projected pupil numbers
Community Services	CS1718P001	LEISURE & TRANSPORT STRATEGY - capitalised salaries shortfall		31	-	-	-	31	net pressure of Leisure and Transport Strategy

Directorate	Reference	Details of pressure	Implications/ Impact	2017/18	2018/19	2019/20	2020/21	Total	Comments
				£'000s	£'000s	£'000s	£'000s	£'000s	
Community Services	CS1718P002	ASSETS - Repairs and maintenance		50	(50)	-	-	-	Detailed review and consideration of the ability to further control repairs and maintenance spend through various means such as e, capturing some more significant planned remedial works under CRP and generating and utilising data more effectively through the development of the TF Cloud Asset Management System.
Community Services	CS1718P003	HIGHWAYS - additional gritting route on A5 and Woodside link		12	-	-	-	12	New service demand
Community Services	CS1718P004	COMMUNITY SAFETY - MARAC grant		15	-	-	-	15	grant income ceases
Community Services	CS1718P005	WASTE - Reduced Recyclate income	result of increasing contamination	100	-	-	-	100	Based on current forecasts of income
Community Services				736	256	62	285	1,339	
Resources	CRP - 1617-01	Revenues & Benefits	Reduction in Housing Benefit Admin grant.	200	200	200	-	600	This grant has been reduced each year. Figures are estimates as precise details have not yet been announced.
Resources	ICSP-1718-01	Mortuary/pathology services	Increase in mortuary and pathology costs at the Luton & Dunstable Hospital- from 16/17	51	-	-	-	51	CBC share (42% of £121k)
Resources	ICSP-1718-02	Mortuary/pathology services	Additional cost of Police Coroner's Officers transferring to CBC from 16/17	65	-	-	-	65	CBC share (42% of £155k). Follows a change in administrative arrangements effecting the transfer to local authorities from Police.
Resources	ICSP-1718-03	Insurance Premium Tax (As per Autumn Statement)	Impact of increase from 9.5% to 10% in October 2016 and increase to 12% in June 2017.	5	18	-	-	23	
Resources				321	218	200	-	739	
Public Health	PH2	Movement in Public Health Grant		999	764	639	249	2,651	
Public Health		Income Generation		-	-	100	-	100	Reversal of existing income generation efficiency
Public Health				999	764	739	249	2,751	

Directorate	Reference	Details of pressure	Implications/ Impact	2017/18	2018/19	2019/20	2020/21	Total	Comments
				£'000s	£'000s	£'000s	£'000s	£'000s	
Corporate Costs	CCP- 1617-01	Corporate Costs	Capital Financing - Minimum Revenue Provision	1,000	630	480	330	2,440	Figures reflect the revenue costs of the proposed Capital Programme.
Corporate Costs	CCP- 1617-02	Corporate Costs	Capital Financing - Interest Payable	(313)	170	730	770	1,357	Figures reflect the revenue costs of the proposed Capital Programme.
Corporate Costs	CCP- 1617-04	Employer's Pension Contribution	Past Service Pension Costs.	1,125	825	826	-	2,776	Employer's Pension Contribution.
Corporate Costs	CCP- 1617-05	Finance Cost Adjustment		(116)	-	-	-	(116)	Adjustment to early redemption premia relating to past Council borrowings.
Corporate Costs	CCP- 1617-07	National Living Wage	Internal Staffing Impact	158	187	259	382	986	National policy change. This cost will eventually be allocated across all appropriate Directorates.
Corporate Costs	CCP- 1617-08	Digitisation	Reversal of a 2016/17 Pressure (one off)	(500)	-	-	-	(500)	
Corporate Costs	CCP- 1617-11	Potential impact of funding changes		-	-	1,989	2,288	4,277	
Corporate Costs	CCP- 1617-12	Inflationary impact		-	-	1,006	1,010	2,016	
Corporate Costs	CCP- 1617-13	Reduced reliance on New Homes Bonus		-	-	2,300	4,600	6,900	
Corporate Costs	CCP- 1617-14	Transfer of new responsibilities funding		-	-	-	1,930	1,930	
Corporate Costs	CCP- 1617-15	Revaluation 2017- potential shortfall in provision for appeals		-	-	500	1,600	2,100	
Corporate Costs	CCP- 1617-09	Apprenticeships Levy		450	-	-	-	450	Change in legislation. Levy will be based on the Council's payroll figure.
Corporate Costs				1,804	1,812	8,090	12,910	24,616	
Chief Executives Team	ICSP-1718-04	IT- Software Support and Maintenance current in year pressures		413				413	
Chief Executives Team				413	-	-	-	413	
Total				13,221	7,975	13,519	18,713	53,428	

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Appendix D(i) - Efficiencies Summary

	2017/18 £'000s	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	Total £'000s
Social Care Health & Housing	(4,050)	(3,682)	(4,969)	(5,269)	(17,970)
Children's Services	(2,348)	(1,734)	(2,025)	(1,838)	(7,945)
Community Services	(3,591)	(2,337)	(1,980)	(850)	(8,758)
Regeneration and Business Support	(553)	(225)	(435)	(225)	(1,438)
Public Health	(1,001)	(764)	(739)	(249)	(2,753)
Chief Executives Team	(940)	(265)	(169)	-	(1,374)
Resources	(1,439)	(654)	(493)	(142)	(2,729)
Sub-total	(13,922)	(9,660)	(10,811)	(8,573)	(42,966)
Corporate Costs	(1,272)	(1,071)	(1,071)	(71)	(3,486)
Total	(15,194)	(10,732)	(11,882)	(8,644)	(46,452)

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Appendix D(ii) - Efficiencies by Directorate

Directorate	Category	Reference	Details of efficiency	Implications/ Impact	2017/18 £'000s	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	Total £'000s	Comments
Chief Executives Team	A	ICSE - 1617-03	Dir ICS	Merge common functions	(100)	(100)	-	-	(200)	removed from MTFP (ref ICSE-1718-03)
Chief Executives Team	A	ICSE - 1617-14	Communications & Insight	Service delivery review	(91)	-	-	-	(91)	Restructure being scoped
Chief Executives Team	A	ICSE - 1617-16	IT	Service delivery review	(30)	-	-	-	(30)	
Chief Executives Team	A	ICSE - 1617-17	ICS	Review directorate arrangements	-	-	(100)	-	(100)	brought forward to 17/18 (ref ICSE-1718-01)
Chief Executives Team	A	ICSE - 1617-20	Working Smarter	Working Smarter	(2)	-	(9)	-	(11)	
Chief Executives Team	A	ICSE-1718-01	Dir ICS	Bring forward Dir ICS Efficiency	(100)	-	100	-	-	- £100k b/fwd ref ICSE - 1617-17
Chief Executives Team	A	ICSE-1718-02	Dir ICS	Additional efficiency for Dir ICS removal	(100)	-	-	-	(100)	
Chief Executives Team	A	ICSE-1718-03	Dir ICS	Remove Merging common functions efficiency already in MTFP	200	100	-	-	300	£300k over 3 years 16/17 to 18/19 - ICSE - 1617-03. Original efficiency was predicated on reviewing common functions across directorate. This is now included as part of a wider strategic review and the outcome of the MTFP workstreams.
Chief Executives Team	A	ICSE-1718-04	IT - Savings as a result of workplace changes	Savings against PSN, networks and data centre.	(213)	-	-	-	(213)	
Chief Executives Team	A	ICSE-1718-05	IT - Licensing costs	Savings against software portal	(60)	-	-	-	(60)	
Chief Executives Team	A	ICSE-1718-06	IT - Licensing costs	Savings against SAP licensing costs following upgrade.	(100)	(100)	-	-	(200)	
Chief Executives Team	A	ICSE-1718-07	IT - Licensing costs	Review of systems. Improve or decommission as appropriate	(170)	-	-	-	(170)	
Chief Executives Team	A	ICSE-1718-08	IT - Staffing	Review of staff structure.	(147)	-	-	-	(147)	Additional to existing £30k Service delivery review (ICSE - 1617-16)
Chief Executives Team	A	ICSE-1718-09	IT - Savings from social care systems	Potential savings from moving to a forward looking social care solution shared with our peer service organisations.	-	-	(160)	-	(160)	
Chief Executives Team	A	Innovation Initiatives2- Shared Services	Commercial Review of Communications		-	(165)	-	-	(165)	Communications
Chief Executives Team	A	ICSE - 1617-07	Procurement	Central Purchasing Hub	(26)	-	-	-	(26)	
Chief Executives Team					(940)	(265)	(169)	-	(1,374)	
Children's Services	D	CSE1509	Looked After Children Residential Placements - Existing Efficiency 2014/15 reviewed and rephrased	Fewer children in external placements	(156)	-	-	-	(156)	This efficiency is particularly focused on fewer children being placed in residential placements, which are often based across the UK. It also requires the recruitment of more in-house foster carers, so that for the reducing number of children who do require care will not be placed in residential homes.
Children's Services	D	CSE1511	Foster Fee Scheme efficiency for 2014/15 reviewed in line with latest target for in-house carers / Independent Fostering Agencies (IFAs)	More in-house foster carers recruited and a reduction to use of Independent Fostering Agencies (IFAs)	(196)	(199)	-	-	(395)	This efficiency is dependant on successfully recruiting and retaining more in-house foster carers, which are financially more efficient, in order that fewer Independent Fostering Agency placements will be required. This equates to approx. 8 IFA placements being transferred to in house placements, per annum.
Children's Services	E	CSE1601	Education Services	Music Service	(18)	-	-	-	(18)	Reduction to Council contribution to Music Services. Costs will be covered by increasing music lesson fees by 1%

Appendix D(ii) - Efficiencies by Directorate

Directorate	Category	Reference	Details of efficiency	Implications/ Impact	2017/18 £'000s	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	Total £'000s	Comments
Children's Services	E	CSE1602	Education Services	Income Generation	(39)	-	-	-	(39)	We are marketing education services to schools for example governance reviews and are confident we can achieve this income target
Children's Services	A	CSE1603	Education Services	Staffing Review	(54)	-	(52)	-	(106)	We are rightsizing staffing to ensure we deliver the LA statutory education duties
Children's Services	A	CSE1605	Academy of Social Work and Early Intervention: review staffing and reduce costs	Review Terms and Conditions of staff to reflect working arrangements(16/17); Reduce venue costs and the staffing delivering the Assessed and Supported Year in Employment programme (18/19), reduce staffing (19/20).	(135)	-	-	-	(135)	As the social worker workforce stabilises it is likely that the recruitment of two cohorts of newly qualified social workers each year will no longer be needed. Service to be reshaped to reflect this. CSE1605 2018/19 and 2019/20 brought forward to 2017/18
Children's Services	D	CSE1607	Children's Commissioning: review arrangements to ensure the service continues to deliver improved efficiency and outcomes	Identify opportunities for joint commissioning , review staffing and increase income generation	(45)	-	-	-	(45)	The reduction in staff over the next 2 years reflects the changing demand for commissioning activity across the directorate.
Children's Services	E	CSE1608	Generating additional income through the Academy of Social Work and Early Intervention	Compensatory savings from across other areas of the directorate will have to be delivered if income target not achieved.	(115)	-	-	-	(115)	Our Academy needs to remain financially viable or the Council could be at risk of not meeting its legal duty to ensure sufficient child care for parents. We are mitigating this risk by developing the local market to fill the gap in provision. We also rely on the Academy to support our social worker recruitment and retention strategy. CSE1608 2018/19 brought forward to 17/18
Children's Services	B	CSE1609	Reduction to funding for the Voluntary and Community Services Infrastructure Organisations.	Reduction in funding to Infrastructure organisations that provide information, advice and training support to voluntary and community organisations.	(23)	(22)	(21)	-	(66)	We will work with the sector to explore new ways of working and support voluntary and community organisations to access alternative sources of funding.
Children's Services	B	CSE1618	Emergency one off provisions required across Children's Services Operations	This service will be provided in house	(200)	(100)	-	-	(300)	Specialist one to one work with children and their families, along with Protective Behaviours has been externally commissioned until now. This work will now be taken on by our Children's Services staff
Children's Services	D	CSE1620	Looked After Children Placements	Reduced payments to Foster Carers	(24)	-	-	-	(24)	The framework has been revised, reducing the sums paid to Independent Foster Carers, and this follows through from 2016/17. Has been agreed with Foster Carers
Children's Services	A	CSE1624	Intake and Assessment -Operations	Assessed and Supported Year in Employment (AYSE) Mitigation	(126)	(63)	-	-	(189)	We have fewer AYSE's (Assisted Year in Social Work Employment) now due to our successful recruitment campaign so less support from agency social workers is required. Agency social workers cover 10% of each AYSE caseload for the first 12 months
Children's Services	D	CSE1629	Restructure Court Teams	Moving from 3 court teams to two.	-	(392)	-	-	(392)	This efficiency depends on a reduction in children requiring statutory services and therefore a reduction in court work, enabling us to rightsize the team and ensure we have the right team structure in place to move forwards with less court work.
Children's Services	D	CSE1629	Refocusing and alignment of early intervention monies to support the new model of integrated early intervention - including Children's Centres, youth support services, partners provision	Transformation in working practices will result in a different cultural approach across the system, and restructuring across our current teams.	(81)	(188)	(449)	-	(718)	Working with health and police partners we will deliver early intervention services in a different way to ensure they are child and family centred and locality based where possible. Teams will be integrated, multi disciplinary and include more mixed skills sets. Reproviding the service will allow better allocation of resource according to need.
Children's Services	D	CSE1629	Looked After Children Placements	This efficiency depends on our demand management strategy reducing the numbers of children in care	(200)	(300)	(480)	-	(980)	By working on demand management, and ensuring appropriate Early Intervention Reduction it is anticipated that there will be a reduction in the number of LAC placements
Children's Services	B	Operations	Residual Children's Society Money	This service will be provided in house	(100)	100	-	-	-	The direct work with children from this contract has been carried out by their social workers. This is now appropriate as we have sufficient permanent staff to carry out this role
Children's Services	A	Operations	Decommission	We will spot purchase this provision if required	(71)	-	-	-	(71)	Specialist foster care or an alternative residential placement is more suitable for our current cohort of children.
Children's Services	D	Operations	Supported Lodgings Scheme for YP in semi-ind. Accom. - phased -bal in 18/19 - Corp Parenting	Fewer young people in supported lodgings	(109)	(109)	-	-	(218)	By increasing the diversity of CBC fostering offers there will be less need for unregulated placements for aged 16 and 17 looked after children or care leavers, where there is less support for some young people.
Children's Services	A	Operations	Continued freeze on perm. Foster Carer assessors - Corp Parenting	No impact on service	(30)	-	-	-	(30)	Spot Purchasing will be carried out on an as needs basis to carry out Foster Care Assessments.

Appendix D(ii) - Efficiencies by Directorate

Directorate	Category	Reference	Details of efficiency	Implications/ Impact	2017/18 £'000s	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	Total £'000s	Comments
Children's Services	D	Operations	Reduction in Supervised Contact Corporate Parenting	No impact on service	-	(90)	-	-	(90)	As the number of looked after children decreases, the demand for supervised contact should be reduced accordingly.
Children's Services	A	Operations	Removal of Admin Post Family Support & Professional Standards	A focus on planning and prioritisation will ensure no disruption to the service	(73)	-	-	-	(73)	As a result of restructuring and examining vacant posts these 2 posts are unoccupied and are no longer required.
Children's Services	A	Operations	Remove 1 SW post Family Support	As numbers of Looked After Children reduce there is less demand for family support	-	(52)	-	-	(52)	We are right sizing staffing as demand reduces
Children's Services	D	Operations	Remove 1 Independent Reviewing Officer post professional standards	As numbers of Looked After Children reduce there is less demand for Independent Reviewing Officer time	-	(70)	-	-	(70)	We are right sizing staffing as demand reduces
Children's Services	D	Operations	Remove Practice Manager - Corp parenting	Three managers posts will reduce to two	(81)	-	-	-	(81)	There are currently 3 Practice Managers in the Corporate Parenting Service. A review of the service going forward will ensure that the remaining 2 Practice managers are deployed appropriate across the service.
Children's Services	D	Operations	Remove Participation Officer (p)/CWD	Children will still be supported to participate	-	(16)	-	-	(16)	The planning for this area of work will ensure that by the time this efficiency needs to be delivered we will have a Business as Usual model of participation at a sustainable level within the service.
Children's Services	D	Operations	Redesign Family Support	Redesign teams to facilitate locality, multi-agency working	-	-	(322)	-	(322)	In order for the redesign to take place in a safe way, the demand on service will need to be reduced by strengthening the Early Help offer across the system.
Children's Services	D	Operations	Redesign Assessment Team	Redesign teams to facilitate locality, multi-agency working	-	-	-	(310)	(310)	A redesign during the final year of the MTFP, when our demand management strategy will have reduced demand for existing levels of assessment
Children's Services	A	Operations	Remove a Head of Service	Redesign teams to facilitate locality, multi-agency working	-	-	(93)	-	(93)	This depends on our demand management strategy effectively reduced the numbers of children in care
Children's Services	A	Commissioning and Partnerships	End Subscription to Research In Practice	Individuals responsible for sourcing research articles	(10)	-	-	-	(10)	No access to Research in Practice publications. This can be mitigated by spot purchasing publications as needed
Children's Services	D	Commissioning and Partnerships	Restructure Commissioning and Performance	The team will be remodelled to reflect a different approach to commissioning across the council.	(119)	-	(27)	-	(146)	As the team will be smaller some support will be available through sharing part of an apprentice with the Partnerships and Community Engagement Team.
Children's Services	A	Commissioning and Partnerships	Partnerships and Community Engagement	Reduce operational budget by 50%	(12)	-	-	-	(12)	This funding is used for conferences and events outside the Children's Services directorate and to commission ad hoc pieces of work to develop strategies and coordinate partnerships. Reducing this budget will mean there is no flexibility to respond to new or ad hoc activities/requests.
Children's Services	E	Commissioning and Partnerships	Commissioning and Performance	Selling census checks to schools (Learning Performance Team)	(6)	-	-	-	(6)	Risk that schools might not buy services from the Council
Children's Services	E	Commissioning and Partnerships	Academy	Use more of the income centrally received for ASYEs to offset core costs	(30)	-	-	-	(30)	Retaining more of the income centrally for managing ASYEs to support the work of the central team may impact on development opportunities for ASYEs.
Children's Services	A	Commissioning and Partnerships	Academy	Reduce Practice Educator Role to 4 days a week	(12)	-	-	-	(12)	Practice Educator role reducing to 4 days a week unlikely to see a significant impact as pressure to recruit ASYEs should reduce gradually.
Children's Services	A	Commissioning and Partnerships	Youth Support Service	Efficiencies in buildings/property budget	-	(15)	-	-	(15)	The service will work with Assets to reduce the running costs of the youth centres and work with partners/community organisations as part of an asset transfer strategy

Appendix D(ii) - Efficiencies by Directorate

Directorate	Category	Reference	Details of efficiency	Implications/ Impact	2017/18 £'000s	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	Total £'000s	Comments
Children's Services	A	Commissioning and Partnerships	Youth Support Service	Deletion of post - Contact & Engagement Officer (no longer required to tract 18+)	(24)	-	-	-	(24)	Reduction in capacity to track and support approx. 190 NEET/unknown young people. The post will no longer be needed following changes in government requirements about tracking young people aged over 18.
Children's Services	B	Commissioning and Partnerships	Academy	20% reduction in funding to voluntary sector representation	-	(11)	-	-	(11)	As we streamline governance there will be fewer meetings requiring voluntary sector representation
Children's Services	B	Commissioning and Partnerships	Partnerships and Community Engagement	Reduce VCS grant	-	-	-	(17)	(17)	VCS infrastructure grants will be removed. No external support to increase volunteering, support communities doing more, or manager community facilities
Children's Services	B	Commissioning and Partnerships	Partnerships and Community Engagement	Reduce grants to Citizens' Advice by £19k (6%) and use of community engagement reserve of £10k	-	-	-	(29)	(29)	We are working with Citizen's Advice to mitigate this risk.
Children's Services	A	Education Services	Remove all core budget from commissioning school improvement and school intervention	The Teaching School is now recharging schools	(66)	-	-	-	(66)	This will reduce what can be commissioned by the Local Authority in terms of school to school support, which means there is more reliance on schools choosing to spend their budget on this. To prepare for this we have increased the charges to schools, and decreased the commission values so that the Teaching Schools are recharging to schools. We are awaiting communication/clarification from the DfE regarding the future role of Local Authorities in School Improvement, what services are identified to be funded from the new Central Services Block of the DSG and what the value of this might be. This will determine future service delivery. This could impact on our ability to be a successful Academy Sponsor.
Children's Services	E	Education Services	Generate more income from schools contribution more to intervention packages	More pressure on schools to contribute	(15)	-	-	-	(15)	Risk that schools requiring intervention do not engage, which impacts on pupil outcomes and Ofsted outcomes, and therefore reputational risk to Council. Mitigation Implementing increased charges to schools for support from 2016. Encourage academisation where appropriate
Children's Services	E	Education Services	Access and Inclusion	Charge all schools for Attendance Officer function. Discretionary service	-	(64)	-	-	(64)	Not all schools might buy back which would impact on income target and limit the impact we can have on school attendance and therefore outcomes. This could be mitigated if Localities top sliced and chose to buy into a shared Attendance officer with an amended role to target the poorest attendance. This will be modelled through locally meetings as an option but this decision rests with schools.
Children's Services	A	Education Services	Access and Inclusion	Expectation that more schools are academies and we won't need to carry out some existing functions	-	-	(59)	(25)	(84)	Risk schools do not academise and this function is still required.
Children's Services	A	Operations / Commissioning & Partnerships	Shared PA	There should be no impact on service	-	-	(27)	-	(27)	With the remodelling of senior management it will be possible to reduce PA support by one post
Children's Services	A	Education Services	Restructure Music Service Management	There should be no impact on service	-	(63)	-	-	(63)	
Children's Services	A	Education Services	Review use of DSG for posts dealing with SEND (Youth/LAC)	There should be no impact on service	(100)	-	-	-	(100)	High Needs Block is forecast to fully spend in 2016/2017 due mainly to rises in pupils requiring specialist places in and out of area so there is no capacity to fund additional posts from High Needs Block. Schools Forum are reviewing all High Needs Spend/forecast spend. High Needs Block second phase consultation expected imminently (currently due 'Autumn' 2016)
Children's Services	A	Children Services	Restructure Senior Management	This will result in a reduction in management capacity	-	-	(120)	-	(120)	As the service is redesigned the senior management structure will need to align
Children's Services	C	Operations	End remaining Speech And Language Therapy & parenting support contracts not taken out in 16/17	Children will access support through other pathways	-	-	(240)	-	(240)	A contract review will seek to explore alternative delivery mechanisms for speech and language therapy and parenting support currently delivered through these contracts.
Children's Services	D	Operations	Remove 2 Intervention Workers Assessment	There will be an increased focus on Early Intervention, delivered by multi-agency teams	-	-	-	(60)	(60)	This efficiency depends on our development of effective multi-agency teams, working in localities, securing early intervention for children requiring complex Child In Need Plans and Child Protection in 2020/21 so these posts will be in place to deliver a support offer to vulnerable children and their families.
Children's Services	D	Operations	Reduce Intervention Service - phased	There will be an increased focus on Early Intervention, delivered by multi-agency teams	-	-	-	(439)	(439)	This efficiency depends on our development of effective multi-agency teams, working in localities, securing early intervention for children requiring complex Child In Need Plans and Child Protection in 2020/21 so these posts will not be required. However, different roles will be in place to deliver a support offer to vulnerable children and their families, with a mixed skills set

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Children's Services	D	Operations	Restructure Early Help Plus	There will be an increased focus on Early Intervention, delivered by multi-agency teams	-	-	-	(120)	(120)	This efficiency depends on our development of effective multi-agency teams, working in localities, securing early intervention for children requiring complex Child In Need Plans and Child Protection in 2020/21 so these posts will not be required. However, different roles will be in place to deliver a support offer to vulnerable children and their families, with a mixed skills set
Children's Services	D	Operations	Restructure Early Help Plus	There will be an increased focus on Early Intervention, delivered by multi-agency teams	-	-	-	(182)	(182)	This efficiency depends on our development of effective multi-agency teams, working in localities, securing early intervention for children requiring complex Child In Need Plans and Child Protection in 2020/21 so these posts will not be required. However, different roles will be in place to deliver a support offer to vulnerable children and their families, with a mixed skills set
Children's Services	D	Operations	Restructure Young Peoples Support Team	There will be an increased focus on Early Intervention, delivered by multi-agency teams	-	-	-	(297)	(297)	This efficiency depends on our development of effective multi-agency teams, working in localities, securing early intervention for children requiring complex Child In Need Plans and Child Protection in 2020/21 so these posts will not be required. However, different roles will be in place to deliver a support offer to vulnerable children and their families, with a mixed skills set
Children's Services	A	Commissioning and Partnerships	Youth Support Services	Seconded youth worker	-	-	(33)	-	(33)	The post will be removed to coincide with a new commissioning model for targeted youth support. It is not anticipated to have an adverse effect on the numbers of children supported.
Children's Services	D	Commissioning and Partnerships	Youth Support Services	There will be an increased focus on Early Intervention, delivered by multi-agency teams	-	-	(20)	(59)	(79)	Developing a new model of targeted youth support (including YOS) by working with key stakeholders in localities on an evidence based model of need
Children's Services	A	Innovation Initiatives 2- Commissioning	Advocacy	We are exploring better commissioning arrangements for advocacy services in partnership with Adult Services	(7)	-	-	-	(7)	This will be a saving through more efficient commissioning
Children's Services	A	Innovation Initiatives 2- Income from Assets	Children's Home & Assessment Centre	A business case is being produced to explore the implications	-	-	-	(300)	(300)	The concept of delivering an in house assessment centre and Children's Home may deliver efficiencies due to reducing the need for more expensive external placements.
Children's Services	A	Innovation Initiatives 6- Commissioning	Domiciliary Care	We are exploring better commissioning arrangements for domiciliary care in partnership with Adult Services	-	(80)	(82)	-	(162)	This may be an efficiency delivered through more efficient commissioning
Children's Services	A	ICSE - 1617-07	Procurement	Central Purchasing Hub	(71)	-	-	-	(71)	
Children's Services					(2,348)	(1,734)	(2,025)	(1,838)	(7,945)	
Community Services	A	SC358	Biffa contract negotiations	Will not hinder ability to meet statutory duties	(25)	-	-	-	(25)	Reduced costs of waste collection contracts following negotiation
Community Services	A	SC450	working smarter	Internal impact	-	(46)	5	-	(41)	Savings from property included in the 'Working Smarter' project whose costs are accounted for in Assets
Community Services	A	SC456	Salary capitalisation	Include in cost plan for Development Team	(10)	-	-	-	(10)	Effective resource management and tracking allowing capitalisation of staff costs when working on development Projects in accordance with accounting principles.
Community Services	E	SC457	Estates - Additional rental income from Investment portfolio	New lettings	(10)	(10)	(10)	-	(30)	Increased revenue generation from existing commercial estate through improvements to stock leading to reduced voids.
Community Services	A	SC461	Capital - Energy Savings from energy efficiency capital works	Internal impact	(30)	(30)	(30)	(30)	(120)	Impact of capital investment programme to reduce energy costs through the combined effect of energy efficiency measures (reducing energy use) and energy generation measures. Requires the continued capital investment in the Energy Efficiency Programme.
Community Services	A	SC462	Assets - Staff costs	Internal impact	(20)	(20)	-	-	(40)	Staffing efficiencies resulting from the reorganisation of the Assets Team.
Community Services	A	SC471	Service Manager reduction	workload impact - need to review processes	(40)	-	-	-	(40)	Loss of 1 service manager post
Community Services	E	SC473	Develop additional off-street car parking - based on approx. 274 spaces	Income generation	-	(100)	(100)	-	(200)	Parking studies suggest opportunities exist to develop additional revenue streams from new car parking provision in Leighton Buzzard and Biggleswade.
Community Services	A	SC478	reduction in contributions by leisure services	Discretionary funding, other funding sources available	(6)	(8)	-	-	(14)	End of funding to FA partnership and reduction of contribution (in line with partners) of Team Beds and Luton

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Community Services	A	SC480	Staff - countryside	Internal impact	(50)	-	-	-	(50)	Requires review of site management and agreement reached on alternative site management
Community Services	B	SC483	Countryside site savings	Changes to contractual arrangements	(15)	(6)	-	-	(21)	£6k Swiss Garden as surrender of the lease, £15k net reduction on other sites
Community Services	B	SC486	Standardised opening hours in libraries	Public consultation completed and being considered. Will not hinder ability to meet statutory duties	(53)	-	-	-	(53)	Review of staffed opening hours to offer manned library service during times shown to be in demand - greater use of buildings by community at other times
Community Services	A	SC487	staffing changes - libraries	Internal impact. Will not hinder ability to meet statutory duties	-	(85)	-	-	(85)	Restructure of management
Community Services	A	SC491	More Efficient running of services from business unit	Internal Savings related to Passenger Transport. Will not hinder ability to meet statutory duties	(75)	(50)	-	-	(125)	Part of saving dependant on implementation of new IT system
Community Services	B	SC492	Public Transport Savings from Passenger Transport Strategy	Routes may no longer be commercial and Dial a ride not funded Review of funding and adoption of assessment process in line with statutory requirements to be agreed by Full Council on 17 November 2017.	(215)	(100)	(100)	-	(415)	Dependant on adoption of Passenger Transport Strategy (some may need to be kept to support Community Transport)
Community Services	A	SC493	More efficient use of Fleet by Adult Social Care	SCHH have agreed to annual review. Will not hinder ability to deliver statutory service	(57)	-	-	-	(57)	Dependant on outcome of Passenger Transport Strategy
Community Services	A	SC494	Outsourcing of client transport team roles and responsibilities	Internal impact, will not hinder ability to deliver statutory service	(150)	-	-	-	(150)	Potential for saving from economies of scale
Community Services	A	SC498	Provision joint Bedfordshire Trading Standards Unit	Internal impact, will not hinder ability to deliver statutory service	(40)	-	-	-	(40)	Indicative - requires suitable willing partner to share services
Community Services	A	SC500	Provision of Bedfordshire Emergency Planning Unit	Internal impact, will not hinder ability to deliver statutory service	(10)	-	-	-	(10)	Indicative - requires suitable willing partner to share services
Community Services	A	SC501	Provision of Joint Bedfordshire Environmental Health & Licencing Unit	Internal impact, will not hinder ability to deliver statutory service	-	(50)	-	-	(50)	Indicative - requires suitable willing partner to share services
Community Services	E	SC503	Income from charging of new transport model	Internal impact, will generate income in relation to driving standards assessments	-	(20)	(10)	-	(30)	Revenue from new transport model.
Community Services	A	SC504	Capitalisation of posts from the major projects team	Internal Impact. Dependant on pressure to establish major projects team	(100)	-	-	-	(100)	Capitalisation of new transport Majors team salary - dependant on successful bids for new schemes
Community Services	E	SC505	Increased Section 38 income	Contributions from Developers	(25)	-	-	-	(25)	Increased income from Section 38 debt over the medium term.
Community Services	A	SC508	New waste collection and street cleansing contract	2017/18 tender process. Will not hinder ability to meet statutory duties	-	-	(300)	-	(300)	Estimated saving from retender
Community Services	D	SC509	Demand Management	Research & implementation post or other investment	(50)	(50)	-	-	(100)	Ongoing impact of demand management in waste
Community Services	A	SC513	Management review -staff costs	Internal impact	(72)	-	-	-	(72)	Review of senior directorate management
Community Services	A	SC514	savings from depot based services	Internal impact, will not hinder ability to deliver statutory service	-	(80)	-	-	(80)	Saving in passenger transport operations through standardised operating procedures
Community Services	B	SC517	Transport - walking assessments policy reviews	The Passenger Transport Strategy deals with safe walking assessments. The methodology and prioritisation has been agreed by MRG 01/10/15	(100)	(100)	(50)	-	(250)	Impact of work following Transport Strategy on Home to School Transport costs
Community Services	A	SC519	Dunstable Library & Leisure Centre	No impact on service delivery	-	(66)	-	-	(66)	Maintenance cost savings following provision of new Library in Dunstable

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Community Services	A	SC518	Efficiencies from Special Educational Needs (SEN) Transport	A new procurement process will be put in place to deliver efficiencies for Home to School Transport. Internal impact, statutory requirements will continue to be met	(70)	(30)	(180)	-	(280)	Impact of work following Transport Strategy on Home to School Transport costs
Community Services	E	SC374	LEISURE - Dunstable Leisure Centre	No statutory requirements	-	(50)	(200)	(150)	(400)	Increased income from rebuilt Leisure Centre
Community Services	E	SC251/SC254	LEISURE - New leisure management contract	No statutory requirements	9	(136)	(62)	-	(189)	Looking at contract in total - and early figures excludes profit share.
Community Services	E	CS1718E001	ASSETS - income from commercial properties	No statutory requirements	(20)	-	-	-	(20)	Increased revenue generation from existing commercial estate through improvements to stock leading to reduced voids.
Community Services	E	CS1718E002	ASSETS - income from new commercial properties	No statutory requirements	-	-	(60)	(100)	(160)	Income from new commercial property - assumes development of remaining plot at Stratton Phase 5 by CBC for revenue generation rather than sale. Capital for the development will need to be included in the capital MTFP.
Community Services	A	CS1718E003	ASSETS - offsite printing	No statutory requirements	(40)	(10)	(10)	(10)	(70)	Savings to be achieved through the move to offsite printing in conjunction with working with service areas to facilitate a year on year reduction in demand and costs.
Community Services	A	CS1718E004	ASSETS - Watling House rental income or revenue saving	No statutory requirements	-	-	(200)	(200)	(400)	Revenue generation achieved from Watling House through the leasing of excess office space or reduced maintenance costs if site released.
Community Services	A	CS1718E005	ASSETS - in-house web casting	Internal impact	(5)	(25)	-	-	(30)	Saving generated through the use of in-house support to web cast meetings rather than using an external supplier. This meets statutory requirement and will be phased in as the current contract expires.
Community Services	A	CS1718E006	ASSETS - rates - following appeals	No statutory requirements	(53)	-	-	-	(53)	The proposed savings are a budget reduction to match actual rates being paid - this is made up from farms; Priory House; Watling House; Vernon Place; Bedford Square etc.
Community Services	A	CS1718E007	ASSETS - Kingsland centre running costs	No statutory requirements	-	-	(133)	-	(133)	Saving in building maintenance and management costs as a result of the successful delivery of the Legacy Project which would take over this site.
Community Services	A	CS1718E008	ASSETS - closure of Heathfield	No statutory requirements	-	(40)	-	-	(40)	Savings on annual revenue running costs through the closure of this asset.
Community Services	A	CS1718E009	ASSETS - retender of all FM contracts	No statutory requirements	(27)	(110)	-	-	(137)	Retender of contracts to generate efficiencies
Community Services	A	CS1718E010	ASSETS - new operating model & full review of service	No statutory requirements	(100)	(100)	-	-	(200)	To be confirmed.
Community Services	A	CS1718E011	ASSETS - corporate landlord	No statutory requirements	-	(60)	-	-	(60)	Savings generated through the greater efficiencies of managing the whole estate centrally. Likely savings include staffing costs and economies of scale improvements on service contracts.
Community Services	E	CS1718E012	LEISURE - profit share	based on 15/16. No statutory requirements	(95)	-	-	-	(95)	not reinvesting in facilities from profit share
Community Services	B	CS1718E013	LEISURE - countryside grounds maintenance	No statutory requirements	(39)	-	-	-	(39)	Reduction in frequency of operations to maintain sites
Community Services	B	CS1718E014	LEISURE - grounds maintenance	No statutory requirements	(6)	-	-	-	(6)	Leisure management contract
Community Services	A	CS1718E016	LEISURE - Creasey Park Rates	No statutory requirements	(4)	-	-	-	(4)	Budget not needed as leased site
Community Services	A	CS1718E017	LEISURE - repairs and maintenance of leisure centres	Less maintenance. Will not impact upon statutory duties in relation to health and safety	(20)	-	-	-	(20)	Reduction in leisure repairs and maintenance
Community Services	B	CS1718E018	LEISURE- P3 Programme	Stops partnership funding and brings service in house. Offer remains the same	(11)	-	-	-	(11)	Volunteer led healthy walk programme managed by Beds Rural Communities Charity and Greensand Trust.

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Community Services	C	CS1718E019	HIGHWAYS CONTRACTS - removal of school crossing patrols on zebra crossings	Discretionary service	(10)	-	-	-	(10)	Potential to reduce service where suitable safe crossings have been provided
Community Services	E	CS1718E020	HIGHWAYS CONTRACTS - adoption of ADEPT for commuted sums	Changes to contractual arrangements	(100)	(100)	(100)	-	(300)	Introduce industry standard charging, phased over 3 years
Community Services	E	CS1718E021	HIGHWAYS CONTRACTS - additional income from NWSRA	Changes to contractual arrangements	(35)	-	-	-	(35)	Increased income based on current performance of permitting system introduced in 2016
Community Services	E	CS1718E022	PUBLIC PROTECTION - Regulatory services	Enabling CBC specialists to work for other local authorities. Income generation Internal impact, will not hinder ability to deliver statutory service.	(120)	(200)	(200)	(200)	(720)	Incrementally increase income so that it would cover the costs of trading standards and environmental health provision for CBC. Is dependant on allowing carry over of £200k from 16/17 to allow retention of skills within the organisation and engage another NNO and Licensing Enforcement Officer
Community Services	B	CS1718E023	EDUCATIONAL TRANSPORT - home to school transport to nearest school	Proposal that school transport will only be provided to nearest school. Parental preference for other options would result in parent being liable for transport costs, unless another entitlement can be applied. Will be subject to future consultation in line with statutory requirements.	-	(50)	(25)	-	(75)	Subject to detailed modelling.
Community Services	B	CS1718E024	EDUCATIONAL TRANSPORT - mileage payments for parents in receipt of mobility allowance	Will be subject to future consultation in line with statutory requirements	(400)	(200)	-	-	(600)	Based on % of number of blue badges issued to under16's in CBC and the ability to replace current offer with mileage payments.
Community Services	B	CS1718E025	EDUCATIONAL TRANSPORT - charging for post 16 SEN students	Will be subject to future consultation in line with statutory requirements	(11)	-	-	-	(11)	Based on current numbers and full recovery of costs
Community Services	B	CS1718E026	EDUCATIONAL TRANSPORT - increase concessionary fare cost to pupils	Applies to spare seats available after all the entitled pupils have been offered their seats. Proposal in line with statutory requirements would form part of annual fees and charges setting process	(55)	-	-	-	(55)	Based on current numbers and full recovery of costs
Community Services	A	CS1718E027	EDUCATIONAL TRANSPORT - payment and assistance to school with minibuses to provide transport	In line with statutory requirements	(100)	(50)	-	-	(150)	Based on 10 schools and looking at average costs for a minibus running a current routes we could achieve savings of £150,000. Some risk as appetite from schools not fully determined.
Community Services	E	CS1718E028	PASSENGER TRANSPORT SERVICES - open driving standards offer to other LA applicants	Internal impact, will generate income in relation to driving standards assessments	(30)	-	-	-	(30)	DSA are no longer undertaking assessments for hackney and private hire drivers , we are currently able to fill this gap
Community Services	E	CS1718E029	PASSENGER TRANSPORT SERVICES - non emergency passenger transport	Internal impact, will generate income in relation to non emergency hospital transport	-	(40)	(40)	(40)	(120)	Development of a commercial offer for patient transport using our own fleet
Community Services	E	CS1718E030	PASSENGER TRANSPORT SERVICES - advertising space on bus shelters and fleet	Internal impact, will generate income	(7)	-	-	-	(7)	Review of present arrangements
Community Services	A	CS1718E031	PASSENGER TRANSPORT SERVICES - concessionary fares	No impact on service, proposal relates to Department for Transport calculator use instead of current single pot allocation.	(210)	-	-	-	(210)	Based on move to DFT calculator
Community Services	A	CS1718E032	COMMUNITY SAFETY - review of growing CCTV	In line with statutory requirements	-	(100)	(20)	(20)	(140)	Dependant on replacement of existing hardware (capital bid) and developing a commercial offer to other public bodies
Community Services	A	CS1718E033	COMMUNITY SAFETY - Domestic Abuse Refuge Play Worker	In line with statutory requirements	(30)	-	-	-	(30)	New refuge service provider will fully provide this as part of contract from 1/4/17 at no additional cost
Community Services	E	CS1718E034	PARKING - income from 35 additional spaces at Steppingley Rd	Income generation	(25)	-	-	-	(25)	Income from additional space once work has been completed to remove redundant structures

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Community Services	E	CS1718E035	PARKING - charging for Westfield Rd Car park	Income generation	-	-	(35)	-	(35)	linked to CS1718E004, estimated at average income per space based on CBC car park actuals in sept 2016: linked to the future of Watling House
Community Services	E	CS1718E036	PARKING - Effect of previous increase in fees and charges	Income generation	(165)	-	-	-	(165)	includes car parking income (based on income in first 4 months of 2016/17)
Community Services	C	CS1718E037	WASTE - Reduction of HWRC Opening hours	Reduce opening by 2 days a week from Oct 17. In line with statutory requirements	-	(70)	(70)	-	(140)	Closure of HWRCs on two midweek days
Community Services	A	CS1718E038	WASTE - Food Waste Bags	Additional savings from change to poly bags	(20)	-	-	-	(20)	Additional saving from changes already made
Community Services	A	CS1718E039	WASTE - Excess Indexation from 16/17 not required	Internal impact	(150)	-	-	-	(150)	Lower than anticipated inflation in 16/17
Community Services	A	CS1718E040	WASTE - New Disposal Contracts Savings	Savings on street sweepings and glass disposal. In line with statutory requirements	(65)	-	-	-	(65)	Savings from new contract let in 2016
Community Services	A	CS1718E041	WASTE - Food Waste Disposal	Savings from Diverting additional food waste from residual via 16/17 comms campaign. In line with statutory requirements	(20)	-	-	-	(20)	Additional demand management savings
Community Services	A	CS1718E042	WASTE - New Disposal Contract savings	Additional 10kt to main contractor In line with statutory requirements	-	(180)	-	-	(180)	Capacity to take waste at AC increases by 10kt in 18/19 (pressure for 17/18 shown separately below).
Community Services	E	CS1718E044	TRANSPORT STRATEGY - section 106 contribution from HRN2	Internal impact	(60)	60	-	-	-	contribution to transport model costs - expenditure incurred in 2016/17
Community Services	A	CS1718E045	DIRECTORATE - car mileage	Internal saving	(17)	-	-	-	(17)	Reduced travel costs by assets and leisure staff
Community Services	D	Innovation Initiatives 1-Waste	Social marketing	Objective to mitigate risk of missing recycling targets	10	-	-	-	10	Community Services
Community Services	D	Innovation Initiatives 2-Waste	15% Increase in Household Recycling	Objective to mitigate risk of missing recycling targets	(275)	(25)	-	-	(300)	Community Services
Community Services	E	Innovation Initiatives 1- Income from Assets	Crematorium	Current lack of provision in Central Bedfordshire area	-	-	(50)	(100)	(150)	Revenue generation from a Crematorium facility delivered within Central Bedfordshire.
Community Services	A	ICSE - 1617-07	Procurement	Central Purchasing Hub	(62)	-	-	-	(62)	
Community Services					(3,591)	(2,337)	(1,980)	(850)	(8,758)	
Corporate Costs	A	CCE- 1617-03	Premature Retirement	Pension costs (teachers and non teachers) early retirement- assumed 2.5% reduction p.a.	(71)	(71)	(71)	(71)	(285)	Reduction in costs relating to historic early retirements.
Corporate Costs	A	CCE- 1617-04	Contingency & Reserves	Reduction in budget to support income analysis and capital programme control	(201)	-	-	-	(201)	Release of reserve set aside in 2016/17 to fund support of service transformation. (Base budget reduction.)
Corporate Costs	A	Innovation Initiatives 1-Recruitment	Vacancy Management & Agency		(1,000)	(1,000)	(1,000)	-	(3,000)	Rigorous approach to all vacancies and recruitment opportunities. Will eventually be re-allocated back to Directorates.
Corporate Costs					(1,272)	(1,071)	(1,071)	(71)	(3,486)	
Public Health	E	PH5	Income generation	Minimal Impact on Service Provision	(50)	-	(100)	-	(150)	

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Public Health	A	PH6	Innovation Fund - Drug & Alcohol	Use Strategic Reserve to fund Innovation	(25)	-	-	-	(25)	Greater use of online interventions to lower costs
Public Health	A	PH7	Healthy Child Programme re-procurement	To be managed through reprocurement	(282)	-	-	-	(282)	6.2 % (equivalent to Central government reduction to grant) on CBC element access to health and wellbeing services via health visitors and school nurses
Public Health	A	PH8	Vacancy Rate Factor 5%	Minimal Impact on Service Provision	(38)	-	-	-	(38)	
Public Health	A	PH9	Sexual Health re-procurement efficiencies	Minimal Impact on Service Provision	(37)	-	-	-	(37)	Review of Service Level Agreements
Public Health	A	PH10	Re-prioritisation	Economies of Scale	(90)	-	-	-	(90)	Staffing Review
Public Health	A	PH11	Further re-alignment of priorities	Economies of Scale	-	(160)	-	-	(160)	Staffing Review
Public Health	A	PH12	Re-define stop smoking offer	Using Digitalisation, greater use of phone and online services	-	-	(62)	-	(62)	Equivalent to 10% on budget
Public Health	C	PH13	Aspire Neuro Linguistic Programming	Stopping service provision	-	(65)	-	-	(65)	programme focused on personal development and self esteem
Public Health	C	PH14	Re-focus healthcheck programme	Deliver to high risk groups only	-	(250)	-	-	(250)	assessed on likely risk of cardio-vascular disease estimated initially from parameters such as age, blood pressure, cholesterol & Body Mass Index
Public Health	C	PH15	Adult weight management	Stopping service provision	-	-	(209)	-	(209)	residents will be signposted to other types of weight loss support
Public Health	C	PH16	Healthchecks	Stopping service provision	-	-	(255)	-	(255)	Deliver to high risk groups only
Public Health	C	PH17	Health Checks	Stopping service provision	(277)	250	67	-	40	Timing change of existing Healthcheck efficiency
Public Health	A	PH18	0-19 Healthy Child Programme	To be managed through reprocurement	-	(396)	-	-	(396)	access to health and wellbeing services via health visitors and school nurses
Public Health	A	PH19	Sexual Health	New payment structure/review of provision	(90)	-	-	-	(90)	Review of Service Level Agreements
Public Health	A	PH20	Drugs & Alcohol	Reduced Access to Services	(35)	-	(180)	(180)	(395)	Greater use of online interventions to lower costs
Public Health	A	PH21	Stop Smoking (Shared)	Low Impact on Service Provision and using digitalisation	(75)	(96)	-	-	(171)	greater use of phone and online services
Public Health	A	PH22	Stop Smoking (CBC)	Low Impact on Service Provision and using digitalisation	-	(47)	-	-	(47)	greater use of phone and online services
Public Health	A	PH23	Additional 5% on Sexual Health	Reduced Access to Services	-	-	-	(69)	(69)	move away from primary prevention towards treatment
Public Health	A	ICSE - 1617-07	Procurement	Central Purchasing Hub	(2)	-	-	-	(2)	
Public Health					(1,001)	(764)	(739)	(249)	(2,753)	
Regeneration	E	SC151	Community Infrastructure Levy (CIL) administration fee		-	-	(25)	(25)	(50)	Administrative fee levied as part of the charge
Regeneration	A	SC154	Reduce development plan consultancy budget		-	150	(190)	(40)	(80)	A reduction in need for use of external consultancy services as a result of progress / delivery of the Local Plan
Regeneration	E	RG401	Increase development management income		(205)	(227)	(170)	(100)	(702)	The additional income is based on both the position with the Local Plan and the submission of details expected for major developments
Regeneration	A	RG403	Electronic processes	Reduced printing costs	(25)	(25)	-	-	(50)	To enable online processing of planning applications rather than paper applications. The delivery of this is reliant on the role out of BOX Document Management
Regeneration	E	RG404	Building control / Abion	To ensure we meet the requirements of the Building Act and Building Regulations and the Building (Local Authority) charges regulations all of which will need to be considered and complied with in respect of service delivery.	(30)	(55)	(50)	-	(135)	Review of the operation of both service areas.

Appendix D(ii) - Efficiencies by Directorate

Directorate	Category	Reference	Details of efficiency	Implications/ Impact	2017/18 £'000s	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	Total £'000s	Comments
Regeneration	A	RG405	Working Smarter	As processes are reviewed and applications are able to be accessed online (i.e. mobile working devices available to planning/ building control staff) there will be increased agile working which will reduce the need for costs such as books/ journals and printing and stationary	-	(18)	-	-	(18)	Part of Working Smarter programme to reduce spend on office accommodation.
Regeneration	A	RG1718E01	Directorate Wide Restructure	A full restructure of R&B is planned to account for changing objectives and requirements, and along with integration of services will enable a reduction in the number of Heads of Service and wider management team.	(150)	(20)	-	-	(170)	Reduction in management team capacity , integration of strategic transport , increase focus on commercialism and place delivery.
Regeneration	A	RG1718E02	Employee related costs	This includes employee related costs such as car allowances and mileage, furniture and equipment, conference expenses, subscriptions and medical fees/ costs - all of which are expected to reduce as staff numbers reduce.	(50)	(30)	-	-	(80)	Reduction in costs associated with re-structure.
Regeneration	A	RG1718E03	Other	This includes efficiencies in professional services and consultancy.	(16)	-	-	-	(16)	Efficiencies identified following review of spend against budget lines in 15/16 and up to period 5 in 16/17.
Regeneration	A	RG1718E04	Professional services		(45)	-	-	-	(45)	Further reduction in commissioning of professional experts
Regeneration	E	RG1718E05	Planning Performance Agreements income / staffing offset	Reduction in salary costs	-	-	-	(60)	(60)	A result of direct funding of posts through Planning Performance Agreements income
Regeneration	A	Innovation Initiatives3 - Shared Services	Ensuring Internal Services are Utilised		-	-	-	-	-	Regeneration share in efficiencies as a result of sharing services
Regeneration	A	ICSE - 1617-07	Procurement	Central Purchasing Hub	(32)	-	-	-	(32)	Saving associated with procurement efficiencies
Regeneration & Business Support					(553)	(225)	(435)	(225)	(1,438)	
Resources	A	CRE - 1617-01	Financial Performance & Support	Staff Savings through streamlining processes, and overhead reduction.	(20)	-	-	-	(20)	
Resources	A	CRE - 1617-02	Financial Control	Achieving efficiencies in end to end processes	9	8	-	-	17	End of Banking contract free period
Resources	E	CRE - 1617-03, CRE-1718-08	Revenues & Benefits	Increase in recovery of overpaid Housing Benefit	(121)	(70)	(90)	-	(281)	Additional Real Time Information now being received from DWP enables more overpayments to be identified.
Resources	A	CRE - 1617-04	Revenues & Benefits	Risk Based Verification processing efficiency	(45)	-	-	-	(45)	The proposal is to achieve staffing reductions through more efficient processes, including e-forms.
Resources	A	CRE - 1617-07	Insurance Management	Process Improvement	(18)	-	-	-	(18)	More efficient arrangements for management of Insurance.
Resources	A	CRE - 1617-09	Audit	Misc. overhead cost reductions	(8)	-	-	-	(8)	Reduction in Internal Audit overheads.
Resources	E	CRE - 1617-13	Revenues & Benefits	Revenues and Benefits external income generation	-	(30)	(30)	-	(60)	Proposal to provide chargeable services to other local authorities.
Resources	A	CRE-1718-01	Financial Performance & Support	Senior management restructure	(121)	-	-	-	(121)	
Resources	A	CRE-1718-02	Financial Performance & Support	Process improvements through new systems and technology	-	-	-	(50)	(50)	Dependent on new main accounting system.
Resources	A	CRE-1718-03	Financial Control	Payments Processing Efficiencies	(5)	(20)	-	-	(25)	Changes to contractual arrangements in terms of electronic payments to the Council.
Resources	A	CRE-1718-04	Financial Control	Contribution to Insurance Reserve	(100)	(120)	(120)	-	(340)	Actuarial review of self insurance reserves indicates scope to reduce the annual contribution. Subject to Actuarial review in 2018.
Resources	A	CRE-1718-05	Revenues & Benefits	Offsite printing of Council tax bills and benefits letters.	(10)	-	-	-	(10)	
Resources	A	CRE-1718-06	Revenues & Benefits	Channel Shift (moving from telephone to e-forms)	(25)	-	-	-	(25)	

Appendix D(ii) - Efficiencies by Directorate

Directorate	Category	Reference	Details of efficiency	Implications/ Impact	2017/18 £'000s	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	Total £'000s	Comments
Resources	A	CRE-1718-07	Revenues & Benefits	Recovery of debt collection costs	(125)	-	-	-	(125)	Additional income from court costs for unpaid Council Tax and Business rates following increased focus on dealing with the collection of the outstanding costs
Resources	E	Innovation Initiatives1- Shared Services	Internal Enforcement Agents & Corporate Debt Team	Income generation	(20)	(40)	(80)	-	(140)	Revenues & Benefits. Potential to bring part of the service in-house.
Resources	A	ICSE - 1617-11 , ICSE-1718-14	Democratic Services	Review of management arrangements.	(35)	(40)	-	-	(75)	
Resources	A	ICSE - 1617-19	Human Resources	Service delivery review	(152)	-	-	-	(152)	Reduction of various overhead budgets and review of management structure
Resources	A	ICSE-1718-10	Reduction in Organisation Development & Member Development work	Targeted delivery of development programme	(100)	-	-	-	(100)	
Resources	A	ICSE-1718-11	Reduction in Lord Lieutenant costs	Review how support is provided to Lord Lieutenant.	(35)	-	-	-	(35)	
Resources	A	ICSE-1718-12	Administrative support to the Coroner	Review how support is provided to the Coroner and focus on aspects of pathology services.	(15)	-	-	-	(15)	CBC share only (42% of £37k)
Resources	A	ICSE-1718-13	Land charges	Maximising the benefit of digitisation in relation to Local Land Charges	(15)	-	-	-	(15)	Implementing some existing software.
Resources	E	ICSE-1718-15	Land charges	Recognise additional Local Land Charge income potential	(100)	-	-	-	(100)	
Resources	A	ICSE-1718-18	Legal Services	Additional savings as per LGSS business case	(75)	(61)	(54)	(13)	(203)	Operating efficiencies
Resources	A	ICSE-1718-19	Legal Services	Future potential dividend as per LGSS business case	-	(35)	(10)	(10)	(56)	Benefit arising from being part owner of LGSS Law Ltd.
Resources	A	ICSE-1718-20	Legal Services	Additional savings on existing Legal Services Budget	(131)	-	-	-	(131)	Dependent on historic external income levels (S106/S38 largely) being maintained.
Resources	A	ICSE-1718-22	Reducing reliance on hard copy agenda papers	Savings against courier service following removal of printed committee reports	-	(5)	-	-	(5)	
Resources	E	Innovation Initiatives 1,2,3 -Financial Transactions	Use of Purchasing Cards		(56)	(91)	(109)	(69)	(325)	Finance
Resources	A	Innovation Initiatives 1- Learning & Development	Needs Based Budget Process		(100)	(150)	-	-	(250)	Review of existing budgets
Resources	A	ICSE - 1617-07	Procurement	Central Purchasing Hub	(16)	-	-	-	(16)	
Resources					(1,439)	(654)	(493)	(142)	(2,729)	
SCHH	D	EA46	Continue the development of a joint approach with the health service to deliver an improved care and respite service which will have a more positive outcome for Older People	Improved outcomes for OP customers by working closer with Health	(500)	(500)	(500)	-	(1,500)	Ensuring appropriate contributions from both Health and Social Care for packages of care
SCHH	D	EA73	Deliver savings within Private Sector Housing & Housing Needs by better use of ICT and further income generation activity	More efficient use of ICT and staff resources	(46)	(44)	(42)	-	(132)	
SCHH	E	EA98	Housing Private Business Initiative	Income generation by utilising existing housing service expertise/ experience i.e. Private Rental Income and charging for other services	(300)	-	-	-	(300)	Extending service across other tenures
SCHH	E	EA106	Increased income from Care Fees	Continue to improve income collection arrangements	(210)	(210)	(210)	-	(630)	Relies on the Government's "Triple Lock" for basic state pension - guaranteeing minimum annual increase of 2.5%.
SCHH	B	EA112	Better use of Assistive Technology	To utilise Assistive Technology as an integral part of the care management assessment as evidenced in their Care and Support Plan that will be proportionate and asset based	(100)	(100)	(100)	-	(300)	Invest to save, targeted review of packages requiring more than one carer, improve telecare offer

Appendix D(ii) - Efficiencies by Directorate

Directorate	Category	Reference	Details of efficiency	Implications/ Impact	2017/18 £'000s	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	Total £'000s	Comments
SCHH	D	EA115	Right sizing care packages for Adults with a Learning Disability	Improved outcomes for LD customers by working closer with Health	(250)	(250)	(250)	-	(750)	Looking to reduce high cost care packages by providing care as close to home as possible
SCHH	B	EA118	Reshape the Voluntary & Community Sector offer	Reduced financial support to some voluntary sector organisations	(150)	(50)	(50)	-	(250)	Be reinvesting in voluntary sector organisations to deliver the Council objective around community resilience
SCHH	A	EA121	Review of SCH&H directorate management arrangements	Reduced management capacity	(100)	(180)	(100)	-	(380)	
SCHH	B	1	Developing Learning Disability Services	Modernising and improving outcomes for LD customers. Will involve re-shaping the market.	(300)	(500)	(750)	(1,000)	(2,550)	Follow on from Draft Learning Disability Market Position Statement - review current services and alternatives. Develop relationship with market to deliver more local, cost effective care and support.
SCHH	C	2	Workchoice	Affects a number of employees with Learning Disabilities in sheltered employment who may need significant support to move into open employment	(142)	-	-	-	(142)	Previous Govt subsidy significantly reduced, expensive scheme to supervise and hence proposed closure of the scheme
SCHH	D	3	Substance Misuse	Risk of increase demand at a time when budget is reduced	(30)	-	-	-	(30)	Other support through Public Health contracts has successfully moderated demand for specialist support packages
SCHH	A	4	Older Person Packages	We will continue to invest in preventative solutions and reablement to promote customer independence	(200)	-	-	-	(200)	Increased use of therapists to support Reablement Plans, training Reablement staff - maximising customers' independence
SCHH	D	5	Target Best Practice	Ongoing proportionate and right sizing of packages to ensure customer's needs are appropriately met.	(351)	(351)	-	-	(702)	Bespoke independent team to target customers in receipt of services, asset based approach
SCHH	A	6	Skills mix	Need to ensure there is sufficient capacity for complex/specialist assessments	(100)	-	-	-	(100)	Review of assessment teams' skills mix, change culture and practice including preparedness for integration
SCHH	D	7	Modernising / Transforming Care	Implementation of the Older Persons Market Position Statement likely to lead to changes in care and accommodation services to be provided	(60)	(529)	(855)	(569)	(2,013)	Continuation of investment from institutional to personal solutions through the modernisation of services for Older People and People with Learning Disabilities
SCHH	A	8	Asset Based Approach/Self Service (incls Digitisation)	Investment in systems needed to deliver change. Customers & staff need to be receptive to accessing self assessment and services via the website	-	-	(250)	(250)	(500)	Revised Customer Pathway, increased self service, more agile workforce
SCHH	A	9	Local Authority Trading Company	Potential local concern from providers to LATC and need to renegotiate pay and conditions of staff affected	-	-	(250)	(500)	(750)	Alternative delivery model for in-house care services
SCHH	B	10	Clarifying the Social Care Offer for new customers	The Council will continue to meet the assessed care needs of customers though the outcome may be a care home offer rather than continuing to be cared for at home and will offer potential for customers/families to contribute to the costs of remaining at home	(25)	(50)	(100)	(200)	(375)	
SCHH	B	11	Review the Carers Offer	To review the current support offer for carers with the intention of bringing investment in line with other Local Authorities	(25)	(75)	-	-	(100)	
SCHH	E	12	Better Care Fund	Future funding allocations could change; negotiation required with CCG	-	-	(619)	-	(619)	Increased BCF allocation
SCHH	A	13	Service Delivery	review duplication of staffing roles	(146)	(146)	(146)	(146)	(584)	Review functions to identify duplication, opportunities to centralise functions, remove non-core functions. Likely reduction of staff by 60-80 FTE.
SCHH	B	14	Right sizing the care packages on offer	We will continue to invest in preventative solutions and reablement to promote customer independence	(296)	(296)	(296)	(296)	(1,184)	Further package savings over and above existing efficiencies
SCHH	D	HGFE171801	Intensive Property Management (system resilience/demand management)	Use of HRA stock to reduce demand for supported services in General Fund	(95)	(33)	(73)	-	(201)	Maximising the impact of the HRA and General Fund costs

Appendix D(ii) - Efficiencies by Directorate

Directorate	Category	Reference	Details of efficiency	Implications/ Impact	2017/18 £'000s	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	Total £'000s	Comments
SCHH	B	HGFE171802	Supported Housing reduced cost	Further contract and in house savings resulting from integration of service	-	-	-	(73)	(73)	
SCHH	A	HGFE171803	Improve quality of housing advice: including new media (e.g. YouTube) – reduce staff cost.	Staff reductions resulting from digitisation and/or providing services in a different way. Services provided are statutory so no ability to reduce service provision	(40)	(40)	-	-	(80)	
SCHH	A	HGFE171804	Efficiencies related to the management of the General Fund capital programmes	Increase in fee income and/or possible staff reduction - providing the service for less or where possible with additional income	(47)	-	-	-	(47)	Generate income from Housing Loans
SCHH	B	18	Further efficiencies yet to be identified		-	-	-	(2,235)	(2,235)	
SCHH	E	ICSE - 1617-02	Customer Services	CS Staff multitasking to carry out JCP work.	(50)	-	-	-	(50)	Will be met by other efficiencies
SCHH	A	ICSE - 1617-15	Customer Services	Reductions in call centre as a result of channel shift	-	(150)	(75)	-	(225)	**
SCHH	A	ICSE - 1617-18	Customer Services	Review of face to face	(250)	-	-	-	(250)	Dependent on closing four centres **
SCHH	A	ICSE - 1617-07	Procurement	General Procurement Savings ICS	-	(50)	-	-	(50)	
SCHH	A	ICSE - 1617-13	Procurement	Central Purchasing Hub	-	(300)	(300)	-	(600)	Service based savings to be determined and agreed
SCHH	A	ICSE-1718-16	Additional Commensura efficiency savings	Procurement rebate as a result of usage of Comensura	(250)	-	-	-	(250)	Based on current levels of activity
SCHH	A	ICSE-1718-17	Central Purchasing Hub	Existing efficiency ICSE-1617-13 reviewed following more detailed work.	(56)	172	172	-	288	Predicted savings recalculated following more detailed business case analysis.
SCHH	A	ICSE-1718-21	Re-profile of ICSE - 1617-18 - Reprofilling of contact centre savings.		175	-	(175)	-	-	£75k of original £250k deliverable 17/18, balance to be delivered in 20/21
SCHH	A	Innovation Initiatives 1-Commissioning	Advocacy	Reduced financial support to some voluntary sector organisations	(12)	-	-	-	(12)	SCHH
SCHH	A	Innovation Initiatives 7-Commissioning	Strategic Commissioning Team	Reduced capacity to deliver new Commissioning intentions	(50)	-	-	-	(50)	SCHH - review of LA wide management arrangements
SCHH	A	ICSE - 1617-07	Procurement	Central Purchasing Hub	(44)	-	-	-	(44)	
Social Care, Health & Housing					(4,050)	(3,682)	(4,969)	(5,269)	(17,970)	

Total					(15,194)	(10,732)	(11,882)	(8,644)	(46,452)	
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Appendix D (iii) - Efficiencies by Category

Category Summary

Ref	Category	2017/18	2018/19	2019/20	2020/21	Total
		£000s	£000s	£000s	£000s	£000s
A	Delivering operating efficiencies	(7,935)	(4,509)	(4,315)	(1,915)	(18,673)
B	Determining the Council's offer	(2,124)	(1,560)	(1,492)	(3,850)	(9,026)
C	Withdrawing services	(429)	(135)	(707)	-	(1,271)
D	Intervening early to reduce demand	(2,658)	(3,146)	(3,018)	(2,036)	(10,858)
E	Generating Income	(2,048)	(1,382)	(2,350)	(844)	(6,624)
Total		(15,194)	(10,732)	(11,882)	(8,644)	(46,452)

Social Care, Health and Housing

Ref	Category	2017/18	2018/19	2019/20	2020/21	Total
		£000s	£000s	£000s	£000s	£000s
A	Delivering operating efficiencies	(1,120)	(694)	(1,124)	(896)	(3,834)
B	Determining the Council's offer	(896)	(1,071)	(1,296)	(3,804)	(7,067)
C	Withdrawing services	(142)	-	-	-	(142)
D	Intervening early to reduce demand	(1,332)	(1,707)	(1,720)	(569)	(5,328)
E	Generating Income	(560)	(210)	(829)	-	(1,599)
Total		(4,050)	(3,682)	(4,969)	(5,269)	(17,970)

Children's Services

Ref	Category	2017/18	2018/19	2019/20	2020/21	Total
		£000s	£000s	£000s	£000s	£000s
A	Delivering operating efficiencies	(791)	(273)	(466)	(325)	(1,855)
B	Determining the Council's offer	(323)	(33)	(21)	(46)	(423)
C	Withdrawing services	-	-	(240)	-	(240)
D	Intervening early to reduce demand	(1,011)	(1,364)	(1,298)	(1,467)	(5,140)
E	Generating Income	(223)	(64)	-	-	(287)
Total		(2,348)	(1,734)	(2,025)	(1,838)	(7,945)

Community Services

Ref	Category	2017/18	2018/19	2019/20	2020/21	Total
		£000s	£000s	£000s	£000s	£000s
A	Delivering operating efficiencies	(1,678)	(1,140)	(868)	(260)	(3,946)
B	Determining the Council's offer	(905)	(456)	(175)	-	(1,536)
C	Withdrawing services	(10)	(70)	(70)	-	(150)
D	Intervening early to reduce demand	(315)	(75)	-	-	(390)
E	Generating Income	(683)	(596)	(867)	(590)	(2,736)
Total		(3,591)	(2,337)	(1,980)	(850)	(8,758)

Regeneration and Business Support

Ref	Category	2017/18	2018/19	2019/20	2020/21	Total
		£000s	£000s	£000s	£000s	£000s
A	Delivering operating efficiencies	(318)	57	(190)	(40)	(491)
B	Determining the Council's offer	-	-	-	-	-
C	Withdrawing services	-	-	-	-	-
D	Intervening early to reduce demand	-	-	-	-	-
E	Generating Income	(235)	(282)	(245)	(185)	(947)
Total		(553)	(225)	(435)	(225)	(1,438)

Public Health

Ref	Category	2017/18	2018/19	2019/20	2020/21	Total
		£000s	£000s	£000s	£000s	£000s
A	Delivering operating efficiencies	(674)	(699)	(242)	(249)	(1,864)
B	Determining the Council's offer	-	-	-	-	-
C	Withdrawing services	(277)	(65)	(397)	-	(739)
D	Intervening early to reduce demand	-	-	-	-	-
E	Generating Income	(50)	-	(100)	-	(150)
Total		(1,001)	(764)	(739)	(249)	(2,753)

Chief Executives Team

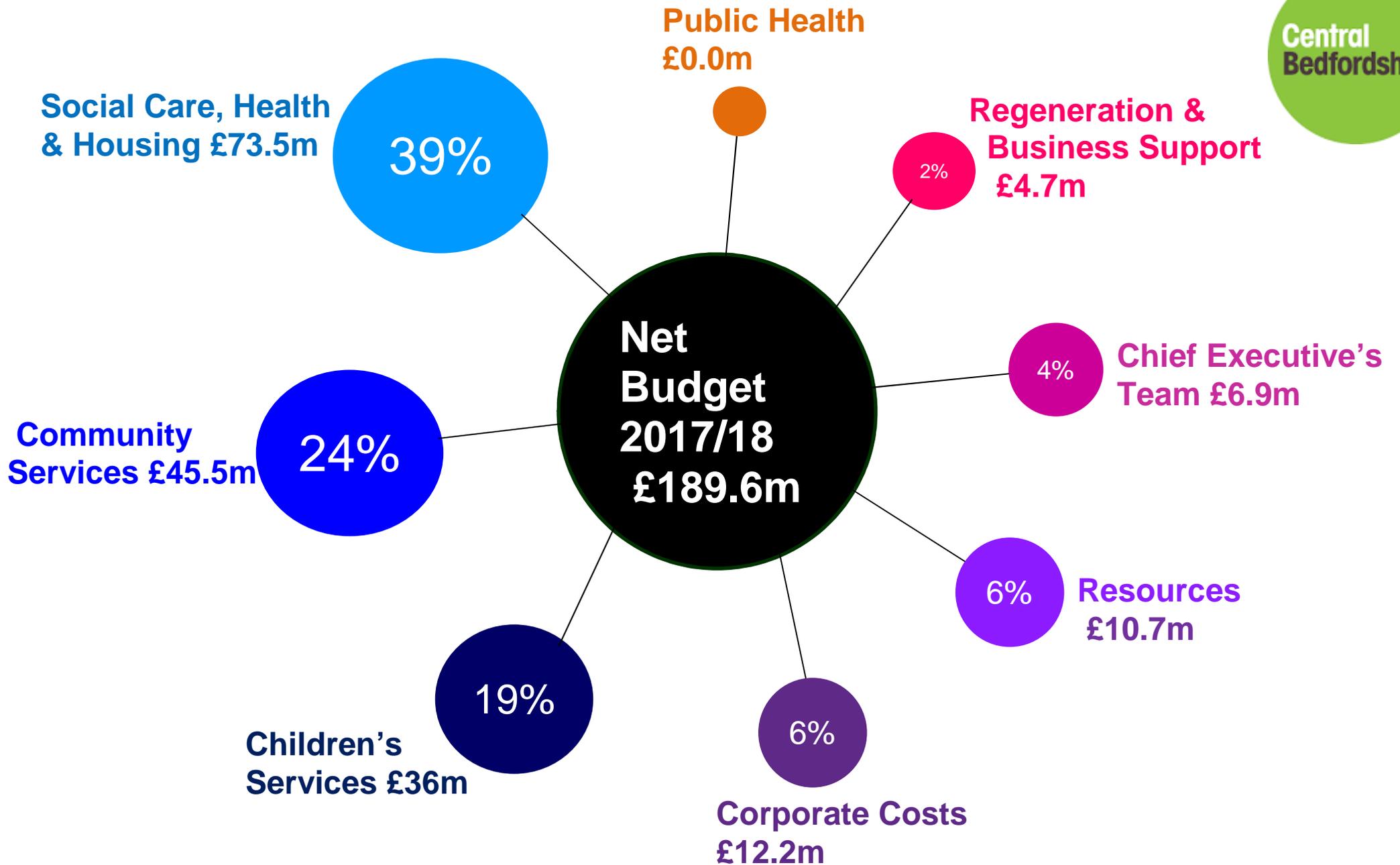
Ref	Category	2017/18	2018/19	2019/20	2020/21	Total
		£000s	£000s	£000s	£000s	£000s
A	Delivering operating efficiencies	(940)	(265)	(169)	-	(1,374)
B	Determining the Council's offer	-	-	-	-	-
C	Withdrawing services	-	-	-	-	-
D	Intervening early to reduce demand	-	-	-	-	-
E	Generating Income	-	-	-	-	-
Total		(940)	(265)	(169)	-	(1,374)

Resources

Ref	Category	2017/18	2018/19	2019/20	2020/21	Total
		£000s	£000s	£000s	£000s	£000s
A	Delivering operating efficiencies	(1,142)	(423)	(184)	(73)	(1,823)
B	Determining the Council's offer	-	-	-	-	-
C	Withdrawing services	-	-	-	-	-
D	Intervening early to reduce demand	-	-	-	-	-
E	Generating Income	(297)	(231)	(309)	(69)	(906)
Total		(1,439)	(654)	(493)	(142)	(2,729)

Corporate Costs

Ref	Category	2017/18	2018/19	2019/20	2020/21	Total
		£000s	£000s	£000s	£000s	£000s
A	Delivering operating efficiencies	(1,272)	(1,071)	(1,071)	(71)	(3,486)
B	Determining the Council's offer	-	-	-	-	-
C	Withdrawing services	-	-	-	-	-
D	Intervening early to reduce demand	-	-	-	-	-
E	Generating Income	-	-	-	-	-
Total		(1,272)	(1,071)	(1,071)	(71)	(3,486)



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Appendix F - Statutory Requirements – Social Care, Health and Housing

The Care Act 2014

Care and Support Statutory Guidance – Department of Health

<http://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance>

Section 1 Promoting Wellbeing

Local authorities must promote wellbeing when carrying out any of their care and support functions in respect of a person. This may sometimes be referred to as “the wellbeing principle” because it is a guiding principle that puts wellbeing at the heart of care and support.

The wellbeing principle applies in all cases where a local authority is carrying out a care and support function, or making a decision, in relation to a person. It applies equally to adults with care and support needs and their carers.

In some specific circumstances, it also applies to children, their carers and to young carers when they are subject to transition assessments (see chapter 16 on transition to adult care and support).

Wellbeing” is a broad concept, and it is described as relating to the following areas in particular:

- personal dignity (including treatment of the individual with respect);
- physical and mental health and emotional wellbeing;
- protection from abuse and neglect;
- control by the individual over day-to-day life (including over care and support provided and the way it is provided);
- participation in work, education, training or recreation;
- social and economic wellbeing;
- domestic, family and personal;
- suitability of living accommodation;
- the individual’s contribution to society.

All the above should be considered of equal importance when considering “wellbeing” in the round

Promoting wellbeing involves actively seeking improvements in the aspects of wellbeing set out above when carrying out a care and support function in relation to an individual at any stage of the process from the provision of information and advice to reviewing a care and support plan.

Wellbeing covers an intentionally broad range of the aspects of a person’s life and will encompass a wide variety of specific considerations depending on the individual.

A local authority can promote a person’s wellbeing in many ways. How this happens will depend on the circumstances, including the person’s needs, goals and wishes, and how these impact on their wellbeing. There is no set approach – a local authority should consider each case on its own merits, consider what the person wants to achieve, and how the action which the local authority is taking may affect the wellbeing of the individual.

The Act therefore signifies a shift from existing duties on local authorities to provide particular services, to the concept of ‘meeting needs’. This is the core legal entitlement for adults to care and

support, establishing one clear and consistent set of duties and power for all people who need care and support.

The concept of ‘meeting needs’ recognises that everyone’s needs are different and personal to them. Local authorities must consider how to meet each person’s specific needs rather than simply considering what service they will fit into. The concept of meeting needs also recognises that modern care and support can be provided in any number of ways, with new models emerging all the time, rather than the previous legislation which focuses primarily on traditional models of residential and domiciliary care.

Whenever a local authority carries out any care and support functions relating to an individual, it must act to promote wellbeing – and it should consider all of the aspects above in looking at how to meet a person’s needs and support them to achieve their desired outcomes. However, in individual cases, it is likely that some aspects of wellbeing will be more relevant to the person than others. For example, for some people the ability to engage in work or education will be a more important outcome than for others, and in these cases “promoting their wellbeing” effectively may mean taking particular consideration of this aspect. Local authorities should adopt a flexible approach that allows for a focus on which aspects of wellbeing matter most to the individual concerned.

The principle of promoting wellbeing should be embedded through the local authority care and support system, but how the local authority promotes wellbeing in practice will depend on the particular function being performed. During the assessment process, for instance, the local authority should explicitly consider the most relevant aspects of wellbeing to the individual concerned, and assess how their needs impact on them. Taking this approach will allow for the assessment to identify how care and support, or other services or resources in the local community, could help the person to achieve their outcomes. During care and support planning, when agreeing how needs are to be met, promoting the person’s wellbeing may mean making decisions about particular types or locations of care (for instance, to be closer to family).

The wellbeing principle applies equally to those who do not have eligible needs but come into contact with the system in some other way (for example, via an assessment that does not lead to ongoing care and support) as it does to those who go on to receive care and support, and have an ongoing relationship with the local authority. It should inform the delivery of universal services which are provided to all people in the local population, as well as being considered when meeting eligible needs. Although the wellbeing principle applies specifically when the local authority performs an activity or task, or makes a decision, in relation to a person, the principle should also be considered by the local authority when it undertakes broader, strategic functions, such as planning, which are not in relation to one individual. As such, “wellbeing” should be seen as the common theme around which care and support is built at local and national level.

Key Principles and Standards

There are a number of key principles and standards which local authorities must have regard to when carrying out the same activities or functions:

- (a) **the importance of beginning with the assumption that the individual is best-placed to judge the individual’s wellbeing.** Building on the principles of the Mental Capacity Act, the local authority should assume that the person themselves knows best their own outcomes, goals and wellbeing. Local authorities should not make assumptions as to what matters most to the person;
- (b) **the individual’s views, wishes, feelings and beliefs.** Considering the person’s views and wishes is critical to a person-centred system. Local authorities should not ignore or downplay the importance of a person’s own opinions in relation to their life and their care. Where particular views, feelings or beliefs (including religious beliefs) impact on the choices that a person may wish to make about their care, these should be taken into account. This is especially important where a

person has expressed views in the past, but no longer has capacity to make decisions themselves;

(c) the importance of preventing or delaying the development of needs for care and support and the importance of reducing needs that already exist. At every interaction with a person, a local authority should consider whether or how the person's needs could be reduced or other needs could be delayed from arising. Effective interventions at the right time can stop needs from escalating, and help people maintain their independence for longer;

(d) the need to ensure that decisions are made having regard to all the individual's circumstances (and are not based only on their age or appearance, any condition they have, or any aspect of their behaviour which might lead others to make unjustified assumptions about their wellbeing). Local authorities should not make judgments based on preconceptions about the person's circumstances, but should in every case work to understand their individual needs and goals;

(e) the importance of the individual participating as fully as possible in decisions about them and being provided with the information and support necessary to enable the individual to participate. Care and support should be personal, and local authorities should not make decisions from which the person is excluded;

(f) the importance of achieving a balance between the individual's wellbeing and that of any friends or relatives who are involved in caring for the individual. People should be considered in the context of their families and support networks, not just as isolated individuals with needs. Local authorities should take into account the impact of an individual's need on those who support them, and take steps to help others access information or support;

(g) the need to protect people from abuse and neglect. In any activity which a local authority undertakes, it should consider how to ensure that the person is and remains protected from abuse or neglect. This is not confined only to safeguarding issues, but should be a general principle applied in every case;

(h) the need to ensure that any restriction on the individual's rights or freedom of action that is involved in the exercise of the function is kept to the minimum necessary for achieving the purpose for which the function is being exercised. Where the local authority has to take actions which restrict rights or freedoms, they should ensure that the course followed is the least restrictive necessary.

Independent living

Although not mentioned specifically in the way that "wellbeing" is defined, the concept of "independent living" is a core part of the wellbeing principle. Section 1 of the Care Act includes matters such as individual's control of their day-to-day life, suitability of living accommodation, contribution to society – and crucially, requires local authorities to consider each person's views, wishes, feelings and beliefs.

The wellbeing principle is intended to cover the key components of independent living, as expressed in the UN Convention on the Rights of People with Disabilities¹ (in particular, Article 19 of the Convention). Supporting people to live as independently as possible, for as long as possible, is a guiding principle of the Care Act.

Promoting wellbeing is not always about local authorities meeting needs directly. It will be just as important for them to put in place a system where people have the information they need to take control of their care and support and choose the options that are right for them.

Control also means the ability to move from one area to another or from children's services to the adult system without fear of suddenly losing care and support. The Care Act ensures that people will be able to move to a different area without suddenly losing their care and support and provides clarity about who will be responsible for care and support in different situations.

Section 2. Preventing, reducing or delaying needs

It is critical to the vision in the Care Act that the care and support system works to actively promote wellbeing and independence, and does not just wait to respond when people reach a crisis point. To meet the challenges of the future, it will be vital that the care and support system intervenes early to support individuals, helps people retain or regain their skills and confidence, and prevents need or delays deterioration wherever possible.

The local authority's responsibilities for prevention apply to all adults, including:

- people who do not have any current needs for care and support;
- adults with needs for care and support, whether their needs are eligible and/or met by the local authority or not (see chapter 6);
- carers, including those who may be about to take on a caring role or who do not currently have any needs for support, and those with needs for support which may not be being met by the local authority or other organisation.

The term "prevention" or "preventative" measures can cover many different types of support, services, facilities or other resources. There is no one definition for what constitutes preventative activity and this can range from wide-scale whole-population measures aimed at promoting health, to more targeted, individual interventions aimed at improving skills or functioning for one person or a particular group or lessening the impact of caring on a carer's health and wellbeing.

"Prevention" is often broken down into three general approaches – primary, secondary and tertiary prevention.

Primary prevention/promoting wellbeing

These are aimed at individuals who have no current particular health or care and support needs. These are services, facilities or resources provided or arranged that may help an individual avoid developing needs for care and support, or help a carer avoid developing support needs by maintaining independence and good health and promoting wellbeing. They are generally universal (i.e. available to all) services, which may include, but are not limited to interventions and advice that:

- provide universal access to good quality information;
- support safer neighbourhoods;
- promote healthy and active lifestyles (e.g. exercise classes);
- reduce loneliness or isolation (e.g. befriending schemes or community activities) or,
- encourage early discussions in families or groups about potential changes in the future, e.g. conversations about potential care arrangements or suitable accommodation should a family member become ill or disabled.

Reduce: secondary prevention/early intervention

These are more targeted interventions aimed at individuals who have an increased risk of developing needs, where the provision of services, resources or facilities may help slow down or reduce any further deterioration or prevent other needs from developing. Some early support can help stop a person's life tipping into crisis, for example helping someone with a learning disability with moderate needs manage their money, or a few hours support to help a family carer who is caring for their son or daughter with a learning disability and behaviour that challenges at home.

Early intervention could also include a fall prevention clinic, adaptations to housing to improve accessibility or provide greater assistance, handyman services, short term provision of

wheelchairs or telecare services. In order to identify those individuals most likely to benefit from such targeted services, local authorities may undertake screening or casefinding, for instance to identify individuals at risk of developing specific health conditions or experiencing certain events (such as strokes, or falls), or those that have needs for care and support which are not currently met by the local authority. Targeted interventions should also include approaches to identifying carers, including those who are taking on new caring responsibilities. Carers can also benefit from support to help them develop the knowledge and skills to care effectively and look after their own health and wellbeing.

Delay: tertiary prevention

These are interventions aimed at minimising the effect of disability or deterioration for people with established or complex health conditions, (including progressive conditions, such as dementia), supporting people to regain skills and manage or reduce need where possible. Tertiary prevention could include, for example the rehabilitation of people who are severely sight impaired. Local authorities must provide or arrange services, resources or facilities that maximise independence for those already with such needs, for example, interventions such as rehabilitation/reablement services, e.g. community equipment services and adaptations and the use of joint case-management for people with complex needs.

Tertiary prevention services could also include helping improve the lives of carers by enabling them to continue to have a life of their own alongside caring, for example through respite care, peer support groups like dementia cafés, or emotional support or stress management classes which can provide essential opportunities to share learning and coping tips with others. This can help develop mechanisms to cope with stress associated with caring and help carers develop an awareness of their own physical and mental health needs.

Developing a local approach to preventative support

Whilst local authorities may choose to provide some types of preventative support themselves, others may be more effectively provided in partnership with other local partners. . A local authority's commissioning strategy for prevention should consider the different commissioning routes available, and the benefits presented by each. This could include connecting to other key areas of local preventative activity outside care, including housing, planning and public health.

In developing a local approach to prevention, the local authority must take steps to identify and understand both the current and future demand for preventative support, and the supply in terms of services, facilities and other resources available.

Local authorities must consider the importance of identifying the services, facilities and resources that are already available in their area, which could support people to prevent, reduce or delay needs, and which could form part of the overall local approach to preventative activity.

Section 3 Information and advice

Local authorities must: *“establish and maintain a service for providing people in its area with information and advice relating to care and support for adults and support for carers”*.

The local authority has an active and critical role in the provision of information and advice and must take an active role. To fulfil its duty under section 4 of the Act, a local authority is likely to need to go further than providing information and advice directly (though direct provision will be important) by working to ensure the coherence, sufficiency, availability and accessibility of information and advice relating to care and support across the local authority area. Importantly, this duty to establish and maintain an information and advice service relates to the whole

population of the local authority area, not just those with care and support needs or in some other way already known to the system.

Section 4 Market shaping and commissioning of adult care and support

The Care Act places new duties on local authorities to facilitate and shape their market for adult care and support as a whole, so that it meets the needs of all people in their area who need care and support, whether arranged or funded by the state, by the individual themselves, or in other ways. The ambition is for local authorities to influence and drive the pace of change for their whole market, leading to a sustainable and diverse range of care and support providers, continuously improving quality and choice, and delivering better, innovative and cost-effective outcomes that promote the wellbeing of people who need care and support.

Section 5 Managing provider failure and other service interruptions

The possibility of interruptions to care and support services causes uncertainty and anxiety for people receiving services, their carers, family and friends. The guidance explains how the Care Act makes provision to ensure that, in such circumstances, the care and support needs of those receiving the service continue to be met. It describes local authorities' powers and duties when services are at risk of interruption in general and, in particular, when the interruption is because a provider's business has failed. It provides guidance to local authorities on the exercise of those powers and the discharge of those duties.

Section 6 Assessment - Eligibility

The national eligibility criteria set a minimum threshold for adult care and support needs and carer support needs which local authorities must meet. All local authorities must comply with this national threshold. Authorities can also decide to meet needs that are not deemed to be eligible if they chose to do so.

The eligibility threshold for adults with care and support needs is set out in the Care and Support (Eligibility Criteria) Regulations 2014 (the 'Eligibility Regulations'). The threshold is based on identifying how a person's needs affect their ability to achieve relevant outcomes, and how this impacts on their wellbeing.

In considering whether an adult with care and support needs has eligible needs, local authorities must consider whether:

- The adult's needs arise from or are related to a physical or mental impairment or illness.
- As a result of the adult's needs the adult is unable to achieve two or more of the specified outcomes (which are described in the guidance).
- As a consequence of being unable to achieve these outcomes there is, or there is likely to be, a significant impact on the adult's wellbeing.

An adult's needs are only eligible where they meet all three of these conditions

Carers can be eligible for support in their own right. The national eligibility threshold for carers is also set out in the Care and Support (Eligibility Criteria) Regulations 2014. The threshold is based on the impact a carer's needs for support has on their wellbeing.

In considering whether a carer has eligible needs, local authorities must consider whether:

- the needs arise as a consequence of providing necessary care for an adult;
- the effect of the carer's needs is that any of the circumstances specified in the Eligibility Regulations apply to the carer; and

- as a consequence of that fact there is, or there is likely to be, a significant impact on the carer's wellbeing.

A carer's needs are only eligible where they meet all three of these conditions

Section 7 Independent Advocacy

There are duties to arrange an independent advocate for all adults, as part of their own assessment and care planning and care reviews and to those in their role as carers. It also applies to children who are approaching the transition to adult care and support, when a child's needs assessment is carried out, and when a young carer's assessment is undertaken. Section 72 of the Act provides that Regulations may be made for appeals against local authority decisions made under Part 1 of the Act and includes reference to the provision of independent advocacy

There is also a separate duty to arrange an independent advocate for adults who are subject to a safeguarding enquiry or Safeguarding Adults Review (SAR).

Local authorities must arrange an independent advocate if two conditions are met. That if an independent advocate were not provided then the person would have substantial difficulty in being fully involved in these processes and second, there is no appropriate individual available to support and represent the person's wishes who is not paid or professionally engaged in providing care or treatment to the person or their carer. The role of the independent advocate is to support and represent the person and to facilitate their involvement in the key processes and interactions with the local authority and other organisations as required for the safeguarding enquiry or SAR.

Everyone should have access to information and advice on care and support and keeping safe from abuse or neglect (see chapter 3). Prior to making contact with the local authority, there may be some people who require independent advocacy to access that information and advice. Local authorities will need to consider such needs in ensuring that the information and advice service is accessible.

Section 8 Charging and financial assessment

The Care Act provides a single legal framework for charging for care and support under sections 14 and 17. It enables a local authority to decide whether or not to charge a person when it is arranging to meet a person's care and support needs or a carer's support needs.

Where a local authority arranges care and support to meet a person's needs, it may charge the adult, except where the local authority is required to arrange care and support free of charge. The new framework is intended to make charging fairer and more clearly understood by everyone. The overarching principle is that people should only be required to pay what they can afford. People will be entitled to financial support based on a means-test and some will be entitled to free care.

Part 7 of the Housing Act 1996

The homelessness legislation places a general duty on housing authorities to ensure that advice and information about homelessness, and preventing homelessness, is available to everyone in their district free of charge. The legislation also requires authorities to assist individuals and families who are homeless or threatened with homelessness and apply for help.

Summary Social Care , Health and Housing Statutory Requirements and Budget Proposals

<p>Care Act 2014</p>	<p>EA46 development of a joint approach with health service to deliver an improved care and reablement service EA104 development of Independent Living schemes EA106 Increased income from Care Fees EA112 Better use of Assistive Technology EA113 new delivery models for supporting Adults with a Learning Disability EA115 Right sizing care packages for Adults with a Learning Disability 1 Developing Learning Disability Services 2 Workchoice 3 Substance Misuse 4 Older Person Packages 5 Target Best Practice 6 Skills mix 7 Modernising / Transforming Care 8 Asset Based Approach/Self Service (incl's Digitisation) 10 Clarifying the Social Care Offer for new customers 11 Review the Carers Offer 14 Package Savings 17 Further Service Delivery Savings 18 Further Package Savings</p>
<p>Housing Act 1996</p>	<p>HGFE171803 Improve quality of housing advice</p>

Statutory Requirements Children's Services

The Children Act 1989 guidance and regulations – June 2015 Department for Education

<http://www.gov.uk/government/publications/children-act-1989-care-planning-placement-and-case-review>

The UN Convention and the European Convention on Human Rights

The United Nations Convention on the Rights of the Child (UNCRC) is an international human rights treaty to which the UK is a signatory, which grants all children and young people aged 17 and under a comprehensive set of rights. These include the right to:

- special protection measures and assistance;
- access to services such as education and health care;
- develop their personality, abilities and talents to the fullest potential;
- grow up in an environment of happiness, love and understanding; and
- be informed about and participate in achieving their rights in an accessible and active manner.

The Human Rights Act 1998 gives further effect in UK law to the rights and freedoms contained in the European Convention on Human Rights (ECHR).

The Children Act 1989

Key Principles

A key principle of the 1989 Act is that children are best looked after within their families, with their parents playing a full part in their lives, unless compulsory intervention in family life is necessary. That principle is reflected in:

- the concept of parental responsibility;
- the ability of unmarried fathers to share that responsibility by agreement with the mother, by joint registration at birth or by court order;
- the local authority's functions to provide services which support children and their families;
- the local authority's duty to return a looked after child to his/her family unless this is against his/her interests; and
- the local authority's duty, unless it is not reasonably practicable or consistent with his/her welfare, to endeavour to promote contact between a looked after child and his/her parents or others.

Principles in relation to children and their families

Good social care practice recognises the following principles when working with children and their families:

- Time is a crucial element in work with children and should be reckoned in days and months rather than years.
- Parents should be expected and enabled to retain their responsibilities and to remain as closely involved as is consistent with their child's welfare, even if that child cannot live at home either temporarily or permanently.
- If children have to live apart from their family, both they and their parents should be given adequate information and helped to consider alternatives and contribute to the making of an informed choice about the most appropriate form of care.

- Continuity of relationships is important and attachments should be respected, sustained and developed.
- A change of home, carer, social worker or school almost always carries some risk to a child's development and welfare.
- All children need to develop their own identity, including self-confidence and a sense of self-worth.

These principles reflect the intention in the 1989 Act, that parents should be encouraged to exercise their responsibility for their child's welfare in a constructive way and that where compulsory intervention in the family is necessary it should, where possible, support rather than undermine the parental role. The 1989 Act places a strong emphasis on the local authority working in partnership with parents when undertaking their statutory functions.

The child's wishes and feelings

Section 22(4) of the 1989 Act, consistent with Article 12 of the UNCRC, provides that, before making any decision with respect to a child whom the local authority are looking after or proposing to look after, the authority must, so far as reasonably practicable, ascertain the wishes and feelings of the child. Section 22(5) provides that, in making any decision in relation to the child, it should give due consideration to those wishes and feelings, having regard to the child's age and understanding. Children should feel that they are active participants and engaged in the process when adults are trying to solve problems and make decisions about them. When plans are being made for the child's future, s/he is likely to feel less fearful if s/he understands what is happening and has been listened to from the beginning.

The functions (including powers and duties) of local authorities in relation to children who are looked after by them are set out in the 1989 Act as principally amended by the Children (Leaving Care) Act 2000, the Adoption and Children Act 2002 and the Children and Young Persons Act 2008, and the associated Regulations and guidance in relation to those functions.

Section 22(3) of the 1989 Act sets out the general duty of the local authority looking after a child to safeguard and promote the welfare of the child. This duty underpins all activity by the local authority in relation to looked after children.

Section 17 – Provision of Services for Children in Need

Section 17(1) of the 1989 Act imposes on local authorities a general duty to safeguard and promote the welfare of children in their area who are in need by providing a range and level of services appropriate to those children's needs. A child 'in need' includes a disabled child (section 17(11)). 'For the purpose principally of facilitating the discharge of' that general duty, every local authority 'shall have the specific duties and powers set out in Part 1 of Schedule 2' to the 1989 Act (section 17(2)).

A child in need is defined under the Children Act 1989 as a child who is unlikely to achieve or maintain a satisfactory level of health or development, or their health and development will be significantly impaired, without the provision of services; or a child who is disabled. In these cases, assessments by a social worker are carried out under section 17 of the Children Act 1989.

Children in need may be assessed under section 17 of the Children Act 1989, in relation to their special educational needs, disabilities, or as a carer, or because they have committed a crime. The process for assessment should also be used for children whose parents are in prison and for asylum seeking children. The definition will include any child or young person under the age of 18.

The services provided by a Local Authority under this section may include providing accommodation, giving assistance in kind, or in exceptional circumstances, in cash.

Section 47 – Duty to Investigate

Where there is reasonable cause to suspect that a child is suffering, or likely to suffer, significant harm, the local authority is required under s47 of the Children Act 1989 to make enquiries, to enable it to decide whether it should take any action to safeguard and promote the welfare of the child.

The Children Act 1989 places a statutory duty on health, education and other services to help the local authority carry out its social services functions under Part 3 of the Children Act 1989 and section 47 enquiries. All agencies then have a duty to assist and provide information in support of child protection enquiries.

Section 44 – Emergency Protection Powers

The court may make an emergency protection order under section 44 of the Children Act 1989, if it is satisfied that there is reasonable cause to believe that a child is likely to suffer significant harm if the child:

- is not removed to different accommodation provided by the applicant; or
- does not remain in the place in which the child is then being accommodated.

Where the applicant is the local authority, an emergency protection order (EPO) may also be made if enquiries (for example, made under section 47) are being frustrated by access to the child being unreasonably refused to a person authorised to seek access, and the applicant has reasonable cause to believe that access is needed as a matter of urgency. An emergency protection order gives authority to remove a child, and place the child under the protection of the applicant.

Section 20 - Co-operative Agreement Into Care

Some children in need may require accommodation because there is no one who has parental responsibility for them, because they are lost or abandoned or because the person who has been caring for them is prevented from providing them with suitable accommodation or care.

Under section 20 of the Children Act 1989, the local authority has a duty to accommodate such children in need in their area. An Accommodated Child is looked after under Section 20 of the Children Act. This is a voluntarily arranged, co-operative agreement, between the local authority and the parents (or the young person if they are aged over 16). The parents retain full parental responsibility.

Section 31 - Care Orders

Under section 31 of the Children Act 1989, the local authority or any authorised person can apply to the court for a child or young person to become the subject of a care order. Once a care order is made, the local authority obtains parental responsibility in addition to the other parental responsibility holders. Following an application under section 31A, where a child is the subject of a care order, the local authority, as a corporate parent, must assess the child's needs and draw up a care plan which sets out the services which will be provided to meet the child's identified needs.

Both children under Section 20 and those under Section 31 are deemed 'Looked After Children' (LAC).

Independent Reviewing Officer (IRO)

Section 25B sets out the functions of IROs to improve care planning and secure better outcomes for looked after children. IROs have responsibility for monitoring the performance by the local

authority of their functions in relation to a child's case, as well as specific duties in relation to the review function. There are now two clear and separate aspects to the function of the IRO:

- chairing the child's review; and
- monitoring the child's case on an ongoing basis including whether any safeguarding issues arise.

The intention is to enable the IRO to have an effective and independent oversight of the child's case to ensure that the care plan represents an effective response to the assessed needs of the child and that progress is being made towards achieving the identified outcomes.

The responsibilities of the IRO include:

- ensuring that care plans for looked after children are based on a detailed and informed assessment, are up to date, effective and provide a real and genuine response to each child's needs;
- identifying any gaps in the assessment process or provision of service;
- offering a safeguard to prevent any 'drift' in care planning and the delivery of services;
- monitoring the activity of the local authority acting as a good corporate parent in taking all reasonable steps to ensure that care plans have given proper consideration and weight to the child's current views, wishes and feelings and that the child fully understands the implications of any changes to their care plan; and
- making sure that the child understands how an advocate could help and his/her entitlement to one.

As part of the monitoring function, the IRO also has a duty to monitor the performance of the local authority's function as a corporate parent and to identify any areas of poor practice. This should include identifying patterns of concerns emerging not just around individual children but also more generally in the collective experience of their looked after children. Where these more general concerns around service delivery are identified, the IRO should immediately alert senior managers to these concerns.

Contact arrangements for a child looked after under a care order

Where a child is in care, specific requirements are placed on the local authority in relation to the refusal of contact, departure from the terms of an order made under section 34 and notification, variation or supervision of contact arrangements made under a section 34 order.

The responsible authority must allow reasonable contact with a child's parents, any guardian and any other person with whom s/he was living under a court order immediately before the care order was made, provided that contact is consistent with the LA's duty to safeguard and promote the welfare of the child

Section 26A of the Children Act 1989 was inserted by section 119 of the Adoption and Children Act 2002. The Advocacy Services and Representations Procedure (Children)(Amendment) Regulations 2004

Advocacy

All local authorities with social services responsibilities should ensure that advocacy services are provided for children and young people making or intending to make a complaint under section 24D or section 26 of the Children Act 1989.

Section 10 Co-operation to improve well-being

(1) Each children's services authority in England must make arrangements to promote co-operation between—

- (a) the authority;
- (b) each of the authority's relevant partners; and
- (c) such other persons or bodies as the authority consider appropriate, being persons or bodies of any nature who exercise functions or are engaged in activities in relation to children in the authority's area.

(2) The arrangements are to be made with a view to improving the well-being of children in the authority's area so far as relating to—

- (a) physical and mental health and emotional well-being;
- (b) protection from harm and neglect;
- (c) education, training and recreation;
- (d) the contribution made by them to society;
- (e) social and economic well-being.

(3) In making arrangements under this section a children's services authority in England must have regard to the importance of parents and other persons caring for children in improving the well-being of children.

Section 11(2) of the 2004 Act imposes a duty to make arrangements for ensuring that when exercising any function in a way which affects a child are discharged having regard to the need to safeguard and promote the welfare of children.

Childcare Act 2006

The Childcare Act 2006 imposes **general duties upon a local authority in relation to the well-being of young children**. By section 1(1) an "English local authority must (a) improve the well-being of young children in their area and (b) reduce inequalities between young children in their area in relation to the matters mentioned in sub-section (2)..."

By section 3, specific duties are imposed in relation to early childhood services. By section 3(2) those are to "...make arrangements to secure that early childhood services in [a local authority's] area are provided in an integrated manner which is calculated to – (a) facilitate access to those services, and (b) maximise the benefit of those services to parents, prospective parents and young children".

By section 5A it is provided that:

"(1) Arrangements made by an English local authority under section 3(2) must, so far as is reasonably practicable, **include arrangements for sufficient provision for children's centres** to meet local need.

(2) "Local need" is the need of parents, prospective parents and young children in the authority's area."

By Section 5D it is provided that:-

"(1) An English local authority must secure that such consultation as they think appropriate is carried out -

- (a) before making arrangements under section 3(2) for the provision of a children's centre;
- (b) before any significant change is made in the services provided through a relevant children's centre;
- (c) before anything is done that would result in a relevant children's centre ceasing to be a children's centre."

Section 5A of the 2006 Act is augmented by statutory guidance published by the Secretary of State. It seeks to emphasise that local authorities should ensure that a network of children's centres is accessible to all families with young children in their area; that children's centres and their services are within reasonable reach of all families with young children in urban and rural areas, taking into account distance and availability of transport; and that opening times and availability of services meet the needs of families in their area.

Section 6 Duty to secure sufficient childcare for working parents

(1) An English local authority must secure, so far as is reasonably practicable, that the provision of childcare (whether or not by them) is sufficient to meet the requirements of parents in their area who require childcare in order to enable them—

- (a) to take up, or remain in, work, or
 - (b) to undertake education or training which could reasonably be expected to assist them to obtain work.
- (2) In determining for the purposes of subsection (1) whether the provision of childcare is sufficient to meet those requirements, a local authority—
- (a) must have regard to the needs of parents in their area for—
 - (i) the provision of childcare in respect of which the child care element of working tax credit is payable, and
 - (ii) the provision of childcare which is suitable for disabled children, and
 - (b) may have regard to any childcare which they expect to be available outside their area.

Child Poverty Act 2010

21 Co-operation to reduce child poverty in local area

- (1) Each responsible local authority must make arrangements to promote cooperation between—
- (a) the authority;
 - (b) each of its partner authorities; and
 - (c) such other persons or bodies as the authority thinks fit.
- (2) The arrangements are to be made with a view to reducing, and mitigating the effects of, child poverty in the responsible local authority's area.

Working together to safeguard children 2015 – HM Government

<http://www.gov.uk/government/publications/working-together-to-safeguard-children--2>

Early help

Providing early help is more effective in promoting the welfare of children than reacting later. Early help means providing support as soon as a problem emerges, at any point in a child's life, from the

foundation years through to the teenage years. Early help can also prevent further problems arising, for example, if it is provided as part of a support plan where a child has returned home to their family from care.

Effective early help relies upon local agencies working together to:

- identify children and families who would benefit from early help;
- undertake an assessment of the need for early help; and
- provide targeted early help services to address the assessed needs of a child and their family which focuses on activity to significantly improve the outcomes for the child. Local authorities, under section 10 of the Children Act 2004, have a responsibility to promote inter-agency cooperation to improve the welfare of children

Identifying children and families who would benefit from early help

Local agencies should have in place effective ways to identify emerging problems and potential unmet needs for individual children and families. This requires all professionals, including those in universal services and those providing services to adults with children, to understand their role in identifying emerging problems and to share information with other professionals to support early identification and assessment.

Professionals should, in particular, be alert to the potential need for early help for a child who:

- is disabled and has specific additional needs;
- has special educational needs;
- is a young carer;
- is showing signs of engaging in anti-social or criminal behaviour;
- is in a family circumstance presenting challenges for the child, such as substance abuse, adult mental health problems and domestic violence;
- has returned home to their family from care; and/or
- is showing early signs of abuse and/or neglect.

Provision of effective early help services

The early help assessment carried out for an individual child and their family should be clear about the action to be taken and services to be provided (including any relevant timescales for the assessment) and aim to ensure that early help services are coordinated and not delivered in a piecemeal way.

Local areas should have a range of effective, evidence-based services in place to address assessed needs early. The early help on offer should draw upon the local assessment of need and the latest evidence of the effectiveness of early help and early intervention programmes. In addition to high quality support in universal services, specific local early help services will typically include family and parenting programmes, assistance with health issues and help for problems relating to drugs, alcohol and domestic violence. Services may also focus on improving family functioning and building the family's own capability to solve problems; this should be done within a structured, evidence-based framework involving regular review to ensure that real progress is being made. Some of these services may be delivered to parents but should always be evaluated to demonstrate the impact they are having on the outcomes for the child.

Education and Inspections Act 2006

EDUCATION FUNCTIONS OF LOCAL AUTHORITIES

1 Duties in relation to high standards and the fulfilment of potential

For section 13A of EA 1996 substitute — “**13A Duty to promote high standards and the fulfilment of potential**

(1) A local education authority shall ensure that their functions relating to the provision of education to which this section applies are (so far as they are capable of being so exercised) exercised by the authority with a view to—

- (a) promoting high standards,
- (b) in the case of a local education authority in England, ensuring fair access to educational opportunity, and
- (c) promoting the fulfilment by every child concerned of his educational potential.

(2) This section applies to education for—

- (a) children of compulsory school age (whether at school or otherwise); and
- (b) children under or over that age who are registered as pupils at schools maintained by the authority, and in subsection (1) “functions” means functions of whatever nature.

(3) In this section “child” means a person under the age of 20.”

2 Duties in relation to diversity and choice

In section 14 of EA 1996 (functions of local education authorities in relation to the provision of primary and secondary education) after subsection (3) insert—

“(3A) A local education authority in England shall exercise their functions under this section with a view to—

- (a) securing diversity in the provision of schools, and
- (b) increasing opportunities for parental choice.”

3 Duty to consider parental representations

After section 14 of EA 1996 insert— “**14A Duty of local education authority to consider parental representations**

(1) Where a local education authority in England receive any representation from a parent of a qualifying child as to the exercise by the authority of their functions under section 14, the authority shall—

- (a) consider the representation and what action (if any) to take in response to it, and
- (b) within a reasonable time provide the parent with a statement setting out—
 - (i) any action which the authority propose to take in response to the representation, or
 - (ii) where the authority are of the opinion that no such action is necessary, their reasons for being of that opinion.

4 Duty to identify children not receiving education

(1) In Chapter 2 of Part 6 of EA 1996 (school attendance) before the cross-heading preceding section 437 insert— “*Children not receiving suitable education*

436A Duty to make arrangements to identify children not receiving education

(1) A local education authority must make arrangements to enable them to establish (so far as it is possible to do so) the identities of children in their area who are of compulsory school age but—

- (a) are not registered pupils at a school, and
- (b) are not receiving suitable education otherwise than at a school.

(2) In exercising their functions under this section a local education authority must have regard to any guidance given from time to time by the Secretary of State.

(3) In this Chapter, “suitable education”, in relation to a child, means efficient full-time education suitable to his age, ability and aptitude and to any special educational needs he may have.”

5 School improvement partners

(1) A local education authority in England must appoint, in relation to each maintained school which they maintain, a person (to be known as a school improvement partner) to provide advice to the governing body and head teacher of the school with a view to improving standards at the school.

6 Functions in respect of youth work, recreation etc

(1) Before section 508 of EA 1996 (functions of LEA in respect of facilities for recreation and social and physical training), and immediately after the crossheading which precedes that section, insert— **“507A LEAs in England: functions in respect of recreational and training facilities for children under 13**

(1) A local education authority in England must secure that the facilities for primary and secondary education provided for their area include adequate facilities for recreation and social and physical training for children who have not attained the age of 13.

(2) For the purposes of subsection (1) a local education authority may—

(a) establish, maintain and manage, or assist the establishment, maintenance and management of—

(i) camps, holiday classes, playing fields, play centres, and

(ii) other places, including playgrounds, gymnasiums and swimming baths not appropriated to any school or other educational institution, at which facilities for recreation and social and physical training are available for persons receiving primary or secondary education;

(b) organise games, expeditions and other activities for such persons; and

(c) defray, or contribute towards, the expenses of such games, expeditions and other activities.

(3) When making arrangements for the provision of facilities or the organisation of activities in the exercise of their powers under subsection (2), a local education authority must, in particular, have regard to the expediency of co-operating with any voluntary societies or bodies whose objects include the provision of facilities or the organisation of activities of a similar character.

507B LEAs in England: functions in respect of leisure-time activities etc for persons aged 13 to 19 and certain persons aged 20 to 24

(1) A local education authority in England must, so far as reasonably practicable, secure for qualifying young persons in the authority’s area access to—

(a) sufficient educational leisure-time activities which are for the improvement of their well-being, and sufficient facilities for such activities; and

(b) sufficient recreational leisure-time activities which are for the improvement of their well-being, and sufficient facilities for such activities.

(8) For the purposes of subsection (7)(a) a local education authority must consult such persons as the authority think appropriate as to whether it is expedient for the proposed action to be taken by another person.

(9) In exercising their functions under this section a local education authority must—

(a) take steps to ascertain the views of qualifying young persons in the authority's area about—

(i) positive leisure-time activities, and facilities for such activities, in the authority's area;

(ii) the need for any additional such activities and facilities;

and

(iii) access to such activities and facilities; and

(b) secure that the views of qualifying young persons in the authority's area are taken into account.

(10) A local education authority in England must—

(a) publicise information about positive leisure-time activities, and facilities for such activities, in the authority's area, and

(b) keep the information publicised under paragraph (a) up to date.

(11) A local education authority may charge in respect of anything provided by the authority under this section where the provision is to a qualifying young person (whether or not in the authority's area).

(12) In exercising their functions under this section a local education authority must have regard to any guidance given from time to time by the Secretary of State.

(13) In this section— "recreation" includes physical training (and "recreational" is to be construed accordingly); "sufficient", in relation to activities or facilities, means sufficient having regard to quantity; "well-being", in relation to a person, means his well-being so far as relating to—

(a) physical and mental health and emotional well-being;

(b) protection from harm and neglect;

(c) education, training and recreation;

(d) the contribution made by him to society;

(e) social and economic well-being."

60 Warning notice by local education authority

(1) A maintained school is by virtue of this section eligible for intervention if—

(a) the local education authority have given the governing body a warning notice in accordance with subsection (2),

(b) the period beginning with the day on which the warning notice is given and ending with the fifteenth working day following that day ("the initial period") has expired,

(c) either the governing body made no representations under subsection (7) to the Chief Inspector against the warning notice during the initial period or the Chief Inspector has confirmed the warning notice under subsection (8),

(d) the governing body have failed to comply, or secure compliance, with the notice to the authority's satisfaction by the end of the compliance period (as defined by subsection (10)), and

(e) the authority have given reasonable notice in writing to the governing body that they propose to exercise their powers under any one or more of sections 63 to 66 (whether or not the notice is combined with a notice under section 62(2A)(c) of SSFA 1998).

(2) A local education authority may give a warning notice to the governing body of a maintained school where the authority are satisfied—

- (a) that the standards of performance of pupils at the school are unacceptably low, and are likely to remain so unless the authority exercise their powers under this Part, or
- (b) that there has been a serious breakdown in the way the school is managed or governed which is prejudicing, or likely to prejudice, such standards of performance, or
- (c) that the safety of pupils or staff of the school is threatened (whether by a breakdown of discipline or otherwise).

(3) For the purposes of subsection (2)(a) the standards of performance of pupils at a school are low if they are low by reference to any one or more of the following—

- (a) the standards that the pupils might in all the circumstances reasonably be expected to attain,
- (b) where relevant, the standards previously attained by them, or
- (c) the standards attained by pupils at comparable schools.

63 Power of LEA to require governing body to enter into arrangements

(1) If at any time a maintained school is eligible for intervention, then (subject to subsection (3)) the local education authority may, with a view to improving the performance of the school, give the governing body of the school a notice requiring the governing body—

- (a) to enter into a contract or other arrangement with a specified person (who may be the governing body of another school) for the provision to the governing body of specified services of an advisory nature,
- (b) to make specified arrangements authorised by section 26 of EA 2002 (collaboration between schools) with the governing body of such other school as may be specified,
- (c) to make specified arrangements authorised by regulations under section 166 of this Act (collaboration arrangements: maintained schools and further education bodies) with a further education body within the meaning of that section, or
- (d) to take specified steps for the purpose of creating or joining a federation, as defined by section 24(2) of EA 2002.

64 Power of LEA etc. to appoint additional governors

(1) If at any time a maintained school is eligible for intervention, then (subject to subsection (2)) the local education authority may appoint such number of additional governors as they think fit.

76 LEAs in England: duty to promote sustainable modes of travel etc

After section 508 of EA 1996 insert— **“508A LEAs in England: duty to promote sustainable modes of travel etc**

- (1) A local education authority in England must—
 - (a) prepare for each academic year a document containing their strategy to promote the use of sustainable modes of travel to meet the school travel needs of their area (“a sustainable modes of travel strategy”),
 - (b) publish the strategy in such manner and by such time as may be prescribed, and
 - (c) promote the use of sustainable modes of travel to meet the school travel needs of their area.

CHILDREN AND YOUNG PEOPLE IN ENGLAND WITH SPECIAL EDUCATIONAL NEEDS OR DISABILITIES

Local authority functions: general principles

19 Local authority functions: supporting and involving children and young people

In exercising a function under this Part in the case of a child or young person, a local authority in England must have regard to the following matters in particular—

- (a) the views, wishes and feelings of the child and his or her parent, or the young person;
- (b) the importance of the child and his or her parent, or the young person, participating as fully as possible in decisions relating to the exercise of the function concerned;
- (c) the importance of the child and his or her parent, or the young person, being provided with the information and support necessary to enable participation in those decisions;
- (d) the need to support the child and his or her parent, or the young person, in order to facilitate the development of the child or young person and to help him or her achieve the best possible educational and other outcomes.

22 Identifying children and young people with special educational needs and disabilities

A local authority in England must exercise its functions with a view to securing that it identifies—

- (a) all the children and young people in its area who have or may have special educational needs, and
- (b) all the children and young people in its area who have a disability

24 When a local authority is responsible for a child or young person

(1) A local authority in England is responsible for a child or young person if he or she is in the authority's area and has been—

- (a) identified by the authority as someone who has or may have special educational needs, or
- (b) brought to the authority's attention by any person as someone who has or may have special educational needs.

25 Promoting integration

(1) A local authority in England must exercise its functions under this Part with a view to ensuring the integration of educational provision and training provision with health care provision and social care provision, where it thinks that this would—

- (a) promote the well-being of children or young people in its area who have special educational needs or a disability, or
- (b) improve the quality of special educational provision—
 - (i) made in its area for children or young people who have special educational needs, or
 - (ii) made outside its area for children or young people for whom it is responsible who have special educational needs.

(2) The reference in subsection (1) to the well-being of children and young people is to their well-being so far as relating to—

- (a) physical and mental health and emotional well-being;
- (b) protection from abuse and neglect;

- (c) control by them over their day-to-day lives;
- (d) participation in education, training or recreation;
- (e) social and economic well-being;
- (f) domestic, family and personal relationships;
- (g) the contribution made by them to society.

26 Joint commissioning arrangements

(1) A local authority in England and its partner commissioning bodies must make arrangements (“joint commissioning arrangements”) about the education, health and care provision to be secured for—

- (a) children and young people for whom the authority is responsible who have special educational needs, and
- (b) children and young people in the authority’s area who have a disability.

27 Duty to keep education and care provision under review

(1) A local authority in England must keep under review—

- (a) the educational provision, training provision and social care provision made in its area for children and young people who have special educational needs or a disability, and
- (b) the educational provision, training provision and social care provision made outside its area for—
 - (i) children and young people for whom it is responsible who have special educational needs, and
 - (ii) children and young people in its area who have a disability.

(2) The authority must consider the extent to which the provision referred to in subsection (1)(a) and (b) is sufficient to meet the educational needs, training needs and social care needs of the children and young people concerned.

96 Young carers

(1) In the Children Act 1989, after section 17 insert— **“17ZA Young carers’ needs assessments: England**

(1) A local authority in England must assess whether a young carer within their area has needs for support and, if so, what those needs are, if—

- (a) it appears to the authority that the young carer may have needs for support, or
- (b) the authority receive a request from the young carer or a parent of the young carer to assess the young carer’s needs for support.

(7) A young carer’s needs assessment must include an assessment of whether it is appropriate for the young carer to provide, or continue to provide, care for the person in question, in the light of the young carer’s needs for support, other needs and wishes.

(8) A local authority, in carrying out a young carer’s needs assessment, must have regard to—

- (a) the extent to which the young carer is participating in or wishes to participate in education, training or recreation, and
- (b) the extent to which the young carer works or wishes to work.

97 Parent carers

(1) In the Children Act 1989, after section 17ZC (as inserted by section 96) insert— “17ZD Parent carers’ needs assessments: England

(1) A local authority in England must, if the conditions in subsections (3) and (4) are met, assess whether a parent carer within their area has needs for support and, if so, what those needs are.

(2) In this Part “parent carer” means a person aged 18 or over who provides or intends to provide care for a disabled child for whom the person has parental responsibility.

(3) The first condition is that—

- (a) it appears to the authority that the parent carer may have needs for support, or
- (b) the authority receive a request from the parent carer to assess the parent carer’s needs for support.

(4) The second condition is that the local authority are satisfied that the disabled child cared for and the disabled child’s family are persons for whom they may provide or arrange for the provision of services under section 17.

Education and Adoption Act 2016

Section 6: Interaction between intervention powers

Section 6 amends provisions in the Education and Inspections Act 2006 that stop a local authority from appointing additional governors of a maintained school where, in specified circumstances, the Secretary of State has exercised the power to appoint additional governors.

Instead, local authorities will be required to notify the Secretary of State before they exercise powers to require a governing body of a maintained school to enter into arrangements, to appoint additional governors or to suspend a governing body’s right to a delegated budget.

Section 10: Duty to facilitate conversion

Section 10 provides that where a school is subject to an academy order the governing body and its relevant local authority must work towards the school’s successful conversion into an academy by taking all reasonable steps necessary.

Section 3 of the Local Government Act 1999 (‘the 1999 Act’)

Section 3(1) of the 1999 Act imposes a duty on a local authority to ‘make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness’.

Section 3(2) requires a local authority to **consult various people** ‘for the purpose of’ deciding how to fulfil the duty imposed by section 3(1). In deciding how to fulfil that duty, and in making decisions about consultation, a local authority must have regard to guidance issued by Secretary of State.

The statutory guidance is short. It is aimed specifically at, and ‘sets out clear expectations for’ councils which are ‘considering changing funding to local voluntary or community groups’. Paragraph 7 of the guidance says that ‘**Authorities should seek to avoid passing on disproportionate reductions – by not passing on larger reductions to the voluntary and community sector and small businesses as a whole than they take on**’.

Overarching Framework	Work Area	Useful Documents
Care Planning, Placement, and Case Review Regulations and statutory guidance	Social care standards and guidance	<ul style="list-style-type: none"> - Children Act 1989: care planning, placement and case review - Children Act 1989: court orders - Directors of children's services: roles and responsibilities - Children's social care: getting the best from complaints - Information sharing for practitioners and managers
Care Planning	Health and wellbeing	<ul style="list-style-type: none"> - Promoting the health and wellbeing of looked-after children - Care of unaccompanied and trafficked children - Children who run away or go missing from home or care - Working together to safeguard children
	Support in education	<ul style="list-style-type: none"> - Promoting the education of looked-after children - Designated teacher for looked-after children - SEND: guide for social care professionals
	Financial support	<ul style="list-style-type: none"> - Pupil premium: virtual school heads' responsibilities - Junior individual saving accounts for looked-after children
Placements	Accommodation	<ul style="list-style-type: none"> - Children's homes regulations amendments 2014 - Provision of accommodation for 16 and 17 year olds who may be homeless and/or require accommodation - Securing sufficient accommodation for looked-after children
	Friends and family care	<ul style="list-style-type: none"> - Children Act 1989: family and friends care
	Special guardianship	<ul style="list-style-type: none"> - Special guardianship guidance
	Social care standards and guidance	<ul style="list-style-type: none"> - Placement of looked-after children in EU member states
Adoption Fostering Children's Homes	National Minimum Standards	<ul style="list-style-type: none"> - Children's homes: national minimum standards - Adoption: national minimum standards - Fostering services: national minimum standards
	Regulations	<ul style="list-style-type: none"> - The Fostering Services (England) Regulations 2011 - The Children's Homes (England) Regulations 2015
Case Review	Advocacy	<ul style="list-style-type: none"> - Advocacy services for children and young people - Independent reviewing officers' handbook - Supporting looked-after children with communication needs
	Social care standards and guidance	<ul style="list-style-type: none"> - Children's social care: getting the best from complaints
Ceasing to be looked after	Care leavers and former looked-after children	<ul style="list-style-type: none"> - Children Act 1989: transition to adulthood for care leavers - Care leaver strategy
Short breaks	Short break care	<ul style="list-style-type: none"> - Short breaks for disabled children
Case records	Records	<ul style="list-style-type: none"> - Data protection Act 1998
Arrangements in youth justice system	Youth Justice	<ul style="list-style-type: none"> - Children Act 1989: former looked-after children in custody

Summary Children’s Services Statutory Requirements and Budget Proposals

<p>Children Act 1989</p>	<p>CSE1618 Emergency one off provisions CSE1629 Restructure Court Teams CSE1629 Refocusing and alignment of early intervention monies CSE1629 Looked After Children Placements Supported Lodgings Scheme Reduction in Supervised Contact Corporate Parenting Remove 1 SW post Family Support Remove 1 Independent Reviewing Officer Remove Practice Manager - Corp parenting Remove Participation Officer Redesign Family Support Redesign Assessment Team End remaining Speech And Language Therapy & parenting support Remove 2 Intervention Workers Assessment Reduce Intervention Service Restructure Early Help Plus Restructure Young Peoples Support Team Advocacy</p>
<p>Children Act 2004</p>	<p>CSE1629 Refocusing and alignment of early intervention monies Redesign Family Support End remaining Speech And Language Therapy & parenting support Remove 2 Intervention Workers Assessment Reduce Intervention Service Restructure Early Help Plus Restructure Young Peoples Support Team</p>
<p>Childcare Act 2006</p>	<p>CSE1608 additional income through the Academy of Social Work and Early Intervention CSE1629 Refocusing and alignment of early intervention monies Redesign Family Support End remaining Speech And Language Therapy & parenting support Remove 2 Intervention Workers Assessment Reduce Intervention Service Restructure Early Help Plus Restructure Young Peoples Support Team</p>
<p>Child Poverty Act 2010</p>	<p>CSE1629 Refocusing and alignment of early intervention monies End remaining Speech And Language Therapy & parenting support</p>
<p>Working together 2015</p>	<p>CSE1629 Refocusing and alignment of early intervention monies Redesign Family Support End remaining Speech And Language Therapy & parenting support Remove 2 Intervention Workers Assessment Reduce Intervention Service Restructure Early Help Plus Restructure Young Peoples Support Team</p>
<p>Education and Inspections Act 2006 and</p>	<p>CSE1603 Education Services Staffing Review CSE1629 Refocusing and alignment of early intervention monies Remove all core budget from commissioning school improvement and</p>

<p>anticipated white paper</p>	<p>school intervention Generate more income from schools contribution more to intervention packages Youth Support Services seconded youth worker Youth Support Services increased focus on Early Intervention</p>
<p>Children and Families Act 2014</p>	<p>Review use of DSG for posts dealing with SEND (Youth/LAC)</p>
<p>Education and Adoption Act 2016</p>	<p>Remove all core budget from commissioning school improvement and school intervention Generate more income from schools contribution more to intervention packages</p>
<p>Local Government Act 1999</p>	<p>CSE1609 Reduction to funding for the Voluntary and Community Services Infrastructure Organisations Residual Children's Society Money Academy reduction in funding to voluntary sector Partnerships & Community Engagement Reduce VCS grant Partnerships & Community Engagement Reduce grants to Citizens' Advice Advocacy</p>

Statutory Requirements - Community Services

Transport - The Transport Acts 1985 and 2008,

Section 57 Passenger Transport Areas, Authorities and Executives.

9A General functions of Passenger Transport Authorities and Executives.

(1) It shall be the duty of the Authority for any passenger transport area to formulate from time to time general policies with respect to the descriptions of public passenger transport services they consider it appropriate for the Executive for their area to secure for the purpose of meeting any public transport requirements within their area which in the view of the Authority would not be met apart from any action taken by the Executive for that purpose.

(2) The Authority shall seek and have regard to the advice of the Executive for their area in formulating their policies under subsection (1) of this section.

(3) It shall be the duty of the Executive for any passenger transport area to secure the provision of such public passenger transport services as they consider it appropriate to secure for meeting any public transport requirements within their area in accordance with policies formulated by the Authority for their area under subsection (1) of this section.

(4) The Executive shall have power to enter into an agreement providing for service subsidies for the purpose of securing the provision of any service under subsection (3) of this section; but their power to do so—

(a) shall be exercisable only where the service in question would not be provided without subsidy; and

(b) is subject to sections 89 to 92 of the Transport Act 1985 (tendering for local services, etc.).

(5) Where it appears to the Authority for any passenger transport area that it would be appropriate for the Executive for that area to take any measures for the purpose of or in connection with promoting, so far as relates to that area—

(a) the availability of public passenger transport services other than subsidised services and the operation of such services, in conjunction with each other and with any available subsidised services, so as to meet any public transport requirements the Authority consider it appropriate to meet; or

(b) the convenience of the public (including persons who are elderly or disabled) in using all available public passenger transport services (whether subsidised or not);

the Authority may from time to time formulate general policies with respect to the description of such measures to be taken by the Executive for that area, and the Executive shall take such measures for the purpose or in the connection mentioned above as appear to them to be appropriate for carrying out those policies.

(6) It shall be the duty—

(a) of the Authority for any passenger transport area, in formulating any such policies; and

(b) of the Executive for any passenger transport area, in carrying out any such policies; so to conduct themselves as not to inhibit competition between persons providing or seeking to provide public passenger transport services in their area.

(7) It shall be the duty both of the Authority and of the Executive for any passenger transport area, in exercising or performing any of their functions under the preceding provisions of this section, to have regard to the transport needs of members of the public who are elderly or disabled.

The Travel Concessions (Eligibility) Act 2002

The Council has a duty as a Travel Concession Authorities (TCA) under the Transport Act 2000 and the Travel Concessions (Eligibility) Act 2002 to issue statutory travel concession permits, on request and without charge, to older people on public passenger transport (until 31 March 2010 this was defined as aged 60, but is now tied to the date at which a woman of the applicant's age would be eligible to receive a state pension) and disabled people. Originally applying to travel within the Council's area, from April 2008 this was extended to apply to travel throughout England.

School Transport

Section 508B of the Education Act 1996 requires local authorities to make such school travel arrangements as they consider necessary for children within their area, for the purpose of facilitating the attendance of persons (not of sixth form age) receiving education or training at an institution. **Such arrangements must be provided free of charge.**

“Statutory walking distance” is two miles for children aged under eight, and three miles for children aged eight and over. The measurement of the “statutory walking distance” is not necessarily the shortest distance by road. It is measured by the shortest route along which a child, accompanied as necessary, may walk with reasonable safety. As such, the route measured may include footpaths, bridleways, and other pathways, as well as recognised roads.

Section 508C of the Act gives local authorities discretionary powers to make school travel arrangements for other children not covered by section 508B. **Such transport does not have to be provided free of charge.**

Examples of other bodies or persons making travel arrangements might include: a parent consenting to use of their car in return for a mileage allowance; a school, or group of schools reaching an agreement with a local authority to provide transport in minibuses owned by the school; or a transport authority providing free passes for all children on public transport.

Subsection (4) of 508B and 508C of the Act list some of the travel and transport arrangements that may be made. These might include: provision of a seat on a bus or minibus provided by the local authority; provision of a seat in a taxi where more individualised arrangements are necessary; and provision of a pass for a public service bus, or other means of public transport.

On condition that the relevant parental consent has been obtained by the local authority, a number of allowances and other arrangements might be considered to meet the local authority duty relating to travel arrangements. Examples include:

- a mileage allowance paid to a parent driving their “eligible child” to school in lieu of the local authority making arrangements for a taxi to transport the child;
- a cycling allowance paid by the local authority where the parent agreed for their child to cycle to and from school instead of catching a bus for, say a three mile journey; and
- local authority provision of an escort to enable a child with SEN to walk a short distance to school in reasonable safety, instead of making arrangements for a taxi to take them to and from school.

Some children with SEN and/or a disability may, by reason of their SEN and/or disability, be unable to walk even relatively short distances to school. Similarly, children with a mobility problem caused, for example, by a temporary medical condition such as a broken leg, may also be unable to walk to school.

Where such children attend a qualifying school, which is within “statutory walking distance”, and no suitable arrangements have been made by the Local Authority for enabling them to become a registered pupil at a qualifying school nearer to their home, they will be “eligible children”. This means that local authorities must make suitable travel arrangements for children with SEN, a disability, or mobility problem (including temporary medical conditions) if their SEN, disability, or mobility problem means that they could not reasonably be expected to walk to the school (or other place where they might be receiving education under section 19(1) of the Act.

Where children live within “statutory walking distance” of their nearest qualifying school (or other place where education is provided under section 19(1)), local authorities will be under a duty to make travel arrangements where the nature of the route is such that a child can not reasonably be expected to walk (accompanied as necessary) in reasonable safety.

SEND Code of Practice 2015

Transport can be an important factor in the support for children and young people with SEN or disabilities. The Local Offer **must** include information about arrangements for transport provision, including for those up to age 25 with an EHC plan, and this should include local authorities’ policy statements.

Local authorities **must** ensure that suitable travel arrangements are made where necessary to facilitate an eligible child’s attendance at school.

Local authorities **must** publish a transport policy statement each year setting out the travel arrangements they will make to support young people aged 16-19 and learners with learning difficulties and/or disabilities (LDD) aged up to 25, to access further education. This should include any arrangements for free or subsidised transport

Post 16

The Education Act 1996 and the Apprenticeship, Skills, Children and Learning Act (2009) a local authority has a statutory responsibility to consider how it will assist learners to access the appropriate post 16 provision. Through the Education and Skills Act 2008, from 2014 the age of participation has been raised so that young people will be required to stay in education or training until their 18th birthday.

Libraries

Section 7(1) of the Public Libraries and Museums Act 1964 (“the 1964 Act”)

Section 7 of the 1964 Act imposes a statutory duty on library authorities to “provide a comprehensive and efficient library service” to everyone who lives, works or attends full time education in the library area. The duty is contained in Section 7(1) which provides as follows:-

“(1) It shall be the duty of every library authority to provide a comprehensive and efficient library service for all persons desiring to make use thereof ...

Provided that although a library authority shall have power to make facilities for the borrowing of books and other materials available to any person it shall not by virtue of this subsection be under a duty to make such facilities available to persons other than those whose residence or place of work is within the library area of the authority or who are undergoing full time education within that area”.

Section 7(2) provides further statutory instruction as to the factors which a library authority must take into account in order to fulfil its duty under Section 7(1):

“(2) In fulfilling its duty under the preceding subsection, a library authority shall in particular have regard to the desirability:

- (a) of securing, by the keeping of adequate stocks, by arrangements with other library authorities, and by any other appropriate means, that facilities are available for the borrowing of, or reference to, books and other printed matter, and pictures, gramophone records, films and other materials, sufficient in number, range and quality to meet the general requirements and any special requirements both of adults and children; and
- (b) of encouraging both adults and children to make full use of the library service, and of providing advice as to its use and of making available such bibliographical and other information as may be required by persons using it; and
- (c) of securing, in relation to any matter concerning the functions both of the library authority as such and any other authority whose functions are exercisable within the library area, that there is full co-operation between the persons engaged in carrying out those functions”.

The expression “library service” is not defined nor are the concepts “comprehensive” and “efficient”. Library facilities are referred to but not defined but they are clearly not the same as library premises which are defined (in Section 8(7)).

Section 9(1) confers a power on a library authority to contribute towards the expenses of “any other person” providing “library facilities for the public” and Section 20 empowers local authorities to generate revenue by allowing library premises to be used for holding meetings, performances and the like in return for payment.

Public Protection Various

Trading Standards, Environmental Health and Licensing provide statutory public protection in relation to a wide range of environmental and health issues – such as air quality, noise, health and safety, protecting the food chain, alcohol, fair trading and consumer protection matters, animal welfare and from businesses and rogue traders who unwittingly or deliberately breach acceptable standards set down in legislation.

Community Safety:

Crime and Disorder Act 1998

Section 6 Formulation and implementation of strategies.

(1)The responsible authorities for a local government area shall, in accordance with the provisions of section 5 above and this section, formulate and implement, for each relevant period,

- (i) a strategy for the reduction of crime and disorder in the area
-

Waste

Waste collection – Waste collection authorities are obliged to arrange collection of household waste under section 45 of the Environmental Protection Act.

Street cleansing - CBC is a principle litter authority who has responsibility for keeping land and highways clean and free of litter as far as is practicable as specified in sections 86 and 89 of the Environmental Protection Act 1990.

HWRC – The Environmental Protection Act 1990 section 51 require all waste disposal authorities to provide at least one location where residents can dispose of their household waste.

Food waste – There is no obligation to collect food waste separately, but it contributes towards the national 50% recycling rate by 2020 and reduction in biodegradable waste sent to landfill as required of each member state under the Landfill Directive 2008.

Grounds maintenance – The Highways Act 1980 places an obligation on the local Highway authority to protect the highway to allow the public to enjoy it (section 130).

Highways

The Highways Act 1980

Section 41 imposes a duty on the authority who are for the time being the highway authority for a highway maintainable at the public expense to maintain the highway.

The Road Traffic Act 1984

Section 26 states that (1) Arrangements may be made by the appropriate authority for the patrolling of places where children cross roads on their way to or from school, or from one part of a school to another, by persons appointed by or on behalf of the appropriate authority, other than constables.

Best Value

Section 3 of the Local Government Act 1999

Section 3(1) of the 1999 Act imposes a duty on a local authority to ‘make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness’.

Section 3(2) requires a local authority to **consult various people** ‘for the purpose of’ deciding how to fulfil the duty imposed by section 3(1). In deciding how to fulfil that duty, and in making decisions about consultation, a local authority must have regard to guidance issued by Secretary of State.

The statutory guidance is short. It is aimed specifically at, and ‘sets out clear expectations for’ councils which are ‘considering changing funding to local voluntary or community groups’. Paragraph 7 of the guidance says that **‘Authorities should seek to avoid passing on disproportionate reductions – by not passing on larger reductions to the voluntary and community sector and small businesses as a whole than they take on’**.

Summary Community Services Statutory Requirements and Budget Proposals

Transport Acts 1985 and 2008	SC491 More Efficient running of services from business unit SC492 Savings from Passenger Transport Strategy SC493 More efficient use of Fleet by Adult Social Care SC494 Outsourcing of client transport team roles/responsibilities SC503 Income from charging of new transport model CS1718E028 open driving standards offer to other LA applicants CS1718E029 non emergency passenger transport CS1718E030 advertising space on bus shelters and fleet
Travel Concessions (Eligibility) Act 2002	CS1718E031 concessionary fares
Section 508B of the Education Act 1996	SC517 Transport walking assessments policy reviews SC518 Efficiencies from Special Educational Needs (SEN) Transport CS1718E023 home to school transport to nearest school CS1718E024 mileage payments for parents in receipt of mobility allowance CS1718E026 increase concessionary fare cost to pupils CS1718E027 payment and assistance to school with minibuses to provide transport
Education Act 1996 and the Apprenticeship, Skills, Children and Learning Act (2009)	CS1718E025 charging for post 16 SEN students
Section 7(1) of the Public Libraries and Museums Act 1964 ("the 1964 Act")	SC486 Standardised opening hours in libraries SC 487 Staffing changes libraries
Public Protection Various	SC498 Provision joint Bedfordshire Trading Standards Unit SC500 Provision of Bedfordshire Emergency Planning Unit SC501 Provision of Joint Bedfordshire Environmental Health & Licensing Unit CS1718E022 Regulatory services
Crime and Disorder Act 1998	CS1718E032 review of growing CCTV CS1718E033 Domestic Abuse Refuge Play Worker
Section 45 of the Environmental Protection Act.	SC358 Biffa Contract Negotiations CS1718E042 New Disposal Contract savings Innovation Initiatives 1-Waste Social marketing Innovation Initiatives 2-Waste 15% Increase in Household Recycling
Sections 86 and 89 of the Environmental Protection Act 1990.	SC508 New waste collection and street cleansing contract CS1718E040 New Disposal Contracts Savings
Section 51 Environmental Protection Act 1990	CS1718E037 Reduction of HWRC Opening hours
Landfill Directive 2008	CS1718E038 Food Waste Bags CS1718E041 Food Waste Disposal
The Highways Act 1980	CS1718E020 adoption of ADEPT for commuted sums CS1718E021 additional income from NWSRA
The Road Traffic Act 1984	CS1718E019 removal of school crossing patrols on zebra crossings
Section 3 of the Local Government Act 1999	SC478 reduction in contributions by leisure services

Statutory Requirements – Resources

Local Government Act 1972

Section 151 of the Local Government Act requires local authorities to make arrangements for the proper administration of their financial affairs and secure that one of their officers has responsibility for the administration of those affairs”.

Local Government Finance Act 1988

Section 113 requires the responsible officer under Section 151 of the 1972 Act to be a member of a specified accountancy body.

Section 114 requires a report to all the Authority’s members to be made by that officer, in consultation with the Council’s Monitoring Officer, if there is, or is likely to be unlawful expenditure or an unbalanced budget.

Section 114(7) requires authorities in England and Wales to provide their CFO (CFO) with ‘such staff, accommodation and other resources as are in his opinion sufficient to allow his duties under this section (ie s114) to be performed’.

Local Government Finance Act 1992

Section 1—(l) As regards the financial year beginning in 1993 and subsequent financial years, each billing authority shall, in accordance with this Part, levy and collect a tax, to be called council tax, which shall be payable in respect of dwellings situated in its area.

Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

Local Government Act 2003

Emphasises the importance of sound and effective financial management. In relation to capital financing there is a statutory requirement for each local authority to set and arrange their affairs to remain within prudential limits for borrowing and capital investment.

General Governance Requirements - Chartered Institute of Public Finance and Accounting (CIPFA)

- Establish a medium term business and financial planning process to deliver the authority’s strategic objectives, including:
 - a medium term financial strategy to ensure sustainable finances;
 - a robust annual budget process that ensures financial balance; and
 - a monitoring process that enables this to be delivered.
- Ensure that these are subject to regular review to confirm the continuing relevance of assumptions used.
- Ensure that professional advice on matters that have financial implications is available and recorded well in advance of decision making and used appropriately.
- Ensuring that budget calculations are robust and reserves adequate, in line with CIPFA’s guidance.

- Ensure that those making decisions are provided with information that is fit for purpose – relevant, timely and giving clear explanations of financial issues and their implications.
- Ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the authority meets its policy and service objectives and provides effective stewardship of public money and value for money in its use.
- Ensure that the authority maintains a prudential financial framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action when necessary.
- Ensure that advice is provided on the levels of reserves and balances in line with good practice guidance
- Ensure compliance with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code.
- Ensure that appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis. These systems, functions and controls should apply consistently to all activities including partnerships arrangements, outsourcing or where the authority is acting in an enabling role.
- Ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the authority.

Social Security Administration Act 1992

An Act to consolidate certain enactments relating to the administration of social security and related matters.

Social Security Administration (Fraud) Act 1997

An Act to amend the law relating to social security offences and to make other amendments of the law relating to the administration of social security.

The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 made under section 13 and 105 of the Local Government Act 2000 before the Localism Act 2011 inserted the new Part 1A, remain in force until revoked pursuant to the Interpretation Act 1978.

The Localism Act includes a 'general power of competence' It gives councils more freedom to work together with others in new ways to drive down costs.

The Tribunals Courts and Enforcement Act 2007

The Tribunals Courts and Enforcement Act 2007 and regulations aim to introduce a new legislative regime that is simple to understand and which is applied consistently across all debt types. The Act introduces the term "Enforcement Agent" (EA), which is in effect the new term for Certificated Bailiffs. Only a certificated EA may take control of goods. There is a new certification procedure, which, whilst similar to the previous regime, includes new requirements for training & competency and the application process has been modernised. A certificate will be required for all forms of enforcement action. A new, revised complaints process will be introduced as part of the reforms.

An Enforcement Agent is an individual authorised under s46 of the Tribunals Courts and Enforcement Act 2007, who acts on behalf of Local Authorities or Magistrates' Courts enforcing unpaid council tax and non-domestic rate liability orders, warrants for unpaid penalty charge notices and warrants for unpaid Court fines.

Statutory Instrument 2008 No 907 The Bedfordshire (Structural Changes) Order 2008;

The Order provides for the establishment, on 1st April 2009, of a single tier of local government for the borough of Bedford and a single tier of local government for the remainder of the county of Bedfordshire (articles 3 to 5).

Lord-Lieutenants are the personal representatives of the Sovereign in their areas. They co-ordinate Royal visits and liaise with the Royal Households on a range of matters. Lord-Lieutenants are unpaid and bear certain office-related costs themselves.

Coroners and Justice Act 2009

The relevant authority for a coroner has to balance the level of staffing need, as advised by the Coroner, with both the efficiency and outcomes of the service.

Statutory Instrument 2008 No 3248 The Local Authorities (England) (Charges for Property Searches) Regulations 2008;

Charges for access to property records

5.—(1) This regulation applies where a local authority grants access to property records to a person (including to another local authority).

(2) The authority may impose a charge on that person for granting such access if it makes or proposes to make an internal recharge (analogous to a charge) for internal transactions.

(3) The charges and recharges made under this regulation must be calculated in accordance with regulations 6 and 7.

Calculation of charges for access to property records

6.—(1) This regulation and regulation 7 make provision for the charges and internal recharges made under regulation 5(2) to be no more than the costs to the local authority of granting access to property records.

(2) Subject to paragraph (3), each charge or recharge (the “unit charge”) for access to property records made during a financial year must be calculated by—

(a) dividing a reasonable estimate of the likely total costs to the local authority in granting access to property records (and performing internal transactions) during the financial year; by

(b) a reasonable estimate of the number of requests for access to property records likely to be received (from another person or different departments of the authority) over that same financial year.

(3) A local authority must take all reasonable steps to ensure that over the course of any period of three consecutive financial years, the total income (including notional income from internal transactions) from such charges and recharges does not exceed the total costs of granting access to property records.

(4) Where under paragraph (2), a local authority makes an overestimate or underestimate of the unit charge for a financial year, it must take this into account in determining the unit charge for the following financial year.

(5) Each unit charge made during a financial year must be the same amount and must be applied on equal terms, regardless of whether it is made in relation to granting access to property records or internal transactions (although multiple unit charges may be made in respect of multiple

requests for access or multiple transactions).

Interpretation of costs under regulation 6(1)

7.—(1) In regulation 6(1), “costs” means any costs to the local authority (including related salary costs and the costs of the creation and maintenance of records) reasonably incurred in connection with complying with a request for access to property records.

(2) In regulation 6(1), “costs” does not include—

- (a) such costs as the local authority incurs in granting access to free statutory information; or
- (b) such costs to the authority as are directly referable to the maintenance of free statutory information.

Summary Resources Statutory Requirements and Budget Proposals

Local Government Act 1972	CRE - 1617-01 Financial Performance & Support CRE - 1617-02 Financial Control
Local Government Finance Act 1988	CRE - 1617-01 Financial Performance & Support CRE - 1617-02 Financial Control
Local Government Finance Act 1992	CRE-1718-07 Recovery of debt collection costs
Local Government Act 2003	CRE - 1617-01 Financial Performance & Support CRE - 1617-02 Financial Control
Social Security Administration Act 1992	CRE - 1617-03, CRE-1718-08 recovery of overpaid Housing Benefit
Social Security Administration (Fraud) Act 1997	CRE - 1617-04 Risk Based Verification processing efficiency
Localism Act 2011	CRE - 1617-13 external income generation
The Tribunals Courts and Enforcement Act 2007	Innovation Initiatives ¹ Internal Enforcement Agents
Statutory Instrument 2008 No 907 The Bedfordshire (Structural Changes) Order 2008;	ICSE-1718-11 Reduction in Lord Lieutenant costs
Coroners and Justice Act 2009	ICSE-1718-12 Administrative support to the Coroner
Statutory Instrument 2008 No 3248 The Local Authorities (England) (Charges for Property Searches) Regulations 2008;	ICSE-1718-13 Maximising the benefit of digitisation in relation to Local Land Charges ICSE-1718-15 Recognise additional Local Land Charge income potential

Statutory Requirements – Public Health

Health and Social Care Act 2012

The Act conferred new duties on local authorities to improve public health. Local authorities have a duty to take such steps as they consider appropriate for improving the health of the people in their areas. Local authorities also inherited responsibility for a range of public health services previously provided by the NHS including most sexual health services and services to address drug or alcohol misuse. Section 12 of the Act lists some of the steps to improve public health that local authorities and the Secretary of State are able to take, including:

- carrying out research into health improvement, providing information and advice (for example giving information to the public about healthy eating and exercise);
- providing facilities for the prevention or treatment of illness (such as smoking cessation clinics);
- providing financial incentives to encourage individuals to adopt healthier lifestyles (for instance by giving rewards to people for stopping smoking during pregnancy); and,
- providing assistance to help individuals minimise risks to health arising from their accommodation or environment (for example a local authority may wish to improve poor housing where this impacts on health).

Subsection 12(4) of the 2012 Act gives local authorities powers to make grants or lend money to organisations or individuals in order to improve public health; it is for the local authority to determine the appropriate terms of such grants or loans.

Regulations made under Section 6C of the NHS Act 2006 require local authorities to take particular steps in exercise of their public health functions, or aspects of the Secretary of State's public health functions.

Part 2 of the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013 (SI 2013/351) makes provision for the steps to be taken by local authorities in exercising their public health functions. In particular:

- **Regulation 3** requires local authorities to provide for the **weighing and measuring** of certain children in their area (including age and school type).
- **Regulations 4 and 5** relate to the duties of local authorities to provide or make arrangements to provide **for health checks** for eligible people (depending upon age and health status). The regulations specify the type of information to be recorded. Local authorities must also provide information about dementia to older people.
- **Regulation 6** requires local authorities to provide, or make arrangements to secure the provision of open access **sexual health** services in their area. HIV treatment and care, abortion, vasectomy and sterilisation services will continue to be commissioned by the NHS.
- **Regulation 7** creates a duty on local authorities to provide or make arrangements to secure the provision of a **public health advice service**, in relation to their powers and duties to commission health services, to any Clinical Commissioning Groups (CCGs) in their area. The matters covered by the advice service is to be kept under review and should be agreed between local authorities and CCGs
- **Regulation 8** imposes a duty on local authorities to provide **information and advice** to certain persons and bodies within their area in order to promote the preparation of, or participation in, health protection arrangements against threats to the health of the local population, including infectious disease, environmental hazards and extreme weather events.

Duty to have regard to guidance: Public Health Outcomes Framework

Section 31 of the 2012 Act¹⁰ requires local authorities to have regard to guidance from the Secretary of State when exercising their public health functions; in particular this power requires local authorities to have regard to the Department of Health's Public Health Outcomes Framework (PHOF). A public health outcomes framework for England sets out the Government's overarching vision for public health, the desired outcomes and the indicators that will be used to measure improvements to and protection of health. Improving outcomes and supporting transparency, provides a summary technical specifications of public health indicators.

Section 237 of the 2012 Act also requires local authorities to comply with National Institute for Health and Care Excellence (NICE) recommendations to fund treatments under their public health functions.

Responsibility for sexual health services

Local authorities commission:

- comprehensive sexual health services including most contraceptive services and all prescribing costs, but excluding GP additionally-provided contraception
- sexually transmitted infections (STI) testing and treatment, chlamydia screening and HIV testing
- specialist services, including young people's sexual health, teenage pregnancy services, outreach, HIV prevention, sexual health promotion, services in schools, college and pharmacies

One of the aims of transferring public health responsibilities to local authorities was to better integrate health and social care services and other activities that affect health such as housing and maintenance of public spaces.

A public health grant has been provided to:

- improve significantly the health and wellbeing of local populations
- carry out health protection functions delegated from the Secretary of State
- reduce health inequalities across the life course, including within hard to reach groups
- ensure the provision of population healthcare advice

Guidance to support the commissioning of the Healthy Child Programme 0-19: Health Visiting and School Nursing services Public Health England

The guidance is designed to support local authorities in commissioning 'public health services for children and young people' and in particular delivering the Healthy Child Programme 0-5 (Health Visitors) and 5-19 (School Nurses). The Healthy Child Programme aims to bring together health, education and other key partners to deliver an effective programme for prevention and support.

The Programme (0-19) aims to:

- help parents develop and sustain a strong bond with children
- encourage care that keeps children healthy and safe
- protect children from serious disease, through screening and immunisation
- reduce childhood obesity by promoting healthy eating and physical activity
- identify health issues early, so support can be provided in a timely manner
- ensure children are prepared for / supported in all child care, early years and education settings and especially supported to be 'ready for to learn at two and ready for school by five

The core public health offer for all children includes:

- child health surveillance (including infant physical examination) and development reviews

- child health protection, immunisation and screening
- information, advice and support for children, young people and families
- early intervention and targeted support for families with additional needs
- health promotion and prevention by the multi-disciplinary team
- defined support in early years and education settings for children with additional and complex health needs
- additional or targeted public health nursing support as identified in the Joint Strategic Needs Assessment, e.g. support for looked after children, young carers, or children of military families

Summary Public Health Statutory Requirements and Budget Proposals

<p>Health and Social Care Act 2012</p>	<p>PH6 Innovation Fund Drug and alcohol PH9 Sexual Health re-procurement efficiencies PH12 Re-define stop smoking offer PH13 Aspire NLP PH15 Adult weight management PH19 Sexual Health PH21 Stop Smoking (Shared) PH22 Stop Smoking (CBC) PH20 drug and Alcohol PH23 Additional 5% on Sexual Health</p>
<p>Part 2 of the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013 (SI 2013/351)</p>	<p>PH9 Sexual Health re-procurement efficiencies PH14 Re-focus healthcheck programme PH16 Healthchecks PH17 Healthchecks PH19 Sexual Health PH23 Additional 5% on Sexual Health</p>
<p>Guidance to support the Commissioning of the Healthy Child Programme 0-19</p>	<p>PH7 Healthy Child Programme PH18 0-19 Healthy Child Programme</p>

Statutory Requirements –Regeneration

Local Government Act (2000)

Power of 'community well-being' gave LAs strategic leadership role for Local Economic Development

Community Infrastructure Levy Regulations 2010

The Community Infrastructure Levy is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. Most new development which creates net additional floor space of 100 square metres or more, or creates a new dwelling, is potentially liable for the levy.

Localism Act 2011

The Community Infrastructure Levy includes the additional costs, besides infrastructure costs, that development places on an area and the money raised can be used to fund the improvement, replacement, operation or maintenance of infrastructure as well as its provision. The Act specifies how planning decisions can be legally enforced and allows planning authorities to decline to process planning applications which include any region affected by a planning enforcement notice.

Building Act 1984

Regulations with respect to the design and construction of buildings and the provision of services, fittings and equipment in or in connection with buildings. The regulations made under the Act have been periodically updated, rewritten or consolidated, with the latest and current version being the Building Regulations 2010.

The Building Regulations 2010

The regulations cover the construction and extension of buildings. Building regulation approval may also be needed for alteration projects, including:

- replacing fuse boxes and connected electrics
- installing a bathroom that will involve plumbing
- changing electrics near a bath or shower
- putting in a fixed air-conditioning system
- replacing windows and doors
- replacing roof coverings on pitched and flat roofs
- installing or replace a heating system
- adding extra radiators to a heating system

The Building (Local Authority) Charges Regulations

Authorisation to fix and recover charges by way of a scheme

3.—(1) A local authority are authorised by means of a scheme made under these Regulations (a "charging scheme") to—

(a) fix such charges as they may determine, from time to time and in accordance with these Regulations, for or in connection with the performance of their functions relating to building regulations; and

(b) recover those charges, to the extent provided for by these Regulations, from relevant persons

Summary Regeneration Statutory Requirements and Budget Proposals

Community Infrastructure Levy Regulations 2010	SC151 administration fee
Local Government Act (2000) Localism Act 2011	RG401 Increase development management income
Building Act 1984 Building Act 1984 The Building (Local Authority) Charges Regulations	RG404 Building Control Review of Service

**Robustness of Estimates and Adequacy of Reserves
(Incorporating the Reserves Policy)**

Background

- 1) Since coming into being on 1 April 2009 Central Bedfordshire has made annual improvements to the corporate budget process. This has enabled a greater insight into trends over time as the amount of robust historical information continues to grow.
- 2) Past experience, combined with an assessment of future risks and opportunities, provides a sound basis for determining the robustness of estimates and appropriate levels of reserves for existing services.
- 3) However, the Budget for 2017/18 and current MTFP is set against a rapidly changing environment for local government. Consultation is currently underway on changes to the New Homes Bonus system, the Retained Business Rates (NNDR) system and also the way in which education is funded will be subject to significant change over the MTFP period.
- 4) This means that there is a greater degree of financial uncertainty for the Council than has been the case for a number of years, and consequently a greater degree of estimation in the Budget and MTFP numbers. Whilst currently relatively well placed to accommodate these changes, the Council will nevertheless have to maintain adequate reserves to respond to unforeseen impacts.

Robustness of Estimates

Overall Approach

- 5) The 2017/18 Budget setting process formally commenced with the approval of the process and Budget Strategy at the Executive meeting on 2 August 2016. The Strategy assessed the assumptions in the existing Medium Term Financial Plan (MTFP), approved by Council in February 2016, in light of the continued challenging economic situation and the Government's commitment to reduce overall public spending.
- 6) The 2017/18 Budget process was based on a refinement of the process undertaken for 2016/17. This included a series of reviews at Assistant Director (AD) level at an early stage during the process.
- 7) Also as part of the MTFP process for 2017/18 – 2020/21 in developing the strategy for efficiencies over the next four years, the Council developed both a thematic approach and also a focus on key specific issues. These are covered in detail in the main Budget report.

- 8) These reviews involved each AD making a presentation to senior management which:
 - provided an overview of the service;
 - split the budget into activities and explained the basis for the total budget for each activity;
 - identified pressures and efficiencies, both existing in the previous MTFP and new items and;
 - outlined potential options for further savings;
- 9) As a result, the budget process allowed for full consideration of where savings could be made. Relevant Portfolio Holders were involved in each of the Directorate reviews to provide direction on political priorities.
- 10) The baseline position for the budget reviews was the 2016/17 agreed budget.
- 11) This process allowed for savings proposals to be developed across the late summer and early autumn. During January 2017 all Overview & Scrutiny committees will review the Draft Revenue Budget, including savings proposals and pressures, the Draft Capital Programme and the Draft Landlord Services Business Plan (Housing Revenue Account).
- 12) The latest position is being presented to the Executive, together with the Draft Budget and the most up to date information on funding available at that time, on the 10 January 2017. Public consultation will commence with the residents of Central Bedfordshire on the 4th January 2017. Staff have also had the opportunity to input into the savings proposals as they have been assessed within Directorates.
- 13) The Chancellor of the Exchequer delivered the Autumn Statement on the 23 November 2016 with the subsequent announcement of the Finance Settlement expected on or around the 15th December.
- 14) Although in line with the timetable of last year, these late announcements meant there is little time in which to assess and incorporate changes to assumptions following the Settlement.
- 15) The implications arising from last years Settlement and the November 2016 Autumn Statement are covered in detail in the Budget report.

Budget Assumptions

- 16) The headline assumptions within the Budget cover the levels of funding received and inflationary pressures, as well as the consideration of Directorate pressures and efficiencies outlined above. All of this has been considered in the context of the national economic conditions, and those specifically relating to Central Bedfordshire.

Funding sources

- 17) The main funding sources are Revenue Support Grant (RSG), Retained Business Rates (NNDR), specific grants and Council Tax.
- 18) The Local Government Financial Settlement repeated the '4-block model' and used the floor damping methodology introduced for 2011/12, which groups authorities into four separate floor bands.
- 19) Last years Settlement provided figures for the next four years with an offer to councils of a four year settlement should they wish to take advantage of that. CBC successfully applied, so the MTFP currently assumes that those figures remain valid. **We await the Financial settlement in December 2016 to confirm that.** It is expected that this applies to the RSG element only. This will give some certainty over the medium term, but RSG is due cease for CBC in 2019/20.
- 20) New Homes Bonus (NHB) amounts for future years of the MTFP are subject to further assessment, and consultation on NNDR changes is commenced in summer 2016. To date, there has been no response from DCLG on these consultations. The proposed changes are likely to result in significant funding reductions.
- 21) This potential volatility adds uncertainty to financial estimates and makes long term planning more difficult. An appendix to the Final Budget report in February 2017 will set out the funding anticipated to be received from various sources, showing year on year movements to each source.
- 22) In line with currently announced intentions, Central Bedfordshire is expecting to continue to benefit significantly from the New Homes Bonus for the next two years.
- 23) However, in light of this uncertainty, the MTFP takes the prudent approach of capping the level of grant assumed to be received at the 2014/15 level (£6.95M). Where any additional amounts are received, these will be held in a reserve that will be used to fund costs incurred as a result of growth and to mitigate budget pressures. Thereafter, the MTFP assume the loss of NHB funding over the final two years of the MTFP.
- 24) Historically, CBC had frozen Council Tax, however, the Financial Settlement last year was based on an assumption by Government that all upper tier local authorities would increase Council Tax by 2% as an adult social care precept (ringfenced) and a further 1.75% general Council Tax increase to make up for the reduction to RSG. This change in Policy now forms the basis of the new MTFP and the budget consultation due to commence in January 2017 will reflect this.
- 25) The Council Tax Freeze Grants from Central Government provided for previous years has now been rolled into the RSG baseline and so is lost

as RSG is removed. The same treatment has been applied to the Care Act funding of £1.2M

- 26) Central Bedfordshire has, since 2013/14, been able to keep a portion of National Non-Domestic Rates (NNDR) income under the Business Rates retention scheme. The MTFP takes a prudent approach to recognising NNDR growth over and above the Government's baseline estimate, based on modelling of planning data and anticipated business expansion.
- 27) The financial estimates are complicated by a series of grants received from Government to compensate for nationally imposed restrictions and discounts (reliefs). Prudent assumptions relating to the value of these grants in future years have been made.
- 28) The Council's plans for NNDR are backed up by detailed working based on known development activity. However, the Business Rates Revaluation due in 2017 and also the NNDR consultation add significant risks to this funding source.

Inflation

- 29) The key assumptions are set out in the main body of the report and cover pay award and non pay inflation.
- 30) The outlook for the economy is continuing to give rise to general pay restraint and for this reason a 1% increase only is provided for in 2017/18 and 2018/19. Provision has been made in the latter years of the MTFP for a more general impact of inflation being higher than the specific provisions made above. All pay awards are subject to national negotiations.
- 31) Last year the Government introduced a National Living Wage from April 2016 with the aim to achieve a minimum hourly rate of £9 by 2020. The Autumn Statement in November 2016 increased the rate for 2017/18 by £0.30 to £7.50. This will put further pressure on Council costs.
- 32) Following the practice adopted the previous year, a general percentage uplift on non-pay items was not allocated for 2016/17. Instead, specific inflation was provided only on a case-by-case basis where contractual conditions or similar factors necessitated an uplift. This ensures that inflation provisions are better targeted to the right areas.
- 33) The November 2016 Quarterly Inflation Report issued by the Bank of England advised that inflation is projected to rise above the 2% target within the next twelve months, and the fall in sterling since the EU referendum suggests inflation could reach 2.7% in 2018. The most recent official figures showed that inflation is running at 0.9%.
- 34) The Bank does not expect inflation to return to its 2% target until 2020.

- 35) The Bank increased its prediction for economic growth from 0.8% to 1.4% 2017, but cut the 2018 forecast from 1.8% to 1.5% (note the 2016 Autumn Statement cites growth of 1.4% for 2018 picking up to 1.7% the following year).
- 36) The Council's treasury management advisers, Arlingclose Ltd, do not expect the Bank of England to raise its base rate from its current level of 0.25% over the next three years given the weakness of global growth and a low risk of inflation.

Service Expenditure

- 37) The robustness of estimates for each of the Directorates has been considered during the budget setting process, with an assessment of the general robustness of service budgets as well as the impact of pressures, growth and efficiencies.
- 38) The Base Budget build provides assurance that budget and activity are aligned and that budgets are at the correct level for 1 April 2017. A core part of the budget strategy has been to ensure that additional resources are allocated to those areas experiencing continuing pressures. These are detailed in the body of the report.
- 39) There is an Efficiencies Implementation Group in place, chaired by the Director of Resources (and s151 Officer), which will oversee the delivery of all efficiencies; ensuring plans are in place to secure the required savings. This is a continuation of previous years' practice which has successfully overseen the delivery of significant savings. Nevertheless, continued delivery of further savings year on year, including £14.6M of savings in 2017/18, is a significant challenge.
- 40) This successful track record demonstrates a sound corporate approach to the delivery of budgeted savings and gives a measure of confidence that the 2017/18 Budget is realistic and achievable. Nevertheless each year it becomes harder to deliver savings whilst maintaining service levels and there will be significant challenges to be faced in the years ahead.
- 41) The Revenue budget for 2017/18 also includes a contingency of £2.1M which should help to mitigate any unforeseen pressures, or risks that might materialise.
- 42) Expected capital receipts exceeds the budgeted amount in order to allow for the fact that not all disposals will be completed in the full year. If realised, these will also help to reduce the Council's need to borrow to fund the Capital Programme.

Risk Assessment

- 43) The above assessment of the robustness of estimates has identified a number of risks in the budget.
- 44) The Efficiencies Implementation Group chaired by the Director of Resources (and s151 Officer), risk assesses all planned efficiencies using a Red/Amber/Green status at the beginning of each year and tracks their achievement throughout the year. In the event of any shortfall against an efficiency, a compensatory saving is sought.
- 45) Risks and opportunities are also tracked monthly as part of budget monitoring and migrating action taken where necessary.

General Fund Balances and Reserves Analysis

Background	
1.1	The s151 Officer has a statutory duty under Section 25 of the Local Government Finance Act 2003 to comment annually on the adequacy of the Council's General Fund (GF) Reserves. This is reported as part of the annual budget papers to Executive and Full Council and the analysis within this document supports the s151 Officer's opinion.
1.2	<p>The purpose of General Fund reserves are to act as:</p> <ul style="list-style-type: none"> • A working balance to help cushion the impact of volatility in net expenditure or income across financial years*. • To smooth the flow of funds e.g. when faced with funding cuts a GF Reserve enables the Council to draw down on reserves whilst a permanent efficiency saving is implemented. • A contingency to cushion the impact of unexpected events or emergencies; • A means of building up funds to meet known or predicted requirements. Funds can also be set aside in the form of specific earmarked reserves, which are accounted for separately but legally form part of the General Fund balance. <p>* This ability of reserves to react to volatility in income or expenditure is different from the availability of physical cash. The Council can maintain low liquidity balances, as set out in its Treasury Management Strategy, as it has sufficient and immediate access to debt finance.</p>
1.3	When considering whether the level of General Fund reserves is both adequate and necessary, the s151 Officer considers the strategic, operational and financial risks facing the Council and balances this against utilising the maximum resources available to the Council to achieve its objectives and ensuring that current resources are used to the benefit of the current tax payer.
1.4	<p>The Chartered Institute of Public Finance and Accountancy (CIPFA) released a Local Authority Accounting Panel (LAAP) Bulletin 99 (July 2014) outlining key areas to consider when assessing the adequacy of reserves including:</p> <ul style="list-style-type: none"> • The robustness of the financial planning process (including treatment of inflation and interest rates, estimates of locally raised income and timing of capital receipts) • How the Council manages demand led service pressures • The treatment of planned savings / productivity gains • The financial risks inherent in any major capital project, outsourcing arrangements or significant new funding changes • The strength of the financial monitoring and reporting processes • Cash flow management and the need for short term borrowing • The availability of reserves, Government grants and other funds

	<p>to deal with major contingencies</p> <ul style="list-style-type: none"> The general financial climate to which the Council is subject and its previous record in budget and financial management.
1.5	<p>In November 2013 the Audit Commission stated that: <i>“Reserves are an essential part of councils’ strategic, financial and risk management. Councils hold reserves either as a contingency fund in the event of unforeseen circumstances, such as unexpected demand for services or a shortfall in income, or to smooth the impact of planned spending requirements over time, for example, setting aside funds for staff redundancies or to invest in large-scale capital projects. Our 2012 report on councils’ decision making on reserves encouraged councils to:</i></p> <ul style="list-style-type: none"> <i>examine routinely how much they hold in reserves, and the purposes for which reserves are held; and</i> <i>ensure their decisions on reserves are clearly explained to local taxpayers to promote accountability.”</i>
1.6	<p>The analysis in Table 1 examines the Council’s balances against the criteria outlined in LAAP Bulletin 99 and is based on the Council’s procedures and structures. However, the assessment necessarily includes an element of subjectivity and, in acknowledgement of this, incorporates a range of possible balances. The calculated range for recommended general fund balances remains at £11.5M to £25M. The upper end of the range includes the maximum unallocated balances the Council could justify holding, and if balances were at this level, the s151 Officer may recommend that plans were developed to use balances to enhance the Council’s expenditure plans in the current year.</p>
1.7	<p>The expected GF reserve closing balance for 2016/17 is £15.5M which is 4% of gross income and within the recommended range. Additionally it is expected that £30.3M will be set aside as General Fund earmarked reserves for specific identified purposes (October 2016 forecast). Appropriate use of these reserves is included within the budget estimates presented, although in some cases the use may span more than one year. As an emergency measure these earmarked reserves could provide additional resilience, and therefore assist as a mitigation of risk to the Council.</p>
1.8	<p>Monitoring of both general and earmarked reserves takes place every month, to ensure these are correctly identified and are being used appropriately. The creation of new earmarked reserves, and transfers to and from reserves, are subject to approval by Executive as part of the final budget outturn position for the year. The reserves position is therefore transparent to all Members.</p>

Table 1 Assessment of Required General Fund Reserve Balances

Area of Risk	Details	Minimum	Maximum
<p>The general financial climate to which the Council is subject</p>	<p>Local Government will see sustained reductions in Central Government Funding beyond 2017/18.</p> <p>As part of the Financial Settlement for 2016/17, councils were made an offer of a four year settlement subject to certain conditions. CBC applied for this offer which was accepted. We await the Financial Settlement in December 2016 to confirm the figures but it is likely that this will only apply to the RSG element of the settlement.</p> <p>The MTFP has been updated against a background of significant challenges. On the 23rd June 2016, the United Kingdom (UK) voted to leave the European Union (EU). At the time of this report, the required process to trigger the UK leaving the EU (Article 50 of the Treaty on European Union) has not been invoked although the Government has issued a statement that it will start the formal process by March 2017.</p> <p>Once Article 50 is invoked, the exit process is expected to last for up to two years although the political and economic ramifications will probably be felt for many years.</p> <p>Locally, Central Bedfordshire Council has included identified Central Government funding reductions within its Medium Term Financial Plan (MTFP).</p> <p>Though more slowly than in previous years, Schools continue to convert to Academy status placing them outside the Council’s control. Education Support Grant funding is provided to Councils on a per pupil basis and is reduced with every Academy conversion. This Grant is expected to be removed over two years (2017/18 and 2018/19) and the anticipated reduction is built into the MTFP.</p> <p>In addition, there are financial risks to the Council as a result of decision taken by schools to change their age range from a three tier system to a two tier system. This could result in the Council having to pick up significant redundancy costs and deficits from schools that close as a result.</p>	<p>£2M</p>	<p>£4M</p>
<p>The overall financial standing of the authority</p>	<p>From commencing with reserves of £5.1M on 31 March 2010, Central Bedfordshire Council has steadily increased reserves to £15.5M as at 31 March 2016, which is 4% of gross income. This reflects continuous improvement in the financial strength of the Council.</p>	<p>£0M</p>	<p>£1M</p>

	<p>Additionally the Council at 31 March 2016 had £28.4M in General Fund earmarked reserves set aside for specific purposes. A balanced budget has been set for 2017/18.</p>		
<p>Estimates of level of locally raised income</p>	<p>In 2013/14 the administration of Council Tax Support Scheme was localised with a 10% reduction in funding and National Non-Domestic Rates (NNDR) moved to a retention system, where Councils keep an element of business rates raised.</p> <p>Retention of an element of Business Rates by Councils means the organisation would benefit from higher Rates income than expected, but also suffer the consequences if Business Rates income was to reduce. The Government has introduced a safety net payment to prevent excessive losses and a levy on gains and Central Bedfordshire Council would be funded for NNDR losses above £2.2M in a financial year and would have to pay 24% of their share of any gains above their baseline funding as a levy back to Central Government.</p> <p>The new NNDR retention system requires Councils to determine a provision for NNDR appeals in future years, where individuals may successfully challenge their NNDR rating. Councils have had to set this provision which directly affects NNDR income and necessarily involves an element of subjectivity.</p> <p>Both NNDR and Council Tax income forecasts are based on the estimation of property bandings and rateable properties by valuation professionals in each respective area.</p> <p>As noted in the Budget report, there is a risk that NNDR could be impacted by both the NNDR consultation and the Rebasing of Rateable Value in 2017.</p>	<p>£1M</p>	<p>£3M</p>
<p>The treatment of planned efficiency savings/productivity gains</p>	<p>The Council has set a balanced budget for 2017/18 which includes £14.6M of efficiencies. A further £31.2M of efficiencies are required over the subsequent 3 years to achieve the Medium Term Financial Plan (MTFP).</p> <p>The Council has a successful track record of achieving efficiency savings. Efficiencies are monitored in the Council by the Efficiencies Implementation Group (EIG) chaired by the Chief Finance Officer.</p>	<p>£1M</p>	<p>£2M</p>
<p>The treatment of inflation and interest rates</p>	<p>Limited inflation has currently been included in the 2017/18 budget and price inflation has remained low. However, there do remain specific risks in relation to contracts and fuel.</p>	<p>£2M</p>	<p>£3M</p>

	<p>The November 2016 Quarterly Inflation Report issued by the Bank of England advised that inflation is projected to rise above the 2% target within the next twelve months, and the fall in sterling since the referendum suggests inflation could reach 2.7% in 2018. The most recent official figures showed that inflation is running at 0.9%.</p> <p>Low interest rates have been in place for a number of years, with the Bank of England base rate at 0.25%, resulting in the Council receiving low returns on its investments, which has been factored into the budget.</p> <p>As at 31 March 2016 the Council's total borrowing was £338.0M. Of this amount, £268.6 was with the Public Works Loan Board (PWLB), £55.9M was Short-Term Temporary Debt from other local authorities and £13.5M was market debt from banks.</p> <p>To manage interest rate risk, the profile of debt is split so that overall the Council has 64% fixed rate PWLB debt, 15% variable rate PWLB debt, 17% short-term temporary debt, and 4% fixed rate market (LOBO) debt.</p> <p>An increase in interest rates would therefore have a direct and immediate cost on variable borrowing. Where amounts which have been internally borrowed are required to be spent, external borrowing may be required at that time to fund these and this would be at a cost to the organisation at that time depending on the rate of interest.</p> <p>The Council has a significant Capital Programme which forecasts £104M of borrowing over the next 4 years. At present the MTFP has calculated revenue implications on current interest rates and debt taken out on a short term basis. If interest rates were to increase, the revenue implications of this debt would increase when borrowing or refinancing the debt in future years.</p>		
<p>The financial risk inherent in any major outsourcing / insourcing arrangements</p>	<p>The Council has a number of high value contracts with external providers. The largest of these are contracts for: waste management, highways, passenger transport, social care for residential and nursing care provision, temporary accommodation, agency staff and grounds maintenance.</p> <p>Some of these suppliers are reliant on private finance linked to asset values for their viability. In the current financial climate this poses an increased risk of service failure to the Council.</p>	<p>£1M</p>	<p>£2M</p>

	The Council has also engaged with a supplier to run its leisure centres, in a contract which creates a residual risk to be managed by the Council.		
The treatment of demand led pressures	<p>There are significant social and economic drivers of change within Central Bedfordshire across the medium term and beyond, particularly Central Bedfordshire's population has increased at a faster rate than nationally at 17.3% since the 2001 census and a further 7.6% increase is forecast between 2015 and 2021.</p> <p>Population growth will be highest in the 90 + age group, 38% growth by 2021. Significant growth is also anticipated in the 85+ age group of 33% and 65 + age group of 18%.</p> <p>The Council has a robust Medium Term Financial Plan (MTFP) process embedded across the organisation. Through this process, reasonable assumptions about demand and funding pressures have been made and a prudent view of volatile areas has been taken. All known pressures across the Council are included as funded items in the MTFP, with additional funding in future years linked to forecast demand. The budget contingency is largely to take account of potential demand led pressures on key expenditure and income streams.</p>	£1M	£2M
The financial risks inherent in any major capital developments	<p>The Capital Programme includes expenditure over the next 4 years of over £309M with substantial investment in schools places, enhanced waste disposal facilities and the Woodside Link. A further £30M of expenditure is on the capital reserve list, to be included in the main programme if the project can be accommodated within the Council's financing constraints. There is also expected to be significant investment through the Housing Revenue Account.</p> <p>Increased capital activity and development will result in a corresponding increase in financial risk.</p>	£0.5M	£1.5M
Estimates of the level and timing of capital receipts	Capital Receipts are forecast to be £40.0M over the next four years, based on a schedule of land and properties that have been identified for disposal and form an important source of financing for the capital programme. If disposals are lower than projected then alternative options to achieve disposals or compensatory improvements to asset utilisation will be considered.	£2M	£3M
The availability of reserves, Government grants and other funds to deal with major	In the event of a major emergency it is possible that aside from general reserves, Central Government may provide funding to support the Council via the Belwin scheme. However Councils will only be able to access this funding if they have already spent 0.2% of their	£0M	£0.5M

contingencies and the adequacy of provisions	budget on repairs and thus may incur direct costs as a result.		
The Council's capacity to manage in year budget pressures, and its strategy for managing both demand and service delivery in the longer term	There is a well-developed monthly budget monitoring process in place, ensuring adverse variations are identified promptly by service managers. The monthly challenge and review process ensures the early identification and resolution of issues. Additionally the 2017/18 budget includes a £2.1M contingency to potentially support any in year issues.	£0M	£1M
Miscellaneous	<p>There are a number of risks that face the Council which have a low likelihood of occurring but would have a high impact if the risk was actualised. This includes risks of substantial flooding, disease outbreak or a serious service failure for example in Children's Services or Adult Social Care. There is also the risk of widespread ICT failure. The Council has strong internal mechanisms for identifying, monitoring and reporting risks on a regular basis.</p> <p>Recent changes in legislation have brought about new community rights and alternative methods of delivering services traditionally provided by the Council. This has led to more and different supply chain partnerships being entered into, sharing risks across private, public and voluntary organisations.</p> <p>The Council may also face from time to time potential legal actions. Funds in excess of budgetary provision may be required to defend the Council against such actions.</p>	£1M	£2M
Total		£11.5M	£25M

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Central Bedfordshire Council

EXECUTIVE

10 January 2017

DRAFT CAPITAL PROGRAMME 2017/18 TO 2020/21

Report of Cllr Richard Wenham, Executive Member for Corporate Resources
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This report relates to a non-Key Decision

1. The purpose of this report is to seek Member approval for a Capital Programme for the Medium Term Financial Plan (MTFP) period 2017/18 to 2020/21 to facilitate effective financial management and planning.
2. The report proposes the draft Capital Programme for the four years from 1 April 2017. It excludes the Housing Revenue Account (HRA) which is subject to a separate report.

RECOMMENDATION

The Executive is asked to:

1. **approve the draft Capital Programme for 2017/18 to 2020/21 for consultation with Overview and Scrutiny Committees and other interested parties.**

Overview and Scrutiny Comments/Recommendations

3. Overview and Scrutiny Committees will consider the budget proposals in their January 2017 cycle of meetings and comments will be included in the final Budget report to be presented to Council at its February 2017 meeting.

Background

4. The Council's Capital Programme has been reviewed during the current financial year and there have been a number of changes to profiles, reductions and additions.
5. The Capital Programme continues to be dominated by a few large schemes including the requirement to provide New School Places, M1/A421 Junction 13 – Milton Keynes Magna Park, M1/A6 Phase 1 and 2, Highways Structural Maintenance, Dunstable Leisure Centre and Library, and Broadband infrastructure.
6. A driving principle underlying Capital Programme development has always been to minimise the revenue impact in future years arising from interest payments and the Minimum Revenue Provision (MRP) or alternatively, to identify future revenue resources to facilitate borrowing for capital purposes in a sustainable and prudent manner.

Capital Budget Strategy

7. From the Council's five-year plan there are a number of broad outcomes which capital investment plays a role in delivering:
 - Improved town centres and facilities
 - Great quality, appropriate and affordable housing
 - Great infrastructure including transport and broadband
 - Improved roads and pavements, parks and leisure
 - Educational success
 - Allowing people to live independently or in suitable specialist accommodation
 - Operational efficiency.
8. In order to deliver those outcomes and in common with the General Fund Revenue MTFP, the Capital Programme was built up thematically as follows:
9. Theme 1 - Replacing and renewing operational assets:

Buildings, roads, IT systems and streetlights etc. have a finite life and the Council needs to have a programme to maintain, improve and replace assets used for operational delivery.

The Council also needs to ensure that the Capital Programme is checked for relevance, statutory compliance, value for money and opportunities to deliver efficiencies at the point of renewal but also recognise that there will be a base level of need to keep services running.

10. Theme 2 - Investing to save:

Capital investment can be the key that unlocks new income streams and capital receipts or helps manage demand:

Managing demand, through the Managing the Needs of Older People (MANOP) programme for instance, is key to the Council's strategic thinking to contain costs and offer better outcomes.

Upfront investment in some assets can either trigger improved income generation opportunities, as in CCTV or enhance the value of assets prior to sale, as in work to prepare for disposal of sites such as Thorn Turn.

11. Theme 3 - Capturing the benefits of growth for all:

Growth brings opportunities to deliver new capital infrastructure alongside additional revenue through Council Tax, NNDR and the New Homes Bonus. Growth is often the trigger to access Government funding for key infrastructure.

CBC needs to ensure it is capturing the full benefits of being a Council that supports growth, and critically that these are benefits for both new and existing communities.

This is key to CBC's investment plans for school places, transport and new leisure facilities.

12. Theme 4 - Protecting and enhancing Central Bedfordshire:

As custodians of the public realm and significant landowners, CBC has a role to play in ensuring the environment which makes Central Bedfordshire such an attractive place to live, work and invest is protected.

An increasing population creates additional pressure on urban and rural open spaces and this requires continued capital investment to maintain, such as bridges on public footpaths but beyond this there are opportunities to improve existing facilities such as Houghton Hall Park.

13. Theme 5 - Responding to new opportunities:

As an effective and resilient authority CBC is in a position to respond to change proactively and to investigate and take opportunities.

Examples include the provision and delivery of Health Care hubs; working with health providers to create a more seamless service. This has been put into practice, at a modest scale but further opportunities in Dunstable and Biggleswade are being investigated.

New opportunities to make the most of our assets, whether it is a rural exception site for key worker housing or building our own care homes also warrant investigation.

14. Also, as part of the MTFP process for 2017/18 – 2020/21 the Council focussed on a number of specific issues and used an internal resource which was released for three months on secondment to undertake a series of reviews. Those reviews (known as the MTFP Workstreams) covered nine areas. One of those was Income from Assets, the outputs of which are captured in the Capital Programme. Specifically, two projects are proposed as part of this workstream; a) build a Crematorium, and b) build a Children's Home and Assessment Centre. Both of these schemes may deliver financial benefits to General Fund revenue, and would only be pursued if such benefits are identified.
15. The Capital Budget proposed in this report reduces revenue liabilities against those previously identified in the MTFP for 2016/17 to 2019/20. The reduction is partly due to revised cost of borrowing assumptions identified within the Interest Rates section of this report. Risks of revenue budget pressures remain, largely those associated with the realisation of capital receipts (delays would increase the overall borrowing requirement), and the timing of movements in interest rates (if increases occur earlier than assumed then interest liabilities will be greater than estimated). Any capital overspends or shortfalls in capital receipts which cannot be mitigated would result in a revenue pressure as additional borrowing would be necessary.
16. A summary of the proposed Capital Programme has been included in Appendix A and Appendix B which shows a breakdown by individual schemes. Particular attention is drawn to schemes that require the use of the Council's own resources, i.e., capital receipts or unsupported borrowing, as it is these schemes that create future revenue liabilities.
17. Capital receipts projections for the 2017/18 to 2020/21 period have been reviewed. These represent a key source of funding for the Capital Programme over the MTFP period without which the affordability and sustainability of the Capital Programme could be at risk.
18. The Housing Revenue Account (HRA) Capital Programme is included as part of a separate report to the Executive and is therefore excluded from this report.

Summary of draft Capital Programme 2017/18 to 2020/21

19. Capital investment is required to ensure the delivery of the Council's priorities but the programme needs to be both affordable and sustainable. Capital expenditure that is not financed through existing capital resources (e.g., grants, developer contributions and capital receipts) will reduce revenue resources available for other services over the longer term by incurring additional capital financing costs.
20. Table 1 below shows a summary of the draft Capital Programme reflecting revisions in year and a planning assumption of varied slippage in programme spend across the years. Expenditure and income in each year has been adjusted by an overall estimate of slippage in the Capital Programme for the purposes of calculating the revenue implications. Based on current monitoring of the 2016/17 Capital Programme an overall slippage to 2017/18 of 30% has been assumed followed by 20% to 2018/19 and 15% per annum thereafter. The assumed slippage profile reflects the fact that a number of high value schemes are expected to complete in 2017/18 and the proposed programmes for later years are reducing in overall value. A reconciliation to the MTFP, excluding slippage, is provided in Appendix C. The detailed draft programme is presented in Appendices A and B.

Table 1 – 2017/18 to 2020/21 Draft Medium Term Financial Plan Capital Programme (assuming annual programme slippage)

	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000
Gross Expenditure	94,931	90,983	96,834	57,940
Funded by:				
Grants/Contributions	(42,997)	(46,440)	(63,522)	(43,350)
Capital Receipts	(12,000)	(10,000)	(10,000)	(8,000)
Borrowing	(39,934)	(34,543)	(23,312)	(6,590)
Total Funding	(94,931)	(90,983)	(96,834)	(57,940)

21. By including an overall slippage assumption for the capital schemes there is recognition that dependencies within the Capital Programme exist (for example on third parties, including external funders) and often, as a result, capital schemes are deferred from one year to the next as delivery is delayed.

Financing of the Capital Programme

22. The revenue financing costs of the proposed Capital Programme, including what has been previously built into the previous MTFP are:

Table 2 – 2017/18 to 2020/21 Annual Revenue Implications of proposed Capital Programme compared to Previous MTFP

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Previous MTFP	16,150	17,736	19,103	-
Additional Charge / (Reduction) to original MTFP	(1,580)	(2,366)	(2,523)	-
Revised MTFP	14,570	15,370	16,580	17,680
Year on Year Increase in the revenue consequences of the proposed programme		800	1,210	1,100

Estimated revenue costs are lower than the previous base budget for 2017/18 to 2019/20 reflecting updated assumptions in respect of the timing of interest rate movements and amendments to the draft Capital Programme.

23. Table 2 sets out the draft position over the medium term. Although there is less certainty in determining future spend and financing, the table shows that the Capital Programme will continue to produce cost pressures without further generation of new capital receipts and external grants and contributions.

Interest Rates

24. Since inception the Council, (excluding HRA refinancing), has borrowed internally from its own cash balances to fund the Capital Programme, as opposed to taking on debt from the Public Works Loan Board (PWLB), a Central Government lending facility, or financial markets. Cash balances derive from the Council's reserves, grants received in advance and amounts due to creditors. As at 31st March 2016, the Council had borrowed £122.0M from its own balances to fund capital expenditure. Where required by the actual cash flow position, the Council obtains short term borrowing from other public authorities.

25. Revenue implications of the Capital Programme have been calculated on the assumption that any borrowing, required by actual cash flows, will be obtained on a short term basis taking advantage of current low interest rates. Council borrowing has traditionally been obtained from the PWLB for longer periods. However in the current market, public authorities are lending to each other at rates below the PWLB rate for short term periods and the inclusion of these rates coupled with revised assumptions in respect of future increases in UK base rates has lowered the projected revenue implications of the Capital Programme over the previous MTFP 2016/17 to 2019/20 period.
26. The rate of interest assumed is important in determining revenue implications of borrowing arising from the Capital Programme. Importantly, the assumed borrowing costs over the period of the MTFP are particularly sensitive to any unexpected increases in interest rates. Table 3 below demonstrates the impact on the MTFP of interest rates above those assumed in the Plan.

Table 3 – 2017/18 to 2020/21 Additional costs over the MTFP period of an unexpected increase in the Interest Rate

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
1% point higher	1,120	1,430	1,620	1,710
2% points higher	2,240	2,860	3,240	3,420

27. There is a risk that interest rates may be higher than current rates when it comes to refinancing debt taken out on a short term basis. This would lead to higher revenue implications arising from the draft Capital Programme over the longer term, within and beyond the current MTFP period.
28. The Council's treasury management advisers, Arlingclose Ltd, do not expect the Bank of England to raise its Base Rate from its current level of 0.25% over the next three years.
29. The Council's MTFP assumes variable interest rate forecasts as follows:

	2017/18	2018/19	2019/20	2020/21
Rate %	0.50%	0.50%	0.50%	0.63%

This forecast includes a 0.1% prudent allowance for uncertainty above the assumptions provided by Arlingclose Ltd.

30. Taking into account the assumptions on borrowing over the MTFP period, and the mix of fixed and variable rate borrowing, the weighted average interest rates for the MTFP period are as follows:

	2017/18	2018/19	2019/20	2020/21
Weighted average interest rate on borrowing %	2.50%	2.28%	2.38%	2.60%

31. The Council reviews and approves annually its Treasury Management Strategy and monitors financial markets on an on-going basis. It is possible that, based on market conditions, the Council may choose to borrow at a fixed rate of interest to reduce exposure to variable debt. However, medium term fixed interest rates are higher than variable rates and any decision to fix debt in the short term would adversely impact revenue implications within the MTFP period.

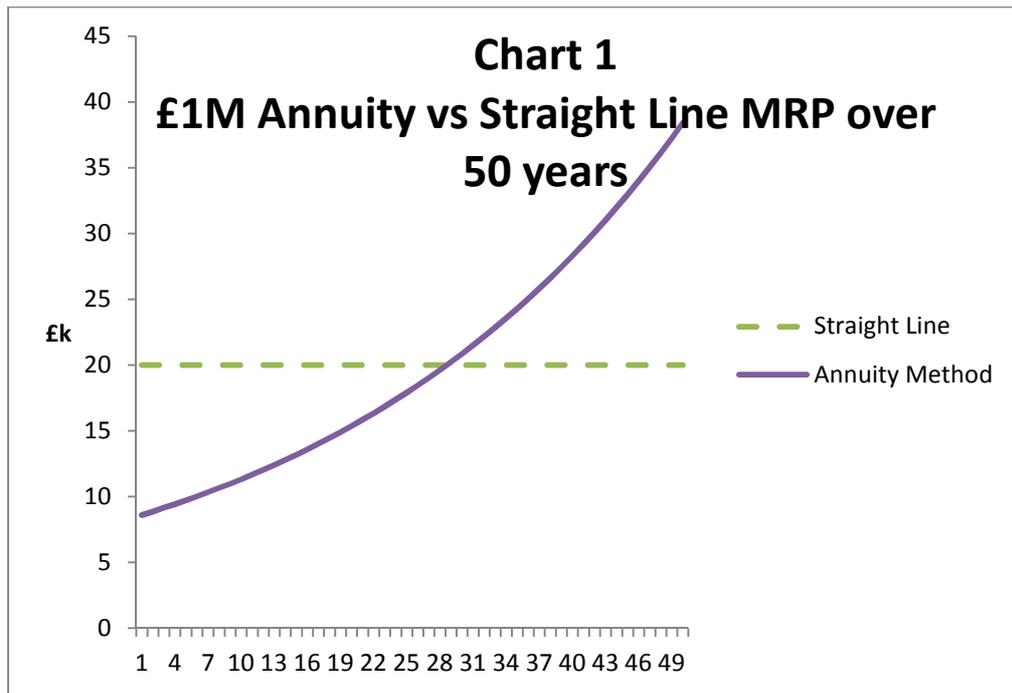
Minimum Revenue Provision (MRP)

32. Regulations 27 and 28 of the Local Authorities (Capital Finance and Accounting) Regulations 2008 require Local Authorities to set aside a prudent amount annually from revenue towards the Council’s Capital Financing Requirement (CFR).
33. DCLG guidance outlines different options that local authorities can use to calculate a prudent provision. The method used by the Council for the MTFP period is to spread MRP over 10 years, 30 years or 50 years depending on the approximate useful economic life of the asset upon which expenditure is being incurred.

Example Asset Category	MRP Life (years)
Land and buildings	50
Highways, roads, bridges	30
IT systems/equipment, fleet	10

The MRP is spread over the useful economic life on an annuity basis.

34. The annuity method means that the principal sum used to finance the asset is repaid slowly in earlier years and more rapidly in later years, demonstrated graphically overleaf, in a similar manner to which principal is repaid on a repayment mortgage. This method reflects assets deteriorating more rapidly in later years than earlier years and ties in with asset management planning. The annuity method also enables MRP financing of the draft capital programme to be minimised over the medium term, but with significantly higher MRP costs in future years beyond the current MTFP period. The Council will need to ensure that these costs are sustainable in the long term.



Capital Receipts

- 35. The medium term forecast includes substantial new capital receipts. The generation and timing of new capital receipts is critical to the Capital Programme over the medium term and represent a specific risk as to its sustainability and affordability.
- 36. The Council has historically not achieved approved estimates for capital receipts within the MTFP.
- 37. Any shortfalls in capital receipts over the MTFP period will lead to increased revenue costs from the Capital Programme where the borrowing requirement increases as a result of any shortfall in receipts, unless capital projects are themselves delayed or re-phased.

38. **Table 4 – Capital Receipts movement between previous MTFP and current MTFP**

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Previous MTFP Capital Receipts	9,500	7,500	6,000	-	23,000
Revised MTFP Capital Receipts	12,000	10,000	10,000	8,000	40,000
Total Change Increase/ (Decrease) in Capital Receipts	2,500	2,500	4,000	8,000	17,000

Reserve List

- 39. Appendix B includes a list of reserve schemes, which the Council may progress if the revenue impacts can be accommodated within the revenue budget.

- 40. Approval of Reserve List schemes which require Council resources would be required by the Executive, following the production of outline and detailed business cases and confirmation from the Chief Finance Officer and the Executive Member for Corporate Resources that the schemes can be incorporated without exceeding the revenue budget for the financial year.

- 41. The total capital costs of schemes on the Reserve List are set out in Table 5. Inclusion of any of the Reserve List schemes without removing the equivalent amount of net expenditure from the Capital Programme would increase the impact on revenue over the MTFP period.

Table 5 – Net Capital Cost of Total Reserve List Schemes 2017/18 to 2020/21

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Net Capital Cost of Reserve List Schemes	7,747	7,520	4,120	626	20,013

Major Capital Schemes

New School Places - £71M gross (£15M net) expenditure over the MTFP period

- 42. The New Schools Places programme provides the capital investment to deliver new school places required by population growth in areas of limited surplus capacity within our schools. The Council’s School Organisation Plan is the evidence base that supports the commissioning of these new school places over a rolling five year period. The programme is funded by a combination of sources including Department for Education basic need grant, developer contributions and Council borrowings and capital receipts.

M1/A421 Junction 13 - Milton Keynes Magna Park - £21M gross (£3M net) expenditure over the MTFP period

43. The Council is improving the A421 between Junction 13 of the M1 and Magna Park in Milton Keynes. This involves dualling the remaining section of single carriageway road in order to remove this bottleneck in an important east –west route. This scheme will be largely funded through Department of Transport grants with the remaining cost met by Central Bedfordshire Council and Milton Keynes Council according to a cost sharing agreement which has been adopted by both Councils.

M1/A6 Phase 1 and 2 - £56M gross (net nil) expenditure over the MTFP period

44. The proposed M1-A6 Link is a new 4.4km long dual 2-lane carriageway link between the M1 in the west (at a new M1 Junction 11a to be open in Spring 2017) and the A6 in the east, to effectively form a northern bypass for Luton and open up land for the potential development of up to 4,000 dwellings, up to 60 hectares of employment land, and provision of a new sub-regional rail freight interchange. It is anticipated that this scheme will be largely funded through developer contributions and Department of Transport grant.

Highways Structural Maintenance - £24M gross (£8M net) expenditure over the MTFP period

45. This is the expenditure on highway resurfacing works, rebuilding, surface dressing and reconstruction. The Council receives a Government grant to cover the majority these costs and the level of this grant is dependant on using an asset management approach to maintenance.

Dunstable Leisure Centre and Library - £19M gross (£16M net) expenditure over the MTFP period

46. The current Dunstable Leisure Centre and Library buildings are reaching the end of their lives and are becoming increasingly expensive and difficult to maintain. The Council is taking the opportunity to invest in a new building that combines these services, provides a leisure and library offer that is fit for the future and acts as a catalyst for future investment in the centre of Dunstable. This work will trigger the release and redevelopment of further sites in Dunstable which will, in turn, add further to the creation of a more vibrant town centre.

Broadband - £11M gross (£2M net) expenditure over the MTFP period

47. Funding for the next phase of delivery of the successful broadband programme, which has already supported over 16,000 premises. £3M of external funding secured to match the £2M Council contribution are being invested to accelerate rollout and extend superfast broadband availability, bringing coverage to over 97% by 2018/19.

Reason for Decision

48. To approve the Council's Capital Programme for the MTFP period 2017/18 to 2020/21 to facilitate effective financial management and planning.

Council Priorities

49. As a key part of the Council's overall financial plan the Capital Programme supports the delivery of all the organisation's priorities.

Corporate Implications

Legal Implications

50. The Capital Programme forms part of the Council's budget as defined in the Constitution. It includes funding that is required to enable the authority to discharge its statutory obligations and failure to approve the Capital Programme may therefore have implications on the Council's ability to comply with these obligations.
51. The Local Government Act 2003 (as amended) emphasises the importance of sound and effective financial management. In relation to capital financing, there is a statutory requirement for each local authority to set and arrange their affairs to remain within prudential limits for borrowing and capital investment. There is a statutory duty on the Chief Finance Officer to report to the Council, at the time the Budget is considered and the council tax set, on the robustness of the budget estimates and the adequacy of financial reserves. This is contained in Appendix G of the Revenue Budget report.

Financial Implications

52. As a component of the Council's Medium Term Financial Plan (MTFP) the financial implications of the proposed changes to the Capital Programme are set out within the body of the report.

Risk Management

53. The financial implications of the proposed changes to the Capital Programme are set out within the body of the report.

Equalities Implications

54. Where appropriate, Equalities Impact Assessments will be carried out for individual proposals.

Implications for Work Programming

55. There are no work programming implications to this report.

Conclusion and next steps

56. A period of public consultation will commence from January 2017. A more detailed explanation of the Council's approach to the budget consultation is contained in the Revenue Budget paper also on this agenda (see paragraphs 61 - 69)
57. Overview and Scrutiny Committees will consider the budget proposals in their January 2017 cycle of meetings and comments will be included in the final Budget report to be presented to Council at its February 2017 meeting.

Appendices

Appendix A – Summary of changes against previous MTFP

Appendix B – Full Capital Programme 2017/18 to 2020/21 and Reserve List

Appendix C – Reconciliation of Capital MTFP to MTFP with slippage included

Background papers

None.

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Appendix A - Capital Programme Summary of changes

Existing 2016-17 Capital MTFP

Directorate	2017/18 Capital Budget			2018/19 Capital Budget			2019/20 Capital Budget			2020/21 Capital Budget			Total Budget 2017/18 - 2020/21		
	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000
Children's Services	28,032	(27,432)	600	20,213	(19,613)	600	18,022	(14,034)	3,988	0	0	0	66,267	(61,079)	5,188
Community Services	38,079	(22,739)	15,340	36,205	(8,987)	27,218	20,226	(12,087)	8,139	0	0	0	94,510	(43,813)	50,697
ICS	4,500	0	4,500	3,500	0	3,500	3,000	0	3,000	0	0	0	11,000	0	11,000
Regeneration & Business Support	12,678	(6,407)	6,271	3,668	(2,465)	1,203	1,762	(725)	1,037	0	0	0	18,108	(9,597)	8,511
Social Care, Health & Housing	5,400	(778)	4,622	2,950	(778)	2,172	2,900	(778)	2,122	0	0	0	11,250	(2,334)	8,916
Total	88,689	(57,356)	31,333	66,536	(31,843)	34,693	45,910	(27,624)	18,286	0	0	0	201,135	(116,823)	84,312

Revised 2017-18 MTFP

Directorate	2017/18 Capital Budget			2018/19 Capital Budget			2019/20 Capital Budget			2020/21 Capital Budget			Total Budget 2017/18 - 2020/21		
	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000
Children's Services	13,084	(12,544)	540	16,061	(15,021)	1,040	42,026	(24,872)	17,154	14,106	(13,566)	540	85,277	(66,003)	19,274
Community Services	31,604	(10,493)	21,111	52,665	(18,689)	33,976	18,215	(9,842)	8,373	15,180	(8,577)	6,603	117,664	(47,601)	70,063
Chief Executive Team	3,500	0	3,500	3,500	0	3,500	3,000	0	3,000	3,000	0	3,000	13,000	0	13,000
Regeneration & Business Support	15,350	(8,604)	6,746	13,142	(12,519)	623	32,183	(30,944)	1,239	16,181	(16,355)	(174)	76,856	(68,422)	8,434
Social Care, Health & Housing	5,400	(778)	4,622	5,450	(778)	4,672	2,472	(778)	1,694	2,422	(778)	1,644	15,744	(3,112)	12,632
Total	68,938	(32,419)	36,519	90,818	(47,007)	43,811	97,896	(66,436)	31,460	50,889	(39,276)	11,613	308,541	(185,138)	123,403

Change

Directorate	2017/18 Capital Budget			2018/19 Capital Budget			2019/20 Capital Budget			2020/21 Capital Budget			Total Budget 2017/18 - 2020/21		
	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000
Children's Services	(14,948)	14,888	(60)	(4,152)	4,592	440	24,004	(10,838)	13,166	14,106	(13,566)	540	19,010	(4,924)	14,086
Community Services	(6,475)	12,246	5,771	16,460	(9,702)	6,758	(2,011)	2,245	234	15,180	(8,577)	6,603	23,154	(3,788)	19,366
Chief Executive Team	(1,000)	0	(1,000)	0	0	0	0	0	0	3,000	0	3,000	2,000	0	2,000
Regeneration & Business Support	2,672	(2,197)	475	9,474	(10,054)	(580)	30,421	(30,219)	202	16,181	(16,355)	(174)	58,748	(58,825)	(77)
Social Care, Health & Housing	0	0	0	2,500	0	2,500	(428)	0	(428)	2,422	(778)	1,644	4,494	(778)	3,716
Total	(19,751)	24,937	5,186	24,282	(15,164)	9,118	51,986	(38,812)	13,174	50,889	(39,276)	11,613	107,406	(68,315)	39,091

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Appendix B - Capital Programme Summary by Category

Directorate	2017/18 Capital Budget			2018/19 Capital Budget			2019/20 Capital Budget			2020/21 Capital Budget			Total Budget 2017/18 - 2020/21		
	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000
A - Replacing and renewing operational assets	28,428	(11,545)	16,883	49,720	(21,736)	27,984	23,373	(12,580)	10,793	19,746	(7,789)	11,957	121,267	(53,650)	67,617
B - Investing to save through managing demand or generating income	14,497	(3,778)	10,719	18,020	(8,778)	9,242	33,492	(30,778)	2,714	18,267	(17,133)	1,134	84,276	(60,467)	23,809
C - Capturing the benefits of growth	24,492	(16,793)	7,699	20,690	(16,390)	4,300	38,629	(23,075)	15,554	12,126	(14,354)	(2,228)	95,937	(70,612)	25,325
D - Protecting and enhancing Central Bedfordshire	1,521	(303)	1,218	1,888	(103)	1,785	902	(3)	899	750	0	750	5,061	(409)	4,652
E - Responding to new opportunities	0	0	0	500	0	500	1,500	0	1,500	0	0	0	2,000	0	2,000
Total	68,938	(32,419)	36,519	90,818	(47,007)	43,811	97,896	(66,436)	31,460	50,889	(39,276)	11,613	308,541	(185,138)	123,403

Appendix B - Capital Programme

Directorate	Category	Category Description	Scheme Title	2017/18 Capital Budget			2018/19 Capital Budget			2019/20 Capital Budget			2020/21 Capital Budget			Total Budget 2017/18 - 2020/21		
				Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000
Children's Services	C	Capturing the benefits of growth	New School Places	10,094	(10,094)	0	12,571	(12,571)	0	37,536	(22,422)	15,114	11,116	(11,116)	0	71,317	(56,203)	15,114
Children's Services	A	Replacing and renewing operational assets	Schools Capital Maintenance	2,000	(2,000)	0	2,000	(2,000)	0	2,000	(2,000)	0	2,000	(2,000)	0	8,000	(8,000)	0
Children's Services	A	Replacing and renewing operational assets	Schools Devolved Formula Capital	450	(450)	0	450	(450)	0	450	(450)	0	450	(450)	0	1,800	(1,800)	0
Children's Services	A	Replacing and renewing operational assets	Temporary Accommodation	360	0	360	360	0	360	360	0	360	360	0	360	1,440	0	1,440
Children's Services	D	Protecting and enhancing Central Bedfordshire	Schools Access Initiative	180	0	180	180	0	180	180	0	180	180	0	180	720	0	720
Children's Services	E	Responding to new opportunities	Children's Home and Assessment Centre	0	0	0	500	0	500	1,500	0	1,500	0	0	0	2,000	0	2,000
Community Services	A	Replacing and renewing operational assets	Highways Structural Maintenance Block	6,020	(4,296)	1,724	6,020	(4,109)	1,911	6,020	(3,959)	2,061	6,020	(3,959)	2,061	24,080	(16,323)	7,757
Community Services	A	Replacing and renewing operational assets	Library and Leisure Centre renewal in Dunstable	4,684	(419)	4,265	13,285	0	13,285	913	(2,000)	(1,087)	0	0	0	18,882	(2,419)	16,463
Community Services	C	Capturing the benefits of growth	Woodside Link	3,558	(1,095)	2,463	152	(300)	(148)	0	0	0	1,010	(3,238)	(2,228)	4,720	(4,633)	87
Community Services	A	Replacing and renewing operational assets	A421-M1 Junction 13- Milton Keynes Magna Park	3,000	(3,000)	0	15,757	(12,797)	2,960	2,500	(2,500)	0	0	0	0	21,257	(18,297)	2,960
Community Services	A	Replacing and renewing operational assets	CBC Built Asset Improvement Programme	2,000	0	2,000	2,000	0	2,000	2,000	0	2,000	1,550	0	1,550	7,550	0	7,550
Community Services	B	Investing to save through managing demand or generating income	Crematorium	2,000	0	2,000	3,000	0	3,000	0	0	0	0	0	0	5,000	0	5,000
Community Services	A	Replacing and renewing operational assets	Highways Planned Maintenance	1,540	0	1,540	1,540	0	1,540	1,540	0	1,540	1,540	0	1,540	6,160	0	6,160
Community Services	A	Replacing and renewing operational assets	Highways Integrated Schemes	1,365	(1,365)	0	1,365	(1,365)	0	1,365	(1,365)	0	1,365	(1,365)	0	5,460	(5,460)	0
Community Services	B	Investing to save through managing demand or generating income	Biggleswade Property Regeneration	1,000	0	1,000	1,000	0	1,000	0	0	0	0	0	0	2,000	0	2,000
Community Services	B	Investing to save through managing demand or generating income	New Car Parks	650	0	650	650	0	650	0	0	0	0	0	0	1,300	0	1,300
Community Services	B	Investing to save through managing demand or generating income	Enhancement work to prepare for disposals	641	0	641	750	0	750	750	0	750	750	0	750	2,891	0	2,891
Community Services	B	Investing to save through managing demand or generating income	Westbury Phase 2 Industrial units (income generation)	625	0	625	0	0	0	0	0	0	0	0	0	625	0	625
Community Services	A	Replacing and renewing operational assets	Highways Bridge Assessment and Maintenance	600	0	600	600	0	600	600	0	600	600	0	600	2,400	0	2,400
Community Services	A	Replacing and renewing operational assets	Highways Street Lighting	500	0	500	500	0	500	400	0	400	400	0	400	1,800	0	1,800
Community Services	A	Replacing and renewing operational assets	Fleet replacement programme	500	0	500	0	0	0	0	0	0	0	0	0	500	0	500

Directorate	Category	Category Description	Scheme Title	2017/18 Capital Budget			2018/19 Capital Budget			2019/20 Capital Budget			2020/21 Capital Budget			Total Budget 2017/18 - 2020/21		
				Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000
Community Services	A	Replacing and renewing operational assets	Highways Flooding & Drainage	400	0	400	400	0	400	400	0	400	400	0	400	1,600	0	1,600
Community Services	B	Investing to save through managing demand or generating income	CCTV	360	0	360	200	0	200	0	0	0	0	0	0	560	0	560
Community Services	A	Replacing and renewing operational assets	Waste & Recycling Containers - Provision of Replacement bins & containers.	309	(15)	294	323	(15)	308	340	(15)	325	360	(15)	345	1,332	(60)	1,272
Community Services	B	Investing to save through managing demand or generating income	Energy Efficiency Improvements	300	0	300	300	0	300	300	0	300	300	0	300	1,200	0	1,200
Community Services	D	Protecting and enhancing Central Bedfordshire	Sundon / Bluewater Landfill Sites	300	(300)	0	100	(100)	0	100	0	100	0	0	0	500	(400)	100
Community Services	A	Replacing and renewing operational assets	Farm Compliance Work	270	0	270	270	0	270	135	0	135	135	0	135	810	0	810
Community Services	A	Replacing and renewing operational assets	Leisure Centre Stock Condition/Asset Management Plan	250	0	250	200	0	200	200	0	200	150	0	150	800	0	800
Community Services	D	Protecting and enhancing Central Bedfordshire	Outdoor Access and Countryside Works	245	0	245	245	0	245	245	0	245	245	0	245	980	0	980
Community Services	D	Responding to new opportunities	Rights of Way Network - Structural Renewal and Improvement Works	155	0	155	155	0	155	155	0	155	155	0	155	620	0	620
Community Services	A	Replacing and renewing operational assets	Co-ordinated replacement of street furniture as a result of vehicle damage	150	0	150	150	0	150	150	0	150	150	0	150	600	0	600
Community Services	D	Protecting and enhancing Central Bedfordshire	Pix Brook Flood Alleviation	80	0	80	950	0	950	50	0	50	0	0	0	1,080	0	1,080
Community Services	D	Protecting and enhancing Central Bedfordshire	match funding for HRA schemes to alleviate parking problems	50	0	50	50	0	50	50	0	50	50	0	50	200	0	200
Community Services	A	Replacing and renewing operational assets	additional gritting vehicle due to A5 and Woodside routes	30	0	30	0	0	0	0	0	0	0	0	0	30	0	30
Community Services	D	Protecting and enhancing Central Bedfordshire	Houghton Hall Urban County Park	21	(3)	18	3	(3)	0	2	(3)	(1)	0	0	0	26	(9)	17
Community Services	B	Investing to save through managing demand or generating income	LITC contract renegotiation	1	0	1	0	0	0	0	0	0	0	0	0	1	0	1
Community Services	B	Investing to save through managing demand or generating income	Stratton 5 new industrial units for revenue	0	0	0	2,700	0	2,700	0	0	0	0	0	0	2,700	0	2,700
Chief Executive Team	A	Replacing and renewing operational assets	IT	3,500	0	3,500	3,500	0	3,500	3,000	0	3,000	3,000	0	3,000	13,000	0	13,000
Regeneration	B	Investing to save through managing demand or generating income	M1-A6 Phase 1 and 2	4,520	(1,500)	3,020	6,520	(8,000)	(1,480)	30,020	(30,000)	20	14,795	(16,355)	(1,560)	55,855	(55,855)	0
Regeneration	A	Replacing and renewing operational assets	East West Rail (Western Section)	500	0	500	1,000	(1,000)	0	1,000	(291)	709	1,266	0	1,266	3,766	(1,291)	2,475
Regeneration	C	Capturing the benefits of growth	Dunstable A5/M1 Link Road Strategic Infrastructure	20	0	20	10	0	10	0	0	0	0	0	0	30	0	30
Regeneration	D	Protecting and enhancing Central Bedfordshire	Strategic infrastructure schemes	20	0	20	85	0	85	0	0	0	0	0	0	105	0	105
Regeneration	C	Capturing the benefits of growth	Strategic infrastructure schemes	150	0	150	0	0	0	0	0	0	0	0	0	150	0	150

Directorate	Category	Category Description	Scheme Title	2017/18 Capital Budget			2018/19 Capital Budget			2019/20 Capital Budget			2020/21 Capital Budget			Total Budget 2017/18 - 2020/21		
				Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000
Regeneration	D	Protecting and enhancing Central Bedfordshire	HGV SS & Road Reclassification	250	0	250	0	0	0	0	0	0	0	0	0	250	0	250
Regeneration	C	Capturing the benefits of growth	Broadband	4,579	(4,491)	88	5,407	(3,519)	1,888	1,043	(653)	390	0	0	0	11,029	(8,663)	2,366
Regeneration	C	Capturing the benefits of growth	Market Towns	3,591	(1,113)	2,478	0	0	0	0	0	0	0	0	0	3,591	(1,113)	2,478
Regeneration	D	Protecting and enhancing Central Bedfordshire	Land Drainage Flood defence	120	0	120	120	0	120	120	0	120	120	0	120	480	0	480
Regeneration	B	Investing to save through managing demand or generating income	Dunstable Highway De-Trunking and Redevelopment	1,500	(1,500)	0	0	0	0	0	0	0	0	0	0	1,500	(1,500)	0
Regeneration	D	Protecting and enhancing Central Bedfordshire	Dunstable Highway/High Street Feasibility	100	0	100	0	0	0	0	0	0	0	0	0	100	0	100
SCH & H	B	Investing to save through managing demand or generating income	Disabled Facilities Grants Scheme	2,390	(668)	1,722	2,390	(668)	1,722	1,912	(668)	1,244	1,912	(668)	1,244	8,604	(2,672)	5,932
SCH & H	B	Investing to save through managing demand or generating income	Empty Homes	210	(10)	200	210	(10)	200	210	(10)	200	210	(10)	200	840	(40)	800
SCH & H	B	Investing to save through managing demand or generating income	Renewal Assistance	300	(100)	200	300	(100)	200	300	(100)	200	300	(100)	200	1,200	(400)	800
SCH & H	C	Capturing the benefits of growth	MANOP: Non-HRA Extra Care Schemes	2,500	0	2,500	2,550	0	2,550	50	0	50	0	0	0	5,100	0	5,100
Total (Excluding HRA)				68,938	(32,419)	36,519	90,818	(47,007)	43,811	97,896	(66,436)	31,460	50,889	(39,276)	11,613	308,541	(185,138)	123,403

Appendix B - Capital Programme Reserve List

Directorate	Scheme Title	2017/18 Capital Budget			2018/19 Capital Budget			2019/20 Capital Budget			2020/21 Capital Budget			Total Budget 2017/18 - 2020/21		
		Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000
Community Services	Footway Programme	1,000	0	1,000	1,000	0	1,000	0	0	0	0	0	0	2,000	0	2,000
Community Services	Carriageway Surface Dressing Programme	2,000	0	2,000	2,000	0	2,000	0	0	0	0	0	0	4,000	0	4,000
Community Services	Outdoor Access and Countryside Works	100	0	100	100	0	100	100	0	100	0	0	0	300	0	300
Community Services	Leisure Strategy - delivery with stakeholders	250	0	250	200	0	200	0	0	0	0	0	0	450	0	450
Community Services	CAROL safety car	50	0	50	0	0	0	0	0	0	0	0	0	50	0	50
Community Services	New Camera Sites	100	0	100	100	0	100	100	0	100	100	0	100	400	0	400
Community Services	Street Lighting							100		100	100		100	200	0	200
Regeneration	Commercial Centre - Market Square Biggleswade	500	0	500	800	0	800		0	0	0	0	0	1,300	0	1,300
Regeneration	A507 Upgrade works	0	0	0	0	0	0	1,000	0	1,000	10,000	(10,000)	0	11,000	(10,000)	1,000
Regeneration	Dunstable Highway De-Trunking and Redevelopment	1,500	0	1,500	0	0	0	0	0	0	0	0	0	1,500	0	1,500
Regeneration	Dunstable High Street - additional to existing scheme	0	0	0	3,000	0	3,000	2,500	0	2,500	106	0	106	5,606	0	5,606
Regeneration	Fitwick Transport Interchange	1,450	(337)	1,113	0	0	0	0	0	0	0	0	0	1,450	(337)	1,113
Regeneration	Market Towns	812	0	812	0	0	0	0	0	0	0	0	0	812	0	812
Childrens Services	Temporary Accommodation	40	0	40	40	0	40	40	0	40	40	0	40	160	0	160
Childrens Services	Schools Access Initiative	20	0	20	20	0	20	20	0	20	20	0	20	80	0	80
SCH & H	Empty Homes	200	0	200	200	0	200	200	0	200	200	0	200	800	0	800
SCH & H	Integrated Care/Health Hub - Dunstable	1	0	1	0	0	0	0	0	0	0	0	0	1	0	1
SCH & H	Integrated Care/Health Hub - Biggleswade	1	0	1	0	0	0	0	0	0	0	0	0	1	0	1
SCH & H	Disabled Facilities Grants Scheme	60	0	60	60	0	60	60	0	60	60	0	60	240	0	240
Total		8,084	(337)	7,747	7,520	0	7,520	4,120	0	4,120	10,626	(10,000)	626	30,350	(10,337)	20,013

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EXECUTIVE

6th December 2016

Revenue Budget Monitoring Forecast Outturn September 2016 (Q2)

Report of **Cllr Richard Wenham, Executive Member for Corporate Resources** (cllr.richard.wenham@centralbedfordshire.gov.uk)

Advising Officers: Charles Warboys, Chief Finance Officer
(charles.warboys@centralbedfordshire.gov.uk)

This report relates to a Non Key Decision

Purpose of this report : The report sets out the provisional outturn financial position for 2016/17 as at the end of September 2016. It sets out spend against the approved budget and it excludes the Housing Revenue Account which is subject to a separate report. Explanations for the variances are set out below in Appendix A.

This report enables the Executive to consider the overall financial position of the Council.

RECOMMENDATIONS

The Executive is asked to:

- 1. note the forecast revenue outturn position which is an overspend of £0.6M and**
- 2. request that officers continue to look for compensatory savings in order to deliver a balanced budget.**

Issues

1. Forecast outturn position as at September 2016 is £0.6M over budget (£1.6M in August, £0.6M over budget at Period 6 last year). The year to date spend is £1.1M under budget and so the rest of year forecast is effectively over by £1.7M.
2. SCHH forecast overspend is £2.0M (no change on August). This forecast overspend is mainly due to flow through of overspends from 2015/16 and unachievable efficiencies against Care Act funding (£0.75M) and Care Packages (£0.7M).
3. Children's Services are under budget by £0.1M (£0.2M over in August). The movement from last month is due to lower staff costs and two expensive care placements which have now ceased.

4. Community Services are under budget by £0.5M (£0.3M under in August) which is spread across a number of cost centres. Regeneration are also under by £0.2M (£0.1m under in August) due to salary underspends.
5. ICS are over budget by £0.1M (Marginally under budget in August) due to increased IT costs offset by underspends on Legal. Corporate Costs are under by £0.7M due to lower than budgeted Minimum Revenue Provision and interest costs due to capital slippage and recent interest rate reductions.
6. Overall debt in September is £8.0M the same as August. Debt over 61 days is £4.0M (50%). August debt was also £4.0M (50%). Work is continuing to analyse the debt and ensure effective and efficient recovery procedures are followed.
7. The Table below details the full year variances by directorate:

Directorate	Year to Date - September P6			Full Year			Rest of Year Variance £m
	Budget	Actual	Variance	Budget	Forecast	Variance	
	£m	£m	£m	£m	£m	£m	
SCHH	33.9	35.0	1.1	67.9	69.8	2.0	0.9
Childrens Services	18.3	18.0	(0.3)	36.4	36.4	(0.1)	0.2
Community Services	23.5	22.6	(0.9)	47.4	46.9	(0.5)	0.4
Regeneration	2.5	1.7	(0.8)	5.1	5.0	(0.2)	0.7
Public Health	0.0	0.1	0.1	0.0	0.0	0.0	(0.1)
Improvement & Corporate Services	7.7	8.0	0.2	15.7	15.8	0.1	(0.1)
Corporate Resources	2.3	2.3	(0.0)	4.9	4.9	0.0	0.0
Corporate Costs	4.2	3.8	(0.4)	11.7	11.0	(0.7)	(0.3)
Total Excl Landlord Business	92.5	91.5	(1.1)	189.2	189.8	0.6	1.7
Schools	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Landlord Business	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	92.5	91.5	(1.1)	189.2	189.8	0.6	1.7

RESERVES POSITION

8. The general fund full year forecast position includes a net £2.3M increase in reserves (excluding Schools).
9. In terms of use of general fund earmarked reserves (EMR), SCHH are forecast to use £1.0M, Children's Services £0.6M, Community Services £1.0M, Public Health £0.2M, ICS £0.2M and Regeneration £0.1M.

Note that these reserves are being used for the purpose for which they were set aside last year.

10. This is offset by the creation of a £4.7M EMR for the New Homes Bonus (NHB) which we will receive in 2016/17. This was a conscious decision within the MTFP to both reduce reliance on NHB and to build a fund for investment. This leaves the NHB reserve at £6.8M including carry forward from 2015/16.
11. There is also a budgeted transfer to EMR of £0.5M to top up the Redundancy Reserve.
12. See Appendix B for details of which EMR have been used (note that Corporate Costs shows a number of reserves that are reflected in the Directorate outturns, for example the use of the redundancy reserve).

General Reserves

13. The opening position for 2016/17 is £15.5M. There are no further uses or contributions planned this year.

Council Priorities

14. Sound financial management contributes to the Council's Value for Money and enables the Council to successfully deliver its priorities. The recommendations will contribute indirectly to all 6 Council priorities.

Corporate Implications

Legal Implications

15. None

Financial Implications

16. The financial implications are set out in the report.

Equalities Implications

17. Equality Impact Assessments were undertaken prior to the allocation of the 2016/17 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

Appendices

- Appendix A – Detailed Directorate Commentary
- Appendix B – Earmarked Reserves.
- Appendix C – Debt Management
- Appendix D – Treasury Management

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APPENDIX A – DIRECTORATE COMMENTARY

Social Care, Health and Housing (SCHH)

1. The directorate General Fund outturn position is an overspend of £2.0M after the use of reserves (same as August).

Month: September 2016	Year to date				Year				
	Budget	Actual	Proposed (use of) / contribution to Earmarked reserves	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Proposed (use of) / contribution to Earmarked reserves	Forecast Variance after use of earmarked reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Social Care Health and Housing									
Director of Social Care, Health, Housing	102	345	(241)	3	203	803	600	(595)	5
Housing Solutions (GF)	1,821	1,696	-	(125)	3,641	3,456	(185)	-	(185)
Care and Support	6,342	6,408	-	67	12,683	12,922	239	(84)	155
OPPD - Care Management	14,394	16,504	(70)	2,041	28,787	31,740	2,953	(140)	2,813
LD Care Management & MH Packages	10,689	10,708	-	20	21,377	21,849	472	-	472
Head of Integrated Services + Other IS	498	384	-	(114)	996	840	(156)	-	(156)
Commissioning	4,556	4,456	-	(100)	9,112	9,165	53	-	53
Resources	(4,459)	(5,127)	(70)	(738)	(8,918)	(9,968)	(1,050)	(142)	(1,192)
Total Social Care and Health	33,941	35,374	(381)	1,053	67,881	70,807	2,926	(961)	1,965

2. The Adult Social Care service (Care & Support, OPPD, Learning Disabilities/Mental Health and Integrated Services) is showing an overspend of £3.284M (excluding customer contributions).
3. This division has to absorb the risk of increasing Older People, Physical and Learning Disability package volumes and costs. People are living longer and the costs of dementia are on the increase. Demographic pressure of £4.1M has been built into the budget to reflect the impact of both an ageing population and the additional costs associated with the transition of younger people with disabilities into Adult Social Care. There are, however, significant efficiency targets for this area totalling just short of £4.2M.
4. Within the Older People 65+ external package budgets, there are projected overspends on residential and nursing placements of £1.601M offset by additional customer income which is forecast to exceed the budget by £1.108M.

There is a projected over spend on non-residential packages of £2.172M (this includes new extra care contract costs at Priory View and Greenfields). For non residential services there is a projected over achievement of customer income of £0.562M. This leaves Older People package expenditure with a net £2.103M overspend to budget.

This is after allowing for the recovery of backdated funding of £0.5M re long standing disputes regarding health and other local authority funding. Additional Better Care Fund (BCF) funding of £0.604M is currently being applied to the packages budget and additional placement costs of £0.14M relating to the Greenacre re-provision are being funded from the MANOP reserve.

5. The Directorate continues to track the impact of former self funders who exert pressure on residential and nursing placements budgets. Seventeen have required Council support during 2016/17 compared to seven that required support for the same period in 2015/16.

The full year cost is estimated to be £0.315M.

6. Within Learning Disabilities, additional budget of £1.4M has been provided to cover the impact of transitions in 2016/17 which includes the full year effect of 2015/16 new customers and the part year effect of 2016/17 new customers. The budget has also been increased to reflect carer breakdown costs for mid life customers estimated at £0.7M.

Efficiency targets for this service area amount to £1.1M. There is a projected overspend on packages of £0.078M.

7. There remain risks relating to the funding of customers being reviewed under the Winterbourne View national programme.
8. The Commissioning Service is projecting an overspend of £0.053M. The key variances are overspends within various contracts offset by Contracts and Commissioning Teams' pay.
9. The Resources division is showing a projected underspend of £1.192M the majority of which relates to a projected over achievement of customer contributions.

Better Care Fund (BCF)

10. The overall funding for 2016/17 is set out below: There has been a mandated increase in the Bedfordshire Clinical Commissioning Group (BCCG) contribution compared to last year.

11.

Funding Stream	2016/17 Plan £M
BCCG	15.276
CBC Disabled Facility Grant	1.315
CBC Additional Contribution	3.417
Under spend from 2015/16	0.586
TOTAL	20.534

12. The focus for 2016/17 will be on Out of Hospital Care, Prevention and on Protecting Social Services.
13. The BCCG funding stream includes funding paid over to CBC of £4.038M.
14. HRA is subject to a separate report.

Children's Services

15. The directorate outturn position for 2016/17 is £0.091M under budget (£0.157M overspend in August).

Month: September 2016	Year to date				Year					
	Director	Budget	Actual	Proposed (use of) / contribution to Earmarked reserves	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Proposed (use of) / contribution to Earmarked reserves	Forecast Variance after use of earmarked reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Children's Services										
Director of Children's Services	309	356	-	47	617	617	-	-	-	-
Children's Services Operations	11,332	10,671	(33)	(694)	22,466	21,963	(503)	(60)	(563)	
LAC Placement Costs	4,477	5,020	(48)	495	8,974	9,707	733	(95)	638	
Commissioning & Partnerships	1,673	1,461	(4)	(216)	3,637	3,503	(134)	(23)	(157)	
Partnerships	334	404	(51)	19	555	675	120	(120)	-	
Education Services	880	1,048	(156)	12	1,553	1,827	274	(283)	(9)	
Total Children's Services (ex Schools / Overheads)	19,005	18,960	(292)	(337)	37,802	38,292	490	(581)	(91)	
DSG + ESG Contribution to Central Support	(678)	(678)	-	-	(1,356)	(1,356)	-	-	-	
Total Children's Services (excluding Schools)	18,327	18,282	(292)	(337)	36,446	36,936	490	(581)	(91)	

16. The reduction in forecast outturn of £0.248M since August is mainly due to:

- £0.109M reduction in residential care home payments as two placements have ended earlier than originally forecast and an in-house placement ending.
- £0.212M reduction in staff related budgets, including freezing two posts in Fostering Service, reductions in the Court & Permanence Team, and a consultant Social Workers salary.
- £0.014M reduction in nursery, therapeutic services and parent and baby placements
- £0.050M increased income from the Academy Central Bedfordshire

Offset by increases (£0.080M) in the Leaving care budget, due to nine additional young people since July, £0.065M Independent Fostering and Adoption (IFA) changes, five siblings move from in-house and increased Direct Payments and High Level Family Support payments due to additional "no recourse to public funds" cases.

17. Mitigating action and one off compensatory savings have been identified and achieved to cover an underlying overspend which relates to two main areas in Children's Services Operations:

- £0.690M IFA and In-House Fostering where the budget only allowed for 58 IFA's and there are currently 66 non Unaccompanied Asylum Seeking Children. This forecast overspend was previously reported on the risk register whilst mitigating action was sought.
- £0.253M Children with Disabilities, and is due to an additional five out of area placements made since the budget build took place for 2016/17. Mitigating action has been taken within the directorate to reduce the original forecast overspend of £0.365M. Out of area placements are made as a last resort when a high level of short break provisions can no longer meet the need and safeguard the child and/or their family.

18. The tables below reflect the increased number of Looked After Children (LAC) and non care placements.

	Sept 2015		Sept 2016		% change	Average £ per child/mnth Aug16
Number of LAC :		259		254	(1.9%)	
In House Foster Placements	113		113		n/c	1,423
Independent Foster Placements	74		67		(9.5%)	3,404
Residential Homes & Schools	20		7		(25%)	17,445
St Christopher's (Clophill & Bunyan Road)			7			11,635
St Christopher's (Stewartby)			1			13,750
Semi - Independent Living (aged 16 & 17)	14		13		(7.1%)	3,072
Placed for Adoption/ with Parents	28		31		10.7%	0 - 544
Children with Disabilities (CWD Maythorn and Residential School)	7		10		42.9%	9,334 - 20,957
Young Offenders serving custodial sentences /Temp Accom / Youth Offending	3		4		33.3%	0
Parent & Baby Units			1			15,080

	Sept 2015		Sept 2016		% change	Average £ per child/mnth Aug 16
Unaccompanied Asylum Seeking Children:		30		58	93.3%	
In House Foster Placements	5		9		80.0%	1,327
Independent Foster Placements	10		8		(20.0%)	3,250
Semi Independent Living (aged 16 & 17)	15		41		173.3%	1,487
Total Number of LAC:		289		312	8.0%	

(NB: The UASC numbers were not split for September 2015 reporting and are included with LAC numbers to calculate the percentage change).

	Sept 2015	Sept 2016	% change
Non care placements :			
Special Guardianship Orders	129	137	6.2%
Residential Orders	43	40	(7.0%)
Adoption Allowances	43	48	11.6%
Other information:			
Child Protection Plan	180	215	19.4%
Children in Need	1258	1412	12.2%
Number of Referrals (YTD)	1293	955	(26.1%)

	Movement YTD Inc. UASC
LAC (29 th April 302)	+10
In House Placements (April 123)	-1
Independent Foster Placements (April 79)	-4
Semi Independent Living (April 38)	16
Special Guardianship Orders (April 132)	5

19. There are currently 27.7 Full Time Equivalent (fte) agency staff across Children's Services Operations covering 59.2 fte vacant posts.

Of the 27.7 fte Agency Staff covering vacant posts, maternity and sickness absences, there are currently 0.80 Social Workers mitigating for the Assisted Years Supported Employment in the Intake & Assessment and Family Support teams due to leavers and secondments in the teams.

Community Services

20. The full year outturn position for Community Services is an underspend of £0.515M (£0.344M in August) after the use of earmarked reserves of £0.973M for one-off specific projects.

Month: September 2016	Year to date				Year				
	Budget	Actual	Proposed (use of) / contribution to Earmarked reserves	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Proposed (use of) / contribution to Earmarked reserves	Forecast Variance after use of earmarked reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Community Services									
Community Services Director	166	132	-	(34)	332	318	(14)	-	(14)
Highways Transportation	9,022	8,919	(44)	(147)	18,659	19,044	385	(44)	341
Environmental Services - Waste	9,700	9,511	(193)	(382)	19,117	19,179	62	(577)	(515)
Environmental Services - Other	2,458	2,137	(114)	(435)	4,966	4,991	25	(294)	(269)
Assets	2,185	2,264	-	79	4,371	4,371	-	(58)	(58)
Total Community Services	23,531	22,963	(351)	(919)	47,445	47,903	458	(973)	(515)

Highways Transportation

21. Highways and Transportation is forecasting an overall overspend of £0.341M. This is explained further in paragraphs 22 – 24.
22. Educational Transport are forecasting an overspend of £0.014M which is due to a £0.072M overspend within the schools transport contract and on staffing of £0.010M, this is offset by additional £0.064M of income in Special Educational Needs transport.
23. Highways Contracts are forecasting a £0.055M underspend. This is due to overspends of £0.208M within 3rd party costs (of which £0.130M relates to an increase in spend on emergency repairs following the new contract and £0.048M relates to vehicle crossovers), there is also an overspend of £0.066M within supplies & services. These overspends are offset by additional income of £0.222M and staffing underspends of £0.099M.
24. Passenger Transport Services – forecasting an overspend of £0.378M of which £0.129M relates to premises & transport including the contract hire of vehicles and Fleet maintenance and fuel costs, staffing costs are also forecasting an overspend of £0.261M of which £0.213M is for agency cover, additional income from vehicle hire of £0.021M has slightly offset this overspend.

Environmental Services

25. Environmental Services is forecasting an overall underspend of £0.784M. This is explained further in paragraphs 26 – 32.
26. Waste Service – is forecasting a £0.515M underspend, which is a result of an underspend of £0.090M due to staffing vacancies and reduced hours, £0.426M underspend in kerbside collection and street cleansing due to lower indexation than budgeted for and a £0.158M underspend on Household Waste Recycling Centres due to the temporary closure of Ampthill and Leighton Buzzard. These are partially offset by underachievement of recycle income of £0.122M due to levels of contamination.
27. Libraries are forecasting a £0.135M underspend, the majority of this is due to staff vacancies of £0.276M, these have been offset by income being less than budget of £0.108M (£0.047M for library services and £0.061M for Leighton Buzzard theatre), and overspends on resources for Dunstable library of £0.050M.
28. Emergency Planning – is forecasting a £0.030M underspend which is a result of £0.040M of income no longer forecast to be received offset by staffing underspends of £0.074M.
29. Public Protection – is forecasting a £0.204M overspend, the majority of this £0.198M is due to overspends on staffing costs due unachievable staff cost reduction efficiency.
30. Community Safety – is forecasting a £0.099M underspend, this is due to staff vacancies.
31. Parking – is forecasting a £0.208M underspend, this is due to additional income of £0.190M, underspend on salaries of £0.064M offset by overspends on rates of £0.027M and Professional Services of £0.020M.

32. Leisure & Active Lifestyles – is forecasting to be on budget.
33. **Assets** are forecasting to £0.058M under budget.

Regeneration and Business Support

34. The full year projected outturn position for 2016/17 is a £0.160M underspend (£0.124M in August).

Month: September 2016	Year to date				Year				
Director	Budget	Actual	Proposed (use of) / contribution to Earmarked reserves	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Proposed (use of) / contribution to Earmarked reserves	Forecast Variance after use of earmarked reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Regeneration and Business Support									
Director	436	331	-	(105)	872	779	(93)	-	(93)
Business & Investment	143	79	(8)	(72)	881	951	70	(40)	30
Planning	1,950	1,330	(31)	(651)	3,375	3,310	(65)	(32)	(97)
Programme Delivery	-	-	-	-	-	-	-	-	-
Total Regeneration and Business Support	2,529	1,740	(39)	(828)	5,128	5,040	(88)	(72)	(160)

35. The Director’s group is forecasting underspend of £0.093M which relates to staff salaries due to vacancies.
36. Business and Investment is forecasting an overspend of £0.030M. Within this £0.122M relates to staffing costs which are forecast to exceed budget once vacancies have been filled, £0.025M relates to professional services costs. Additional income of £0.113M with £0.045M of this to cover the European Regional Development Fund posts has helped offset the overspends.
37. Planning is forecasting an underspend of £0.097M. This relates to an £0.281M underspend on staffing costs and also additional income of £0.180M within Development Management and Building Control. These underspends are offset by overspends within Professional services of £0.294M. There are also £0.070M overspends forecast which relate to flooding risk assessments in connection with the local plan.

Public Health

38. Public Health’s forecast outturn is to achieve a balanced budget after proposed use of reserves. The Public Health grant is currently ringfenced so any under/overspend results in a movement against the carried forward reserve from 2015/16.

Month: September 2016	Year to date				Year					
	Director	Budget	Actual	Proposed (use of) / contribution to Earmarked reserves	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Proposed (use of) / contribution to Earmarked reserves	Forecast Variance after use of earmarked reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Public Health										
Director of Public Health	(6,030)	(6,148)	-	(118)	(12,060)	(12,294)	(234)	234	-	
Assistant Director of Public Health	6,050	6,289	-	239	12,100	12,502	402	(402)	-	
Total Public Health (Excl overheads)	20	141	-	121	40	208	168	(168)	-	
Contribution to Central Support	-	-	-	-	-	-	-	-	-	
Total Public Health	20	141	-	121	40	208	168	(168)	-	

Improvement and Corporate Services (ICS)

39. Improvement & Corporate Services is forecasting an overspend of £0.133M (£0.035M underspend in August).

Month: September 2016	Year to date				Year					
	Director	Budget	Actual	Proposed (use of) / contribution to Earmarked reserves	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Proposed (use of) / contribution to Earmarked reserves	Forecast Variance after use of earmarked reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Improvement and Corporate Services										
Director Improvement and Corp Services	57	141	(63)	21	113	141	28	(63)	(35)	
SRO Strategy (inc Comms, Knowledge & Insight, Procurement & Legal Services)	1,355	1,316	-	(39)	2,709	2,563	(146)	-	(146)	
SRO Governance (inc Scrutiny, Democratic, Registration & Coroner Services)	1,103	1,167	(54)	10	2,413	2,328	(85)	85	-	
People	1,283	1,413	(200)	(70)	2,565	2,847	282	(271)	11	
SRO Customers (inc IT & Customer Services)	3,938	4,233	-	295	7,876	8,179	303	-	303	
Total Improvement and Corporate Services	7,736	8,270	(317)	217	15,676	16,058	382	(249)	133	

40. In IT there is an overspend of £0.2M. This is mainly due to contract and software expenses, recruitment of contract staff and the purchase of professional services increasing to meet the demands of the Council's Digital Transformation programme.
41. There is also an overspend of £0.103M in Customer Services mainly due to pressures on staffing.
42. There is an unachievable efficiency in Director ICS relating to merging of common functions (£0.1M).
43. Within the Coroner Services there is an overspend of £0.108M as a result of increase of mortuary fees charged from Luton & Dunstable Hospital and increase in costs resulting from the transfer in of coroner's officers from Beds Police, these pressures being CBC's share of the total additional costs.
44. These pressures have been mitigated in part by savings from Director of ICS post (£0.135M), further expected in year savings on existing Legal Services Budget (£0.131M), Local Land Charge provision for legal costs which was not required in full (£0.082M) and small savings against the Members budget (£0.022M).

Corporate Resources and Costs

Corporate Resources & Costs

45. Overall Corporate Resources is forecasting to be £0.7M below budget after movements to and from reserves. The £5.210M contribution to reserves relates to the New Homes Bonus and also the Redundancy reserves mentioned in the main report.

Month: September 2016	Year to date				Year				
	Budget	Actual	Proposed (use of) / contribution to Earmarked reserves	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Proposed (use of) / contribution to Earmarked reserves	Forecast Variance after use of earmarked reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Resources									
Chief Executive	155	150	-	(5)	311	311	-	-	-
Finance	2,417	2,413	-	(4)	5,177	5,177	-	-	-
Housing Benefit Subsidy	(298)	(298)	-	-	(597)	(597)	-	-	-
Total Corporate Resources	2,274	2,265	-	(9)	4,891	4,891	-	-	-
Corporate Costs									
Debt Management	6,823	6,476	-	(347)	13,646	12,946	(700)	-	(700)
Premature Retirement Costs	1,224	1,225	-	1	2,756	2,756	-	-	-
Corporate Public Health Recharges	(316)	(303)	-	13	(631)	(631)	-	-	-
Corporate HRA Recharges	(60)	(60)	-	-	(120)	(120)	-	-	-
Efficiencies	(40)	(61)	-	(21)	130	130	-	-	-
Contingency and Reserves*	(3,474)	(5,799)	2,325	-	(4,096)	(9,277)	(5,181)	5,181	-
Total Corporate Costs	4,157	1,478	2,325	(354)	11,685	5,804	(5,881)	5,181	(700)
Total Corporate	6,431	3,743	2,325	(363)	16,576	10,695	(5,881)	5,181	(700)

46. The Corporate Costs underspend of £0.7M is due to lower than budgeted interest payments and also Minimum Revenue Provision following lower spend on 2015/16 Capital Programme than budgeted.

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Appendix B – Earmarked Reserves

Description	Opening Balance 2016/17	Spent	Technical Movements	Balance before new transfers	New Proposed transfers	Proposed Closing Balance 2016/17	MEMO: Net movement after proposals
	£000	£000	£000	£000	£000	£000	£000
Social Care Health and Housing Reserves							
Deprivation of Liberty Safeguards	426			426		426	-
Winter Pressure 12/13 "Care Act"	20			20		20	-
Winter Pressure 13/14 "Care Act"	55			55		55	-
Mental Health Action Plan	60			60		60	-
Outcome Based Commissioning	2,484	(736)		1,748		1,748	(736)
Integrated Approaches	505	(140)		365		365	(140)
Better Care Fund	43			43		43	-
Support and Aspiration Grant	50			50		50	-
Welfare Reform - local welfare provision grant	112			112		112	-
Zero Base Review grant	18			18		18	-
Total Social Care, Health and Housing	3,773	(876)	-	2,897	-	2,897	(876)
Children's Services Reserves							
Fostering & Adoption	95	(95)		(0)		(0)	(95)
Childrens Homes Co-location	-			-		-	-
Partnership Reserves inc Performance Reward Grant, LSP Sustainable Neighbourhoods and Assets of Community Value	198	(30)		168		168	(30)
SEN Reserves inc. Support and Aspiration Grant and Children's & Families Act	185	(105)		80		80	(105)
Children's Services Unspent Grant Income	403	(55)		348		348	(55)
Total Children's Services	880	(285)	-	595	-	595	(285)
Community Services Reserves							
Leisure Centre Reinvestment Fund	179	(37)		142		142	(37)
Integrated consumer protection	116			116		116	-
Transport Fund	92	(1)		91		91	(1)
Community Safety partnership fund	94	(44)		50		50	(44)
Community Safety Grant	119			119		119	-
Bedford & Luton Resilience Forum	65			65		65	-
Financial Investigation Unit	579	(245)		334	27	361	(218)
Biggleswade wind farm	23			23		23	-
countryside access grant	23			23		23	-
Woodside connection options appraisal	39			39		39	-
Rural Payments	3			3		3	-
Sundon Landfill	421			421		421	-
Facilities Security	100			100		100	-
Street Scene Improvements	500	(500)		-		-	(500)
Community Safety	500			500		500	-
Total Community Services	2,853	(827)	-	2,026	27	2,053	(800)

Appendix B – Earmarked Reserves (Cont)

Description	Opening Balance 2016/17	Spent	Technical Movements	Balance before new transfers	New Proposed transfers	Proposed Closing Balance 2016/17	MEMO: Net movement after proposals
	£000	£000	£000	£000	£000	£000	£000
Regeneration Reserves							
Career Development framework	33			33		33	-
External Funded Regeneration reserve	270			270		270	-
Local Development Framework	327	(79)		248		248	(79)
Minerals and Waste partnership funds	104			104		104	-
NIRAH	49			49		49	-
Business growth grants	40	(40)		-		-	(40)
Flood Defence	555	(25)		530		530	(25)
Building control	327			327	72	399	72
Unauthorised Development	159			159		159	-
Neighbourhood planning grant	65			65		65	-
Food Enterprise Zone	29			29		29	-
Albion Archaeology	25			25		25	-
Total Regeneration	1,983	(144)	-	1,839	72	1,911	(72)
Public Health Reserves							
Public Health Grant Reserve	1,546	(168)		1,378		1,378	(168)
Risk reserve	-			-		-	-
Total Public Health	1,546	(168)	-	1,378	-	1,378	(168)
Improvement and Corporate Services Reserves							
Pan Public Sector Funding	28			28		28	-
Customer First	13			13		13	-
Elections Fund	132			132	90	222	90
Individual Electoral Registration	59	(59)		-	54	54	(5)
ICT Webcasting	55			55		55	-
ICS - HR Apprentices & Graduates (£0.2m held in Corporate at year end)	297	(28)		269		269	(28)
Total Improvement & Corporate Services	584	(87)	-	497	144	641	57

Appendix B – Earmarked Reserves (Cont)

Description	Opening Balance 2016/17	Spent	Technical Movements	Balance before new transfers	New Proposed transfers	Proposed Closing Balance 2016/17	MEMO: Net movement after proposals
	£000	£000	£000	£000	£000	£000	£000
Finance							
Housing Benefit Subsidy Audit Reserve	500			500		500	-
NNDR Discretionary Relief & NNDR Bad Debts	946			946		946	-
Total Finance	1,446	-	-	1,446	-	1,446	-
Corporate Reserves	-			-		-	
Redundancy/Restructure Reserve	663	(297)		366	500	866	203
Insurance reserve	4,052			4,052		4,052	-
Welfare Reform	400	(90)		310		310	(90)
Teachers' Pensions	241			241		241	-
s31 NNDR Income to offset NNDR discounts	2,532			2,532		2,532	-
Planning Decisions Legal Challenge	300			300		300	-
Weed Spraying	93			93		93	-
Grass Cutting	77	(77)		-		-	(77)
Town Centre jet wash	27			27		27	-
Road Marking Line renewal	35			35		35	-
Rationalisation of Accommodation	243	(243)		-		-	(243)
Community resilience	500	(47)		453		453	(47)
Tackling Safety and Vulnerability	385			385		385	-
New Homes Bonus	2,055			2,055	4,681	6,736	4,681
Impact of Funding Deficits	1,200			1,200		1,200	-
Smoothing MRP payments/Financing Charges	926			926		926	-
Transformation (Invest to save, Transforming service delivery)	700			700		700	-
Transforming lives	250			250		250	-
Independent careers service	250			250		250	-
Planning enforcement	200	(20)		180		180	(20)
Business Operations	200			200		200	-
Total Corporate Reserves	15,329	(774)	-	14,555	5,181	19,736	4,407
Total Earmarked Reserves (General Fund)	28,395	(3,161)	-	25,234	5,424	30,658	2,263

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Appendix C - Debtors

- Overall debt in September is £8.0M the same as August. Of this £3.4M is less than 30 days old (£2.3M August). Debt over 61 days is £4.0M (50%). August debt was also £4.0M (50%).

Of the Over 60 days - £3.0M is actively being chased. £0.364M have instalment arrangements in place. £0.544M is being dealt with through legal channels. A further £1.3M is in respect of house Sales.

Sep-16																			
DIRECTORATE	1 to 14 Days		15 to 30 Days		31 to 60 Days		61 to 90 Days		91 to 270		271 to 365		1 year and		Total Debt		Over 61		MoM
	£k	%	£k	%	£k	%	£k	%	£k	%	£k	%	£k	%	£k	%	£k	%	
Social Care Health & Housing	379	10%	955	24%	209	5%	284	7%	790	20%	265	7%	1,018	26%	3,900	93%	2,357	60%	237
Children's Services	204	36%	298	53%	10	2%	19	3%	24	4%	2	0%	5	1%	562	100%	50	9%	-9
Community Services	399	35%	194	17%	66	6%	37	3%	72	6%	85	7%	292	26%	1,145	93%	486	42%	25
Regeneration	212	15%	326	24%	214	16%	161	12%	138	10%	86	6%	231	17%	1,368	94%	616	45%	-399
I.C.S	55	6%	387	39%	67	7%	247	25%	71	7%	72	7%	89	9%	988	93%	479	48%	192
Finance	0	0%	0	0%	0	0%	0	0%	3	3%	12	14%	72	83%	87	86%	87	100%	-24
Public Health	8	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	8	0%	0	0%	0
Unallocated & Non Directorate	0	0%	-5	8%	-2	3%	-1	2%	-10	16%	-2	3%	-42	68%	-62	97%	-55	89%	12
GRAND TOTAL	1,257	16%	2,155	27%	564	7%	747	9%	1,088	14%	520	45%	1,665	21%	7,996	93%	4,020	50%	34
PREVIOUS MONTH	713		1,545		1,755		843		1,050		438		1,655		7,999		3,986	50%	
House Sales	5		40		43		29		239		107		885		1,348				

- The largest items of note within the total debt are:

- SCHH debt at the end of September was £3.900M of which £0.062M is HRA related (reported separately in the HRA report). Of the £3.838M General Fund debt (£3.478M for August), £1.812M is Health Service debt (£1.427M for August). Of the remaining general debt of £2.026M, £1.374M (68%) is more than 60 days old. Of this, all is under active management (with solicitors, payable by instalments etc.) with none under query or scheduled to be written off.
- Health Service debt at the end of September was £1.812M of which £0.932M or 51% is more than 60 days. All debts are under active management. A schedule of all outstanding debts is being shared and discussed regularly with the Bedfordshire CCG.
- Total debt for Children's Services is £0.562M (£0.243M in August) of which £0.050M is debt over 61 days.
- Community Services total debt is £1.145M (£0.786M in August) of which

£0.486M is debt over 61 days and is being actively pursued.

- Regeneration total debt is £1.368M (£2.466M in August) of which £0.616M is over 61 days, a reduction of £0.4M on August.
- Overall Corporate debt (ICS & Finance) is £1.075M (£1.033M in August). Of this there is £0.566M is over 61 days old.
- Public Health debt is zero.

Write offs

SUMMARY Q2 July - Sept

WRITE OFF	NUMBER	VALUE
£0 - £5,000	24	£ 16,928.20
£5,000 - £10,000	0	£ -
£10,000 - £50,000	0	£ -
>£50,000	0	£ -
TOTAL	24	£16,928.20

(of which is Legacy £0)

Appendix D - Treasury management

Borrowing

- As at 30 September 2016 the Council's total borrowing was £335.2M. Of this amount, £268.7M was with the Public Works Loan Board (PWLB), £53.0M was short-term temporary debt from other local authorities and £13.5M was market debt from banks. The table below also shows the split between the General Fund and HRA.

	PWLB Fixed £M	PWLB Variable £M	Temporary Debt £M	Market (LOBO) £M	Total £M
General Fund	97.0	6.7	53.0	13.5	170.2
HRA	120.0	45.0	0.0	0.0	165.0
TOTAL	217.0	51.7	53.0	13.5	335.2

- To manage interest rate risk, the profile of debt is split so that overall the Council has 65% fixed rate PWLB debt, 15% variable rate PWLB debt, 16% short-term temporary debt and 4% fixed rate market (LOBO) debt; this is shown in A1 on the Treasury Management Performance Dashboard.
- Based on the latest available annual benchmark analysis conducted by the Chartered Institute of Public Finance and Accountancy (CIPFA), A2 of the Dashboard shows the Council's cost of borrowing is significantly lower than the 4.4% average annual interest rate paid by other local authorities. The average annual interest rate paid by the Council was 2.8% as at 31 March 2016, which is mainly due to a higher proportion of variable rate and short-term temporary debt.
- In line with the Council's borrowing strategy, new short-term temporary borrowing was taken out during Quarter 2 at a cost of between 0.23% p.a. and 0.50% p.a. (inclusive of brokerage fees).
- The Council's underlying need to borrow as measured by its Capital Financing Requirement (CFR) was £475.8M at 31 March 2016. Given external borrowing of £353.8M (inclusive of a £15.7M PFI outstanding liability), deferred borrowing was £122.0M at 31 March 2016 using internal resources to fund the capital programme. In line with the approved treasury strategy, the Council used internal resources in lieu of borrowing to the full extent as this has continued to be the most cost effective means of funding capital expenditure. The CFR is expected to increase to £520.9M at 31 March 2017, with deferred borrowing estimated to be £110.2M (assumes £10M estimated reduction in working capital and no increase in usable reserves).

Investments

6. When investing, the Council prioritises security and liquidity and aims to achieve a yield commensurate with these principles. To diversify the investment portfolio, the Council continues to invest in a range of funds such as notice accounts, call accounts and Money Market Funds as well as using a number of different financial institutions. B1 of the Dashboard shows the breakdown by investment counterparty as at 30 September 2016. It should be noted that as cash investments are maintained at minimal levels for operational purposes, the £5.2M long-term investment in the UK commercial property-based Lime Fund now represents a higher proportion of total investments even though the cash amount invested in it has not changed.
7. The latest available CIPFA Treasury Management benchmarking results are as at 30 June 2016. B2 of the Dashboard shows that the Council's average rate of return on investments was 1.6% which was higher than the benchmarked local authority average of 1.0% – this was due to the relatively high investment return on the Lime Fund (inclusive of capital appreciation).
8. In addition to the Lime Fund investment, the Council has cash deposits placed on varying interest rates ranging between 0.3% and 0.8%. The Council holds the majority of its investments in liquid form so it is available for cash flow purposes. As at 30 September 2016, the Council held cash investments of £11.4M (exclusive of the £5.2M Lime Fund investment). Of the total cash investment balance, £9.4M was held in liquid form in instant access call accounts and Money Market Funds (MMFs); and the remaining £2.0M was equally split between a notice account and a fixed term deposit which matures in October 2016.

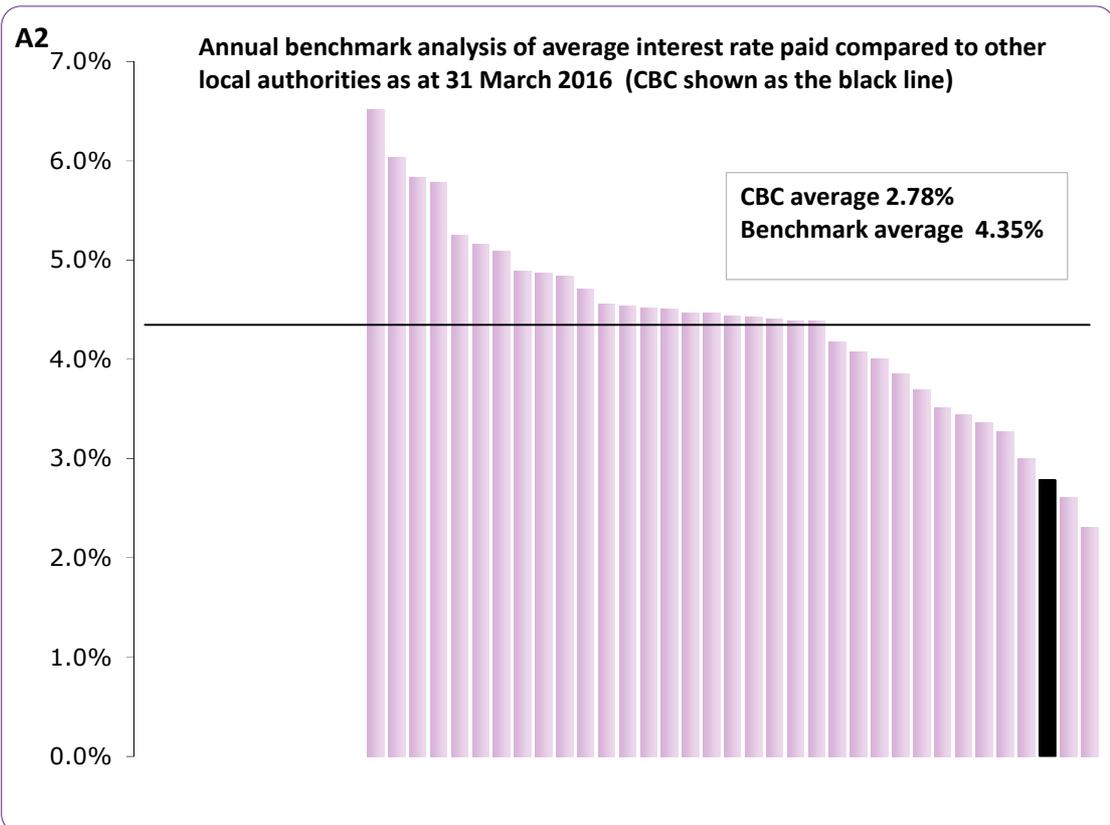
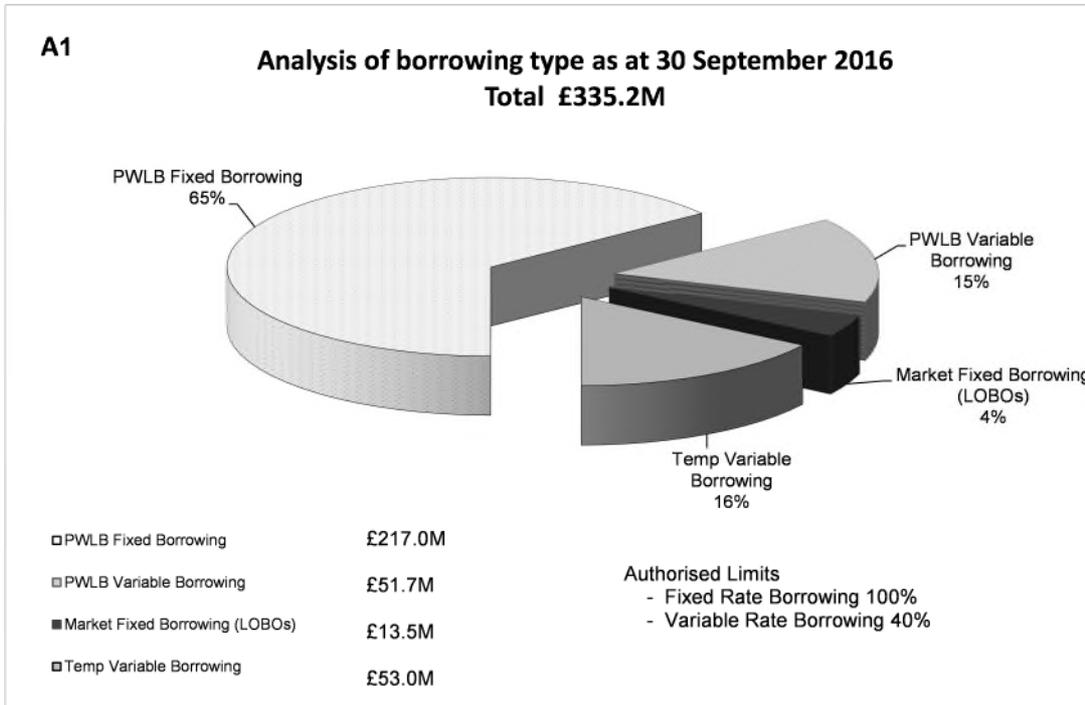
Cash Management

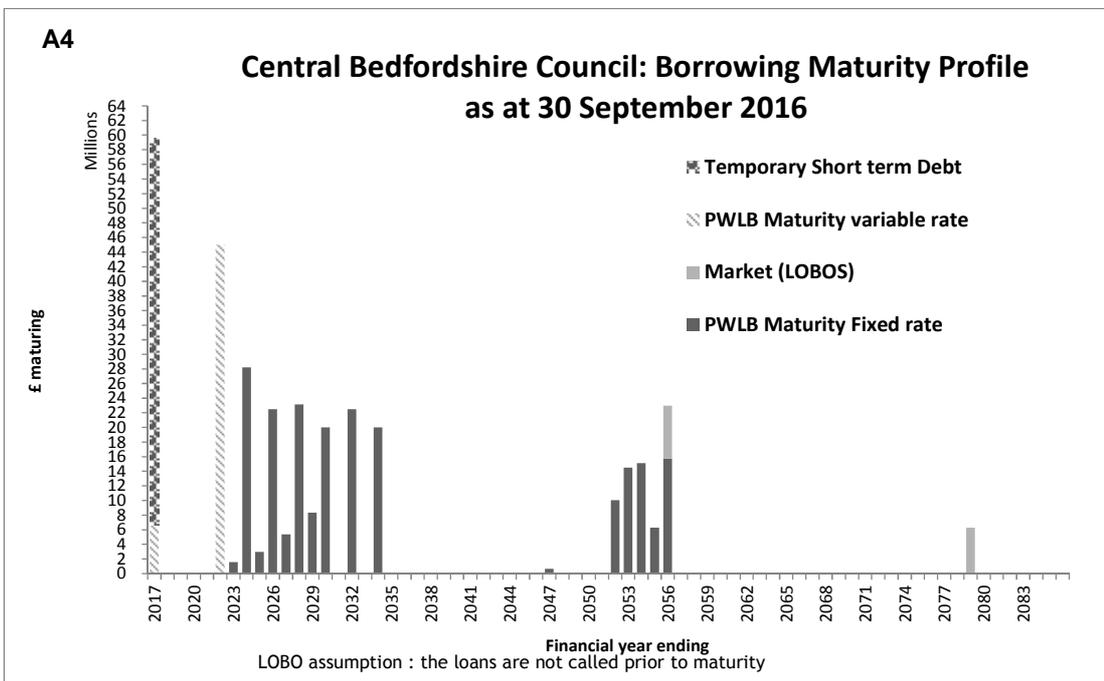
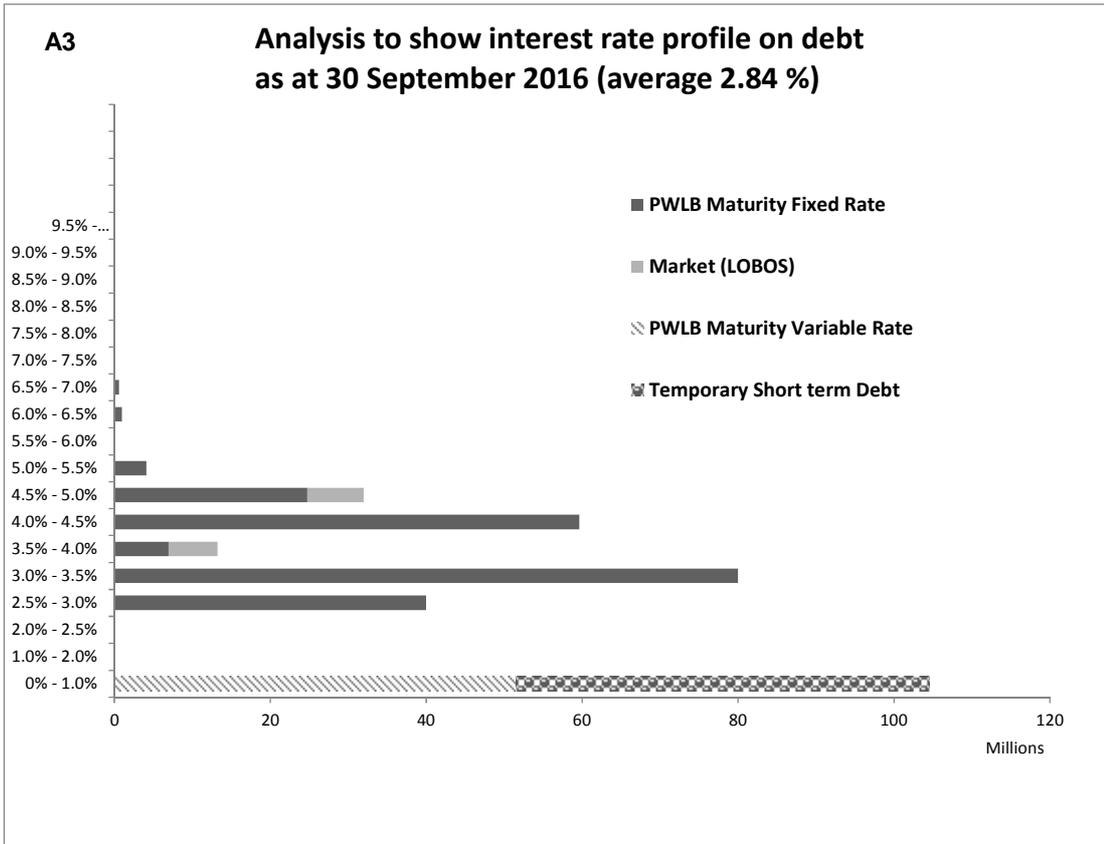
9. The average cash balance the Council holds is considerably lower than other benchmarked authorities. The 12-month rolling average cash balance as at the 30 June 2016 for the Council was £27M compared to a benchmark average of £87M. This reflects the Council's long-standing strategy of holding low cash balances to reduce investment counterparty risk and contain borrowing costs by utilising internal cash balances in lieu of external borrowing to fund capital expenditure.

Outlook

- 10 The Council's treasury advisers, Arlingclose, do not expect the Bank of England to raise the Bank Rate from its current level of 0.25% over the next three years with risks weighted to the downside, i.e., there is a possibility of a drop to close to zero. Over the financial year, the Council plans to continue to source any borrowing requirements from other local authorities on a short-term temporary basis. The low market interest rates for temporary debt offer revenue cost savings relative to borrowing on a long-term basis from the PWLB. This borrowing strategy assumes that interest rates will continue to remain at historically low levels for the medium term.
- 11 However, the Council advised by Arlingclose will continue to monitor long-term rates with a view to fixing a portion of any borrowing requirement if rates available are viewed as favourable.
- 12 A budget underspend of £700K with a further potential upside of £50K is forecasted in 2016/17 in respect of Treasury Management activities reflecting:
 - the Bank of England Base Rate cut to 0.25% in August 2016, whereas the budget had been based on an assumption of official interest rate rises to commence in the third quarter of 2016 and an average Base Rate of 0.6% in 2016/17;
 - a budget saving arising from the clearance of early debt repayment premia costs;
 - a budget saving on the Minimum Revenue Provision (MRP) for 2016/17;
 - Capital Programme slippage has been higher than originally assumed in the interest payable budget, leading to a lower level of overall borrowing than assumed in the 2016/17 budget; and
 - new borrowing being taken out at short-term fixed rates from other public bodies at very low rates.

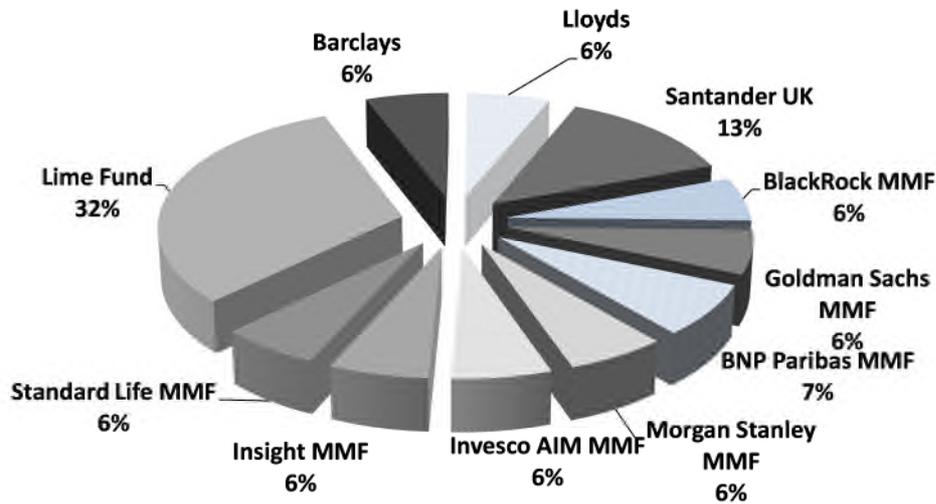
SECTION A: DEBT INFORMATION



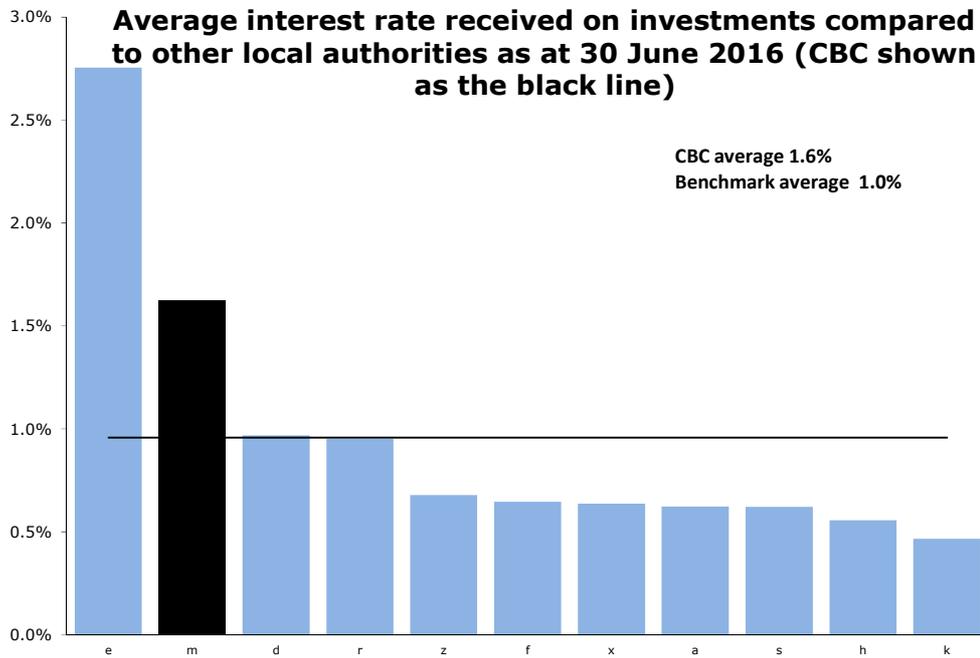


SECTION B: INVESTMENT INFORMATION

B1 Analysis of investments as at 30 September 2016
Total investments £16.6m



B2 Average interest rate received on investments compared to other local authorities as at 30 June 2016 (CBC shown as the black line)



EXECUTIVE

06 December 2016

September 2016 Q2 Capital Budget Monitoring Provisional Outturn Report

Report of **Cllr Richard Wenham, Executive Member for Corporate Resources** (cllr.richard.wenham@centralbedfordshire.gov.uk)

Advising Officers: Charles Warboys, Chief Finance Officer
(charles.warboys@centralbedfordshire.gov.uk)

This report relates to a Non Key Decision

Purpose of this report

1. The report sets out the Capital projected outturn for 2016/17 as at the end of September 2016. It excludes the Housing Revenue Account (HRA) which is subject to a separate report.

RECOMMENDATIONS

The Executive is asked to:

1. Note that the approved budget excluding HRA but including deferred spend from 2015/16 is £132.6M (gross).

The gross forecast is below budget by £17.6M, an increase of £1.2M on August (£30.2M below last year against a higher budget of £139.2M). The net forecast is £1.3M below budget (£21.5M below last year).
2. The Executive is asked to approve the budget virement below. There has been a change of scope to the Thorn Turn Waste Park in that the waste transfer element is not being pursued, so the full original budget is no longer required. However, additional costs have resulted from post contract design changes on all three Household Waste Recycling Centres and construction costs on the South Highways Depot project. The proposed budget re-alignment nets off to zero, being transfers between the schemes for the reasons set out above.

HWRC Redevelopment	110
Thorn Turn Waste Park	(1,981)
Depot - South	1,871
Total	0

BACKGROUND INFORMATION:

2. This report is based on the 2016/17 budget approved by Council at its 25th February 2016 meeting. The reported budget also includes deferred spend from 2015/16 which was approved by the Executive on the 7th June 2016 and a further £8M approved at Council in July 2016 for Strategic Acquisitions. The approved budget excluding HRA and including deferred spend from 2015/16 is £132.6M (gross).

ISSUES: None

FINANCIAL AND OTHER OPTIONS: These are covered in the report

3. **Forecast Outturn**

- Community Services are only forecasting £1.3M spend against the £7M budget for the A421 project until the position regarding the external funding of the remaining £6M is clearer. Luton & Dunstable Busway is currently forecast to be £3.6M under budget.
- The Woodside Link is over budget for the 2016/17 financial year, as it is ahead of schedule, however it is within the overall build cost for delivering the road. The scheme as a whole remains within gross budget.
- Thorn Turn Waste Park is currently £5.7M under budget and the North Depot and Salt barn is £3.7M under budget. It is proposed that both will be slipped into 2017/18.
- Children's Services are also expecting to spend £3.1M (net) more than the DfE allocation in January 2016 on New School Places. This is due to a combination of less than expected S106 contributions and a £2.0M reduction to the budget which was due to be mitigated through value engineering but that has not yet identified cost reductions.
- The £8M budget for new acquisitions is currently forecast to be spent. However, there are no current plans for new acquisitions, so this may become additional slippage into 2017/18.

Year to Date

- YTD Gross Spend is £12.4M below budget (£14.5M last year). Actual spend is £41.1M (£37.7M last year).

Capital Receipts

- The overall budget for Capital receipts is £10.5M. The current forecast is £10.9M. The major anticipated receipts are Fairfield c.£4.0M and c.£6.0M from Bedford Borough Council for Bell Farm and County Hall as part of the disaggregation agreement.
- To date we have received £0.802M which is the balance of £0.109M for the properties that were auctioned at the end of the last financial year and Deposits of £0.618M in respect of Stratton Phase 5 development.

- There has been a delay in the receipt for land at Ivel Rd, Sandy worth £0.230M due to an issue with Land Registry & Highways which has now been resolved and due to complete in October 2016. A deposit of £0.400M for Stratton has also been delayed due to complications in securing sufficient electricity supply capacity.

i) A summary of the position is in the table below.

Directorate	Year to Date P6			Full Year 2016/17			Year to Date P6			Full Year 2016/17		
	Gross Budget £m	Gross Actual £m	Gross Variance £m	Gross Budget £m	Gross Forecast Outturn £m	Gross Variance £m	Net Budget £m	Net Actual £m	Net Variance £m	Net Budget £m	Net Forecast Outturn £m	Net Variance £m
CS	14.0	14.4	0.5	21.7	24.7	3.1	0.3	2.4	2.1	1.7	4.8	3.1
Community Services	29.9	22.6	(7.3)	90.9	75.7	(15.1)	14.1	16.5	2.4	60.6	58.7	(1.9)
Improvement & Corporate Services	2.0	2.2	0.2	5.0	5.0	0.0	2.0	2.2	0.2	5.0	5.0	0.0
Corporate Resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Regeneration	2.8	0.4	(2.3)	5.7	3.5	(2.1)	1.7	0.4	(1.4)	3.5	1.8	(1.7)
ASCHH	4.8	1.5	(3.3)	9.4	6.1	(3.4)	2.9	0.0	(2.9)	5.0	4.2	(0.8)
Total Exc HRA	53.5	41.1	(12.4)	132.6	115.0	(17.6)	21.0	21.5	0.5	75.7	74.4	(1.3)

(Note: Any minor rounding differences are due to linking to detailed appendices)

Reasons for decision

4. To complete schemes currently underway and facilitate effective financial management and planning.

Council Priorities

5. Sound financial management contributes to the Council's Value for Money and enables the Council to successfully deliver its priorities. The recommendations will contribute indirectly to all 6 Council priorities.

Corporate Implications

Legal Implications

6. None.

Financial Implications

7. The financial Implications are contained in the appendix to the report.

Equalities Implications

8. Equality Impact Assessments were undertaken prior to the allocation of the 2016/17 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

Appendices

Appendix A – Detailed Directorate Commentary

Appendix A - DIRECTORATE COMMENTARY

Social Care Health and Housing

1. The directorate outturn forecast is under budget by £3.560M (gross) and under budget by £0.822M (net).
2. The tables below highlights the areas of spend :

SCHH Full Year Gross Budget and Forecast					
Scheme Categories	Gross Budget	Gross Forecast	Variance	Deferred Spend	Over / (Under) spend
	£k	£k	£k	£k	£k
Disabled Facilities Grants Scheme	2,380	2,380	0	0	0
Empty Homes	302	200	(102)	110	8
Renewal Assistance	281	281	0	0	0
Additional Gypsy and Traveller Sites	1,575	88	(1,487)	1,525	38
MANOP Care Home Reprovision	2,000	2,000	0	0	0
MANOP Non-HRA Extra Care Schemes	50	50	0	0	0
NHS Campus Closure	638	121	(517)	517	0
Old Peoples Homes-Capital Repairs	0	200	200	0	200
Adult Social Care ICT Projects	280	0	(280)	280	0
BCF capital	0	732	732	0	732
Review of Accommodation/Day Support, "New Approaches to Outcome"	1,906	0	(1,906)	1,706	(200)
Total	9,412	6,052	(3,360)	4,138	778
% of Budget		64.3%			

SCHH Full Year Net Budget and Forecast					
Scheme Categories	Net Budget	Net Forecast	Variance	Deferred Spend	Over / (Under) spend
	£k	£k	£k	£k	£k
Disabled Facilities Grants Scheme	1,712	1,712	0	0	0
Empty Homes	292	182	(110)	110	0
Renewal Assistance	181	181	0	0	0
Additional Gypsy and Traveller Sites	675	50	(625)	625	0
MANOP Care Home Reprovision	2,000	2,000	0	0	0
MANOP Non-HRA Extra Care Schemes	50	50	0	0	0
NHS Campus Closure	143	0	(143)	143	0
Old Peoples Homes-Capital Repairs	0	0	0	0	0
Adult Social Care ICT Projects	68	0	(68)	68	0
BCF capital	0	0	0	0	0
Review of Accommodation/Day Support, "New Approaches to Outcome"	(124)	0	124	(124)	0
Total	4,997	4,175	(822)	822	0
% of Budget		83.6%			

3. **Disabled Facilities Grants (DFG)**

The grants provided to residents through the DFG programme assist some of the poorer and most vulnerable members of the community. Without these grants in many cases the properties involved would be unsuitable for the needs of the occupiers who may then be unable to remain in their own homes. This also reduces pressure on health service resources and residential care, as without these improvements more residents would require emergency or longer term care solutions. In 2015/16 185 DFG cases were completed which resulted in 372 major adaptations.

Q2 2015/16 saw 173 adaptations compared to 191 this year.

4.

Type of adaptation	Total Q2 15/16	Total Q2 16/17
Level access shower/wet room	56	67
Straight stair lift	12	16
Curved stair lift	13	12
Toilet alterations	24	18
Access ramps	13	14
Dropped kerb and hard standing	2	0
Wheelchair/step lift	1	3
Through floor lift	1	3
Major extension	8	6
Kitchen alterations	2	5
Access alterations (doors etc)	26	25
Heating improvements	0	2
Garage conversions/minor additions	2	3
Safety repairs/improvements	4	5
Other	9	12
Total	173	191

5. Expenditure on **Empty Homes** relates to Empty Dwelling Management Orders (EDMOs) and Empty Homes Loans. A number of Empty Homes loans are being considered for long term empty homes. Empty Homes Loan assistance is an alternative for owners of empty homes willing to work with the Council. There are 8 Empty Homes Loan cases at enquiry stage and 10 approved and in progress. There is one major scheme in Dunstable that might provide several units of accommodation.

6. Work has completed on one property in Houghton Regis at a cost of £0.048M. Work is in progress on one property in Leighton Buzzard. If the final EDMO is approved the total cost is expected to be tendered at around £0.084M.

7. Most **Renewals Assistance** is provided as Loan Assistance. The repayment of Loan Assistance is on change of ownership of the property that has been

improved with such assistance.

For the year to date, repayment is £0.052M allowing the Council to progress some of the cases being held on the waiting list. The net renewals budget of £0.181M includes slippage from 2015/16 of £0.031M. Current forecasts suggest an outturn on budget.

8. **Gypsy & Travellers** - A full planning application for Biggleswade South was determined and approved at the 29 June 2016 Development Management Committee meeting.

The decision was referred to DCLG and final notification of granting of planning permission was received on 20 July 2016. This approval will provide for a new Gypsy and Traveller site at Biggleswade South (12 pitches). This will be part funded by the General Fund and Housing Community Agency financial contributions.

9. The proposed scheme is now subject to a judicial review submission, made by a local resident in August. A robust defence is being prepared by the Council's legal team to block the request for a judicial review. If this is unsuccessful there will be high court hearing, which could take up to 6 months to be heard. Given this uncertainty the current forecast assumes that only contract preparation work of circa £0.050M will occur in this financial year, with a net balance of £0.625M to be deferred to 2017/18. However this position will be carefully monitored as the judicial review process progresses.
10. The **MANOP** programme includes strategic acquisitions to develop the care home market and facilitate the provision of new modern residential homes for older people. It is also expected that work will commence this year to increase the supply of extra care sites and providers.
11. The **NHS Campus Closure programme** has one potential remaining project for Central Bedfordshire. This is subject to the release of capital receipts by the NHS area team. This scheme which will be 100% externally funded.
12. The **Adult Social Care ICT** project comprises a number of schemes, the major one being the next phase of development of the Social Care case management system – the authority has now entered into a procurement process for an adult social care case management system that will be the right technology solution to better serve CBC needs both now and in the future.
13. The **Review of Accommodation/Day Support project** relates to the Older People's Care Homes Re-provision project and any capital equipment and maintenance requirements for the seven older people's home transferred to local authority management in August 2014. The current forecast includes £0.2M relating to the fabric and furniture within the homes, capital enhancements, repairs to extend the useful life of boilers and lifts.
14. **Single Capital Pot.** Additional capital grant of £0.732M has been provided in 2016/17 through the DFG route to allow authorities to invest in broader strategic capital projects allied to the Better Care Fund (BCF) plan. Capital Grant for BCF

of £0.482M has also been carried forward from 2015/16. Further work to determine the use of this funding will take place through the BCF Programme Delivery Team. At this point it is expected to be spent in 2016/17.

Children's Services

15. The directorate outturn forecast is above budget by £3.080M (gross) and above budget by £3.111M (net).
16. The forecast expenditure outturn position for 2016/17 is £24.7M, £3.1M above the budgeted capital programme. The forecast income has reduced to £20M, requiring a net contribution of £4.76M, £3.1M above planned Council contributions for 2016/17. The increased contribution is as a result of the annual review of projects within the New School Places programme.
17. All but three projects within Children's Services; New School Places, Schools Access and Temporary Accommodation, are funded wholly by grant receipts that have no expenditure deadline.
18. The table below highlights the areas of spend :

Children's Services Full Year Gross Budget and Forecast					
Scheme Categories	Gross Budget	Gross Forecast	Variance	Deferred Spend	Over / (Under) spend
	£k	£k	£k	£k	£k
New School Places	18,601	18,261	(340)	0	(340)
Schools Capital Maintenance	2,000	2,268	268	0	268
Schools Devolved Formula Capital	450	450	0	0	0
Special Schools Provision	0	2,402	2,402	0	2,402
Temporary Accommodation	400	400	0	0	0
Schools Access Initiative	200	200	0	0	0
LPSA & LAA Grant payout	0	750	750	0	750
Total	21,651	24,731	3,080	0	3,080
% of Budget		114.2%			

Children's Services Full Year Net Budget and Forecast					
Scheme Categories	Net Budget	Net Forecast	Variance	Deferred Spend	Over / (Under) spend
	£k	£k	£k	£k	£k
New School Places	1,054	4,165	3,111	0	3,111
Schools Capital Maintenance	0	0	0	0	0
Schools Devolved Formula Capital	0	0	0	0	0
Special Schools Provision	0	0	0	0	0
Temporary Accommodation	400	400	0	0	0
Schools Access Initiative	200	200	0	0	0
LPSA & LAA Grant payout	0	0	0	0	0
Total	1,654	4,765	3,111	0	3,111
% of Budget		288.1%			

19. **New School Places (NSP)**

This programme provides the capital investment to deliver new school places required by population growth in areas of limited surplus capacity within our schools. The Council's School Organisation Plan is the evidence base that supports the commissioning of these new school places over a rolling five year period. The programme is funded by a combination of sources including Department for Education basic need grant, developer contributions and Council borrowings and capital receipts.

20. The rolling five year programme is dynamic with perpetual changes in forecasts of income and expenditure across financial years including those arising from variances in S106 totals and trigger points and in the timing and therefore cost profile of many projects.
21. In February 2016 the Council approved the programme for 2016/17 to 2019/20 with gross expenditure of:
- £18.2M (£0.7M net) in 2016/17
 - £25M (net nil) in 2017/18
 - £17.2M (net nil) in 2018/19
 - £15M (£3.4M net) in 2019/20.
22. The 2016/17 NSP programme includes expenditure on 20 separate capital projects, most of which span more than a single financial year.
23. These projects include the provision of 1,695 new lower school places, 720 new middle school places and 1,000 new upper school places as expansions to existing schools or new school sites. These places have been commissioned to serve the communities of Leighton Linlade, Fairfield, Stotfold, Arlesey, Ampthill, Flitwick, Marston, Cranfield, Biggleswade, Barton and Silsoe.
24. All of the Council's New School Places are commissioned from Ofsted Good and Outstanding schools and academies. All of these new places have been provided local to the area of demographic demand, ensuring a sense of community belonging, supporting community use and promoting sustainable modes of transport. The addition of these new places as expansions to existing schools ensures their financial and therefore educational viability. All have been briefed and designed by Council officers and school leaders to provide teaching and non teaching school facilities that are recommended by DfE guidance and complement good and outstanding teaching.
25. The forecasts of income and expenditure across 2016/17 to 2019/20 that were provided to inform the MTFP were taken from a snapshot of the programme's cashflow as at October 2015 that actually indicated gross expenditure of:
- £20.2M (£2.7M net) in 2016/17
 - £25M (net nil) in 2017/18

- £19M (£1.9M net) in 2018/19
 - £17.1M (£5.5M net) in 2019/20.
26. S106 has contributed significantly to the programme as one source of income in the past. However, S106 income will fall short of the MTFP target by £1.1M. This is due to a combination of factors that include the removal of contributions below £0.010M due to changes in the CIL regulations, the removal of a number of planning permissions that have now expired and most significantly a number of large developments that have been delayed, or have disputes over S106 contributions. Given the volatility in forecasts of S106 income the School Organisation Team will now meet each quarter with the Regeneration team and the outcome of these reviews and the impact on established forecasts within the MTFP will be reported through this capital monitoring report.
27. The revised forecast for the NSP programme for 2016/17 is gross expenditure of:
- £18.3M (£4.2M net) in 2016/17
 - £10.0M (net nil) in 2017/18
 - £12.6M (net nil) 2018/19
 - £37.5M (£15.2M net) in 2019/20.
28. A key point to note is that in 2017/18 the programme will be holding an in year unallocated balance of £15.7M and in 2018/19 it will be £13.9M. This could be utilised to offset the Council's borrowing requirements in those years.

Also, the DfE will not announce its allocation of Basic Need for 2019/20 until February 2017 at the earliest so the forecast net contribution in that year could be revised significantly.

Schools Capital Maintenance

29. This rolling programme is externally funded by DfE grant but does require schools to contribute to the cost of works, as set out in a formula contained within the Central Bedfordshire Council's Scheme for Financing Schools. These contributions are invoiced once planned works are complete. The initial indications are that income from schools contributions will be circa £0.180M in 2016/17.
30. In February 2016 the DfE announced the 2016/17 allocation of school condition funding to the Council for strategic capital maintenance of its school buildings. The allocation for 2016/17 is £1.994M. In addition to the grant, £0.268M unallocated funds from 2015/16 are to be utilised, making a total confirmed budget of £2.27M for the 2016/17 Schools Capital Maintenance Programme.
31. The schools capital maintenance programme for 2016/17 is funding projects including kitchen ventilation and gas safety improvements; roof repairs, boiler

and heating replacement; emergency lighting, fire alarms, window replacements and renewal of electrical distribution boards. The 2016/17 Programme is also funding identified works at Leighton Middle School in collaboration with the new schools places programme.

32. The results of the Councils schools condition surveys in 2015 and the multi year indicative allocation of the DfE grant have enabled a three year programme of works to be developed, improving the ability to prioritise and communicate those priorities to schools for their own asset management planning.

To date, seven projects are complete and the remaining projects have progressed as programmed, with anticipated completion dates for the end of October. One project has been postponed as a result of a feasibility study. Replacement projects have been identified, approved and programmed for completion by February 2017.

33. SEND Capital Programme (Special Schools Provision)

The Council's Special Educational Needs and Disabilities Capital Programme has been approved by Executive.

In 2016/17 this will be funding projects at Toddington St Georges Lower School and Parkfields Middle School to provide new spaces for children with hearing impairments. It is also funding the expansion of Oak Bank special school in Leighton Buzzard and also providing a new Autistic Spectrum Condition provision at Ardley Hill Academy in Dunstable.

34. The Secretary of State approved the application to capitalise the final underspend in the 2015/16 High Needs block of £0.784M in order to provide funding to expand the Academy of Central Bedfordshire on its Stotfold site and Ivel Valley Special School's primary phase, on its secondary site in Biggleswade. The forecast spend for 2016/17 is £2.4M.

Community Services

35. The directorate outturn forecast is below budget by £15.140M (gross) and below budget by £1.899M (net).

The table below highlights the areas of spend.

Community Services Full Year Gross Budget and Forecast					
Scheme Categories	Gross Budget	Gross Forecast	Variance	Deferred Spend	Over / (Under) spend
	£k	£k	£k	£k	£k
Assets	18,285	18,285	0	0	0
Environmental Services	18,109	11,365	(6,744)	4,777	(1,967)
Libraries	0	0	0	0	0
Leisure	1,781	1,856	75	92	167
Transport	52,697	44,226	(8,471)	11,202	2,731
Total	90,872	75,732	(15,140)	16,071	931
% of Budget		83.3%			

Community Services Full Year Net Budget and Forecast					
Scheme Categories	Net Budget	Net Forecast	Variance	Deferred Spend	Over / (Under) spend
	£k	£k	£k	£k	£k
Assets	17,362	17,362	0	0	0
Environmental Services	16,140	10,112	(6,028)	4,010	(2,018)
Libraries	0	0	0	0	0
Leisure	(1,290)	1,236	2,526	(2,526)	0
Transport	28,377	29,980	1,603	4,798	6,401
Total	60,589	58,690	(1,899)	6,282	4,383
% of Budget		96.9%			

Assets

36. The major projects are;

- 2016/17 Corporate Property Rolling Programme (£2.135M)
- Thorn Turn Infrastructure (£2.000M)
- Stratton Park Phase 5 Infrastructure (£3.012M)
- Enhancement work for disposals (£0.972M)
- Strategic Acquisitions (£0.200M)
- Energy Efficiencies (£0.300M)
- Farm Compliance (£0.302M)
- Westbury Phase 2 Industrial Units (0.175M)

37. The full year forecast outturn is to come in on budget.

Environmental Services

38. Environmental Services are forecasting a £6.028M variance under net budget. This is due to spend below budget £2.018M and proposed slippage of £4.010M.

39. Thorn Turn Waste park is forecasting a variance below budget of £5.706M of this £3.725M is being slipped into 2017/18 which is due to delays in the scheme going forward, the remaining £1.981M is an underspend which is being used to offset an overspend on HWRC and the South Depot within Transport.

40. CCTV is forecasting a variance of £0.185M of which £0.137M is being slipped as the project is not expected to start this year, the remainder is being utilised to offset the forecast overspend on Parking Equipment in Transport.

41. The HWRC is forecasting an overspend of £0.110M which is being offset by the underspend against Thorn Turn Waste Park.

Major Achievements - Environmental Services (updated quarterly)

42. Sundon Landfill Restoration – Haul Road removal completed with land surrendered to land owner. Final trimming of levels and creation of footpaths

and tracks completed. Landscaping works are ongoing.

43. Waste & Recycling Containers, provision of replacement Bins & Containers – 6608 bins (both domestic and public realm) and caddies of various sizes have been replaced.
44. Thorn Turn Waste Park. Earthworks complete. Statutory undertakers engaged and the supply of utilities underway. Many of the sites features are now clearly visible. Groundworks phase now started.
45. HWRC Redevelopment – The Ampthill site has been completed and is now open and alterations were made to Biggleswade site to remove the kerb on the customer deck and install bollards for pedestrian protection. The pre-loading exercise at Leighton Buzzard is complete and construction has started.
46. Houghton Hall Park – Landscape restoration works have progressed well with the construction of the kitchen garden walls and raised beds now complete. The formal garden path layout is in place and planting has commenced in the kitchen garden area. The accessible paths around the park are now all in place and are being well used. All of the landscape works have been undertaken to a very high standard. Approval was received from the Heritage Lottery Fund at the end of September for the construction of the new visitor centre so this contract has now been awarded and works will commence on site shortly.
47. Outdoor Access & Greenspaces Improvements. Works at Southern Meadows (installation of connecting footpath and replacement bridge) are being value engineered to reduce costs. This may have an impact on delivery timelines.
48. Countryside Sites Health & Safety – Tree safety and fence works have begun now the bird nesting season has ended. Safety Surface works have been completed at Marston Thrift.

Leisure

49. Leisure is forecasting a £2.526M variance over budget, this is due to the external funding of 3.037M for the old Flitwick leisure centre now not expected until the next financial year and £0.511M of slippage against Dunstable leisure centre due to reprofiling of the project as construction is not expected to start until summer 2017.

Major Achievements – Leisure (updated quarterly)

50. Library & Leisure Centre Renewal Dunstable – the design is ongoing and a Building contractor has been appointed. The tender is being planned.
51. Leisure Strategy – Implementation – the Shefford play area equipment was replaced following arson attack. Supply and fit a hammer/throwing cage for Sandy Athletics Track.

Transport

52. Transport is forecasting a £1.603M net variance over budget. This is due to an overspend of £6.401M and £4.798M of net expenditure being slipped to the

next financial year.

- Woodside Link are forecasting £2.826M over budget which relates to an in year overspend which we will be seeking formal approval to bring forward budget from 2017/18.
- Luton and Dunstable Busway is forecasting slippage of £3.695M into 2017/18. A board meeting is due in February 2017 which is when final figures for the project should be known.
- South depot is forecasting a £1.871M overspend this is being funded by the underspend within Environmental Services on the Thorn Turn Waste Park project.
- North Depot is forecasting to slip £3.673M as the bulk of the work is not expected to start until the next financial year.
- Stratton Street Railway Bridge is forecasting a £0.836M overspend which was covered in a report to Executive in October.
- Parking Equipment is forecasting a £0.147M overspend which is offset by underspends within Environmental Services.
- Leighton Buzzard Interchange is forecasting an underspend of £0.151M
- Biggleswade Transport Interchange is forecasting slippage of £0.236M into 2017/18

Major Achievements – Transport (updated quarterly)

53. Woodside Link – Earthworks are substantially completed, surfacing operations are ongoing and street lights are being erected. The roundabouts at Sundon Road and Porz Avenue are both partially open. The scheme is on track for a completion prior to Christmas.
54. Stratton Street Railway Bridge – The bridge deck has been replaced and the bridge is open to traffic. Temporary barriers remain in place as the final work required on the parapets has yet to be completed.
55. Structural Maintenance – 37 carriageway resurfacing schemes have been completed covering 36.74 kms and 7 footway resurfacing schemes completed covering 1.97 kms.
56. Southern Highways Depot (Thorn Turn) – During financial year 2016/17 funds have enabled the continuation of the Earthworks phase and the ongoing discharge of planning conditions. There has also been significant testing on the fill material to ensure suitability for build. Land drains have been created to divert surface and ground water away from the site and into adjacent water courses. Capping layer now installed. Earthworks complete. Statutory undertakers engaged and the supply of utilities underway. Many of the sites features are now clearly visible. To date, £9K has been spent on staff costs.

This includes time spent by the Quantity Surveyor in achieving a satisfactory contract price and terms. The contract has now been sealed by CBC, allowing subcontractors to be procured. Groundworks phase now started.

57. Northern Highways Depot (Sandy) – Concept Feasibility Addendum 4c Design Approved by Board. Pre Construction Service Agreement for a Design and Build Solution of Depot issued circa £174K to Morgan Sindell. Depot Layout Value Engineering brought back "in house" optimism efficiency to deliver project within Detailed Business Case. Salt storage capacity agreed at 3500 Tonnes. Budget set aside circa £650K for Highways Team to deliver Access Road via direct management of Ringway Jacobs. Project Reprofiled in SAP to reflect agreed movement in completion date.
58. M1 to A6 Link Road – A decision is awaited on funding for the M1-A6 Relief Road from the Local Growth Fund round 3 (LGF3). Ministers are expected to make an announcement for this in the Autumn statement on the 23 November 2016.
59. A421 – Funding: The Department for Transport (DfT) have agreed to pay £1M (2016/17) front funded development costs. Work on the Transport Business Case, to release the remaining £21.5M from DfT, is ongoing with our consultants in dialogue with DfT to get the model accepted and economic case approved.

A Memorandum of Understanding has been agreed by CBC/Milton Keynes Council (MKC) to provide £3M each towards the total project cost estimated currently £29.134M

Land: negotiations are progressing with landowners, via an external agent acting on CBC's behalf, to secure land required for the project, a twin track approach via Compulsory Purchase Orders is currently under consideration. MKC are negotiating with land owners within MKC,

60. Fleet Replacement Programme – We have purchased two diggers for Environmental services and the tenders are out for vehicles for Community Safety, Fleet Services and Libraries.

Regeneration & Business Support

61. The directorate outturn forecast is under budget by £2.132M (gross) and under budget by £1.679M (net).
62. The table below highlights the areas of spend :

Regeneration & Business Support Full Year Gross Budget and Forecast					
Scheme Categories	Gross Budget	Gross Forecast	Variance	Deferred Spend	Over / (Under) spend
	£k	£k	£k	£k	£k
Broadband	1,946	1,422	(524)	(524)	0
Market Towns Programme	1,068	1,100	32	(32)	0
Land Drainage Work Flood Defence (includes Non-Highways)	140	140	0	0	0
Development Site Promotion (Strategic Infrastructure Investment)	140	0	(140)	0	(140)
Dunstable highway De-Trunking and Redevelopment	250	100	(150)	150	0
Digitising Aerial Photographs	123	123	0	0	0
Flitwick transport Interchange	300	0	(300)	300	0
Flitwick Station Area Car Park	1,131	81	(1,050)	1,050	0
Development (includes Flitwick Land Purchase Further Land Assembly for the Town Centre Regeneration Scheme)					
Cranfield Technology Park Acceleration	100	100	0	0	0
Dunstable Town Centre Regeneration Phase 2	449	449	0	0	0
Rolling Social & Community Infrastructure Fund	0	0	0	0	0
Historic Building Grant Aid Scheme	8	8	0	0	0
Total	5,655	3,523	(2,132)	944	(140)
% of Budget		62.3%			

Regeneration & Business Support Full Year Net Budget and Forecast					
Scheme Categories	Net Budget	Net Forecast	Variance	Deferred Spend	Over / (Under) spend
	£k	£k	£k	£k	£k
Broadband	237	(51)	(288)	288	0
Market Towns Programme	1,068	1,068	0	0	0
Land Drainage Work Flood Defence (includes Non-Highways)	120	120	0	0	0
Development Site Promotion (Strategic Infrastructure Investment)	140	0	(140)	0	(140)
Dunstable highway De-Trunking and Redevelopment	0	0	0	0	0
Digitising Aerial Photographs	123	123	0	0	0
Flitwick transport Interchange	200	0	(200)	200	0
Flitwick Station Area Car Park	1,131	81	(1,050)	1,050	0
Development (includes Flitwick Land Purchase Further Land Assembly for the Town Centre Regeneration Scheme)					
Cranfield Technology Park Acceleration	0	0	0	0	0
Dunstable Town Centre Regeneration Phase 2	449	449	0	0	0
Rolling Social & Community Infrastructure Fund	1	0	(1)	0	(1)
Historic Building Grant Aid Scheme	8	8	0	0	0
Total	3,477	1,798	(1,679)	1,538	(141)
% of Budget		51.7%			

63. The net underspend relates mainly to the Flitwick station area car park £1.05M where options for delivering a commercial and residential scheme are currently being developed; the Flitwick transport interchange £0.200M which is being developed alongside the Station Area Car Park and the current broadband scheme of £0.288M.

Major Achievements (updated Quarterly)

64. Dunstable Town Centre Regeneration Phase 2 – The final Dorchester Close property was acquired on 22nd June 2016 and the complete Dorchester Close land and premises is now in the control of CBC.
65. Cranfield Technology Park Acceleration – Negotiations to acquire two pieces of land in Cranfield to enable highway improvements to be carried out are progressing well with one site agreed and with Legal Services.
66. Broadband – The second BDUK project has now commenced. This will support 8,247 premises in Central Bedfordshire to receive superfast services, taking us to 96.5% superfast coverage by 2018/19. As part of this, four new cabinets have been upgraded enabling 427 premises to receive superfast broadband services.

When combined with the BDUK 1 projects this now means 16,672 premises have been supported by the Council.

When considering the wider Central Superfast second project (covering Luton Milton Keynes and Bedford a total 13 cabinets have been enabled supporting with 1015 premises.

A national pilot testing new forms of delivery of Fibre to the Premise (offering speeds over 300 Megabits per second) has been completed in Campton and Meppershall, connecting over 200 premises..

67. Market Towns Regeneration Fund – A total of 7 bids from Ampthill, Dunstable, Flitwick, Leighton Linlade, Sandy and Shefford Town Council are progressing in the MTRF programme.

Houghton Regis declined to continue in August. Business Cases are in the final stages of sign off, and then the Grant Agreements for each of the town councils will be signed and returned.

These agreements will include an updated schedule for delivery/financial milestones, and a Measuring Success schedule to monitor impact. The town councils have started to get quotes and advice for their deliverables, including initial Highways conversations for Sandy, Flitwick, Shefford, and also Potton with our Planning Team for their new car park.

68. High Street Improvement Scheme – With the exception of Arlesey and Houghton Regis, all Town Councils confirmed they will be participating by signing a Memorandum of Understanding (MoU). The MoU lays out their roles in the process and the terms of engagement. The first round for businesses to apply for the fund (via an Expression of Interest form) was 1st September 2016. A local panel for each town met, and the applicants scoring above 75%

in this process have been invited to submit a full application for funding.

The first round attracted 24 Expression of Interest forms, with 15 businesses moving on to the next stage of full application.

There will be two further dates for applying on the 1st November 2016 (round two) and 1st February 2017 (round three).

Improvement & Corporate Services

69. The gross and net budget for ICS is £5.011M. The forecast outturn position is on budget.

The table below highlights the areas of spend :

Improvement & Corporate Services Full Year Gross Budget and Forecast					
Scheme Categories	Gross/Net Budget	Gross/Net Forecast	Variance	Deferred Spend	Over / (Under) spend
	£k	£k	£k	£k	£k
Information Assets	4,523	4,523	0	0	0
Other	488	488	0	0	0
Total	5,011	5,011	0	0	0
% of Budget		100.0%			

(Note gross and Net are the same as all internally funded)

70. The budget includes £3.5M of funding for new 2016/17 schemes and deferred expenditure of £1.511M from previous years. There is £4.523M of budget allocated to Information Technology (IT) projects.
71. There are three major projects which are Digitisation (£2.0M), ICT Strategic Investment (£1.695M) & IT Infrastructure Rolling Programme (£0.828M). All are forecasting to achieve budget.
72. The Working Smarter project is forecast to achieve budget.