

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



please ask for Leslie Manning
direct line 0300 300 5132
date 10 March 2011

NOTICE OF MEETING

CUSTOMER AND CENTRAL SERVICES OVERVIEW & SCRUTINY COMMITTEE

Date & Time

Monday, 21 March 2011 10.00 a.m.

Venue at

Room 15, Priory House, Monks Walk, Shefford

Richard Carr
Chief Executive

To: The Chairman and Members of the CUSTOMER AND CENTRAL SERVICES OVERVIEW & SCRUTINY COMMITTEE:

Cllrs J G Jamieson (Chairman), D J Hopkin (Vice-Chairman), J A E Clarke, P A Duckett, A Fahn, M Gibson, R W Johnstone, D Jones and Ms J Nunn

[Named Substitutes:

A R Bastable, L Birt, A D Brown, P Snelling and J N Young]

All other Members of the Council - on request

**MEMBERS OF THE PRESS AND PUBLIC ARE WELCOME TO ATTEND THIS
MEETING**

AGENDA

1. **Apologies for Absence**

To receive apologies for absence and notification of substitute Members.

2. **Minutes**

To approve as a correct record the minutes of the meetings of the Customer and Central Services Overview and Scrutiny Committee held on 17 January 2011 and 24 January 2011 (copies attached).

3. **Members' Interests**

To receive from Members any declarations and the nature thereof in relation to:-

- (a) personal interests in any agenda item;
- (b) personal and prejudicial interests in any agenda item;
- (c) any political whip in relation to any agenda item.

4. **Chairman's Announcements and Communications**

To receive any announcements from the Chairman and any matters of communication.

5. **Petitions**

To receive petitions from members of the public in accordance with the Public Participation Procedure as set out in Annex 2 of Part A4 of the Constitution.

6. **Questions, Statements or Deputations**

To receive any questions, statements or deputations from members of the public in accordance with the Public Participation Procedure as set out in Annex 1 of Part A4 of the Constitution.

7. **Call-In**

To consider any decision of the Executive referred to the Committee for review in accordance with Procedure Rule 10 of Part D2 of the Constitution.

8. **Requested Items**

To consider any items referred to the Committee at the request of a Member under Procedure Rule 3.1 of Part D2 of the Constitution.

Reports

Item	Subject	Page Nos.
9	Portfolio Holders' Updates To receive brief verbal updates from the Portfolio Holders for Policy and Performance, Finance, Governance and People and Customers, Systems and Assets.	
10	Quarter 3 Corporate Budget Management Report 2010 To consider a report which sets out the Corporate financial position to the end of December 2010 (Quarter 3) and the latest forecast position.	* 47 - 78
11	Budget Management Report Quarter ended 31st December 2010 for Customer and Shared Services To consider a report which sets out the financial position to the end of December 2010 (Quarter 3) and the latest forecast position for the Customer and Shared Services Directorate.	* 79 - 100
12	Budget Management Report Quarter ended 31st December 2010 for the Office of the Chief Executive To consider a report which sets out the financial position to the end of December 2010 (Quarter 3) and the latest forecast position for the Office of the Chief Executive.	* 101 - 116
13	Treasury Management Quarter Three Report To consider an update on Treasury Management activity for Quarter 3 of the financial year 2010/11.	* 117 - 138
14	Quarter 3 Performance Report To consider the Quarter 3 performance for the Customer and Shared Services Directorate and Corporate Health Performance Indicators for the Council.	* 139 - 146
15	Work Programme 2010-2011 and Executive Forward Plan To consider the Committee's current work programme and the latest Executive Forward Plan.	* 147 - 166

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CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **CUSTOMER AND CENTRAL SERVICES OVERVIEW & SCRUTINY COMMITTEE** held at Room 15, Priory House, Monks Walk, Shefford on Monday, 17 January 2011

PRESENT

Cllr J G Jamieson (Chairman)
Cllr D J Hopkin (Vice-Chairman)

Cllrs J A E Clarke
P A Duckett
A Fahn

Cllrs R W Johnstone
D Jones

Apologies for Absence: Cllrs M Gibson
Ms J Nunn

Substitutes: Cllrs A D Brown (In place of M Gibson)
P Snelling (In place of Ms J Nunn)

Members in Attendance: Cllrs D Bowater
Mrs R J Drinkwater
Mrs C Hegley
M R Jones
Mrs J G Lawrence
D J Lawrence
Mrs A M Lewis
S F Male
B J Spurr
R C Stay
J Street,
J N Young

Officers in Attendance: Mr P Ball – Finance Manager
Mr M Bowmer – Assistant Director Financial Services/Chief Finance Officer
Mr I Brown – Interim AD Assets
Mr B Carter – Overview & Scrutiny Manager
Ms D Clark – Interim Assistant Director People
Mr R Ellis – Director of Customer and Shared Services
Mr B Fong – Interim Senior Finance Manager (Sustainable Communities)
Mrs E Grant – Deputy Chief Executive and Director of Children's Services
Mr C Jones – Assistant Director Customer and Systems
Mr L Manning – Democratic Services Officer

Mr I Melville	– Head of Service Development
Mr N Murley	– Assistant Director Business and Performance
Mr I Porter	– Assistant Director Strategy and Performance
Mr J Unsworth	– Interim Assistant Director of Finance
Ms S Wileman	– Service Development Officer

CCS/10/110 **Minutes**

RESOLVED

that the Minutes of the meeting of the Customer and Central Services Overview and Scrutiny Committee held on 13 December 2010 be confirmed and signed by the Chairman as a correct record.

CCS/10/111 **Members' Interests**

(a) **Personal Interests:-**

None.

(b) **Personal and Prejudicial Interests:-**

None.

(c) **Any political whip in relation to any agenda item:-**

None.

CCS/10/112 **Chairman's Announcements and Communications**

The Chairman suggested that the receipt of verbal updates from the Directorate's Portfolio Holders (Item 9) and consideration of the Committee's current work programme and the latest Executive Forward Plan (Item 12) be deferred in order to allow additional time for consideration of the financial items before Members.

The Chairman then advised that the additional item on the Capital Programme Review, which he had agreed to take as a matter of urgency, would be considered prior to the report on the statutory review of fees and charges and the business cases arising from the Revenue Income Optimisation (RIO) Project (Item 11).

RESOLVED

That the agenda items relating to the receipt of verbal updates from the Portfolio Holders for Customers, Systems and Assets, Finance,

Governance and People and Policy and Performance and consideration of the Committee's current work programme and the latest Executive Forward Plan be deferred until the next meeting of the Committee on 24 January 2011.

CCS/10/113 Petitions

No petitions were received from members of the public in accordance with the Public Participation Procedure as set out in Part D2 of the Constitution.

CCS/10/114 Questions, Statements or Deputations

No questions, statements or deputations were received from members of the public in accordance with the Public Participation Procedure as set out in Annex 1 of Part A4 of the Constitution.

CCS/10/115 Call-In

No decisions of the Executive were called-in to be reviewed in accordance with the Call-In Procedure as set out in Part D2 of the Constitution.

CCS/10/116 Requested Items

No items were referred to the Committee for consideration at the request of a Member under Procedure Rule 3.1 of Part D2 of the Constitution.

CCS/10/117 Portfolio Holders' Updates

The meeting was aware that this item had been deferred (minute 112 refers).

CCS/10/118 Capital Programme Review

The Committee was aware that the Chairman, by virtue of the authority vested in him in accordance with Section 100(b)(4)(b) of the Local Government Act 1972, had agreed to allow this item to be considered at the meeting as a matter of urgency. The revised Capital Programme for 2011/12 to 2014/15 had been considered by the Executive on 11 January 2011 and had been referred to the overview and scrutiny committees for consultation purposes.

Members were further aware that consideration of this item could not be delayed until the next scheduled meeting of the Customer and Central Services Overview and Scrutiny Committee as the Committee was considering all other budget related items at its current meeting. Further, the closing date for the receipt of responses by the Executive was 25 January.

On this basis the Committee was asked to consider the relevant report by the Portfolio Holder for Finance, Governance and People.

a) Block/Rolling Budgets

Members referred to an item included within the capital programme for Customer and Shared Services entitled "CBC Corporate Property Block Budget", which had a budget of £4M in 2011/12. In response to queries Members were informed that the sum was made up of a number of individual projects, some of which were substantial in cost terms (i.e. over £100k).

Members also referred to an item entitled "ICT Infrastructure" which had a budget of £1M over the same period and expressed concern over the absence of any detail on the constituent projects for this item.

Following further comment Members were advised that there was no financial threshold within the capital programme above which items were required to be identified separately (rather than contained within block and/or rolling programmes).

It was Members' opinion that this arrangement was unsatisfactory and that in future the capital programme should list all individual projects above £100k rather than, as was the case now, being contained within block and/or rolling programmes.

RECOMMENDED to the Executive

that consideration be given to amending the presentation of the capital programme to ensure that all projects above £100k are listed individually.

b) Affordability and Sustainability

The issue at (a) above led Members to discuss whether the review of the capital programme had been sufficiently robust and whether there was further opportunity to remove items not deemed a priority. Whilst acknowledging that many of the Council's intended savings were dependent on investment to enable changes to processes the Committee felt that, in some cases, the amounts stated appeared substantially larger than had been anticipated. Members therefore felt the capital programme should be revisited to ensure its affordability and sustainability.

RECOMMENDED to the Executive

that consideration be given to revisiting the capital programme to ensure that all items contained within it are essential, affordable and sustainable.

c) Optionality: Schools Capital Funding

Members briefly discussed the recently received capital grant of £18M from the Department for Education for schools capital funding and requested that this item be included in the Council's capital programme, together with details of the optionality that existed regarding this grant, such that Members were able to review education spending in light of the Council's full budget.

RECOMMENDED to the Executive

that consideration be given to including the schools capital funding grant of £18M in the Capital Programme, together with details of the optionality that exists regarding this grant.

CCS/10/119 **Statutory Review of Fees and Charges and Revenue Income Optimisation Business Cases**

The Committee received a report by the Portfolio Holder for Finance, Governance and People which asked Members to consider and comment on a report, originally submitted to the meeting of the Executive 11 January 2011, which had set out the proposed fees and charges rates to be effective from 1 April. The Executive had agreed that the rates be approved as the basis for consultation with overview and scrutiny committees. In addition the Committee was asked to consider the related business cases arising from the Revenue Income Optimisation (RIO) Project.

The meeting noted that any recommendations were required by 25 January so that they could be considered by the Executive at its next meeting on 15 February.

The meeting further noted that Members' comments were only being sought on those fees and charges for which the Committee was responsible. Accordingly, car parking charges were specifically excluded as these were being examined by a dedicated task force which was to submit its findings to the Sustainable Communities Overview and Scrutiny Committee.

Following discussion Members endorsed the fees and charges relating to the Customer and Shared Services Directorate mindful that the Executive had approved a minimum increase of 5%, in line with the Retail Price Index, for the majority of fees and charges.

Members asked that appropriate rounding up or down be applied to all fees and charges contained within the Executive report. In addition, Members wished to ensure that all directorates were confident that they were recovering in full the service costs associated with these fees and charges. If such confidence was missing, it was the Committee's opinion that further investigative work be undertaken to ensure full cost recovery in future years.

RECOMMENDED to the Executive

- 1 that all fees and charges are appropriately rounded up or down;**
- 2 that assurance be sought from officers that the service costs associated with fees and charges are being recovered in full and that, if this is not the case, the officers be requested to undertake further investigatory work with the aim of ensuring full cost recovery in the future.**

NOTED

the business cases arising from the Revenue Income Optimisation (RIO) Project.

CCS/10/120 Draft Budget 2011/12

The Committee considered a report by the Portfolio Holder for Finance, Governance and People which set out the draft budget proposals for 2011/12 to 2013/14 based on the most up to date information on the Council's future resources. The meeting was aware that the report had originally been considered by the Executive on 11 January 2011 when it had been agreed that the report should be used as the basis for consultation with the Council's overview and scrutiny committees and other interested parties. It had also been agreed that, in order that the Executive could finalise its budget proposals at its meeting on 15 February 2011, the closing date for representations would be 25 January 2011.

In addition Members considered a revised Appendix A2 to the report which set out amended projections.

The Chairman stressed that the Committee should focus on examining the robustness of the financial information before it and how the base budget had been constructed. He also expressed the view that more detailed information should be made available in the future to ensure that the Committee could give fuller consideration to this matter.

The meeting then turned to consider the draft budget proposals for each of the Council's Directorates and the Office of the Chief Executive in turn. Members raised a number of queries and sought additional background information from relevant Portfolio Holders, Members and officers where possible.

a) Clarity, Transparency and Detail

Members expressed concern over the budget process to date and the level of transparency and relevant detail provided to the Committee regarding both the base and draft budgets. It was some Members' opinion that whilst there had been a considerable quantum of numbers provided, these lacked clarity and missed key details and explanation, and hence had been insufficient to allow thorough scrutiny of the budget

and in terms of its presentation had also lacked clarity. These factors had conspired to reduce transparency overall and it was Members' wish that the process, presentation, detail and explanation of numbers be improved in the future.

RECOMMENDED to the Executive

that consideration be given to improving the level of detail and transparency of the budget and budget process in future years.

b) Grants

With regard to Item (a) above, Members were particularly concerned about the lack of clarity and detail provided regarding grant income. The treatment of grants and how they were presented in both the base and draft budget was, in Members' opinion, ambiguous. It was therefore Members' wish that a comprehensive list of grants received in the current financial year, together with those expected in 2011/12, be presented to the Executive and full Council when each considered the final budget for 2011/12.

RECOMMENDED to the Executive

that the Executive and full Council receive a comprehensive list of grants received in 2010/11 and expected in 2011/12 when considering the final budget for 2011/12.

c) Previous OSC Recommendations regarding Savings Proposals

Members noted that the Executive had yet to consider or respond to the Overview and Scrutiny Committees' comments and recommendations regarding the savings proposals and supplementary savings proposals scrutinised in the November and December cycle of meetings. Members were informed by the Portfolio Holder for Finance, Governance & People that all comments and recommendations received (including those received as a result of public consultation) would be considered in detail by the Executive at its meeting on 15 February 2011 and responses to each would also be provided. It was the Committee's wish however that the Executive should also assess and make available the financial impact of each comment and recommendation.

RECOMMENDED to the Executive

that the Executive considers and responds in full to each comment and recommendation received from the Overview and Scrutiny Committees (and other consultees) regarding savings proposals, such consideration to include an assessment of the financial impact of each.

(Note: The Committee adjourned at 11.10 a.m. for a short break and reconvened at 11.20 a.m.)

d) Draft Budget: Sustainable Communities

During consideration of the draft budget for the organisation, Members asked a number of questions relating to the base budget of the Sustainable Communities Directorate, and specifically wished to understand why the base budget for 2011/12 was some £1.4M greater than the forecast actual for 2010/11. The officers attending were unable to provide sufficient explanation on this issue and so, mindful that the Sustainable Communities Overview and Scrutiny Committee was scheduled to meet the following day, it was felt that this matter could be pursued further at that time.

RECOMMENDED to the Executive

that the Executive notes that further examination of this matter will be undertaken by the Sustainable Communities Overview and Scrutiny Committee at its meeting on 18 January 2011

RESOLVED

that consideration of this matter be referred to the Sustainable Communities Overview and Scrutiny Committee for consideration at its next meeting.

CCS/10/121 **Work Programme 2010-2011 and Executive Forward Plan**

The meeting was aware that this item had been deferred (minute 112 refers).

(Note: The meeting commenced at 10.00 a.m. and concluded at 1.26 p.m.)

CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **CUSTOMER AND CENTRAL SERVICES OVERVIEW & SCRUTINY COMMITTEE** held at Room 15, Priory House, Monks Walk, Shefford on Monday, 24 January 2011

PRESENT

Cllr J G Jamieson (Chairman)
Cllr D J Hopkin (Vice-Chairman)

Cllrs J A E Clarke
P A Duckett

Cllrs R W Johnstone
D Jones

Apologies for Absence: Cllrs M Gibson
Ms J Nunn

Substitutes: Cllrs P Snelling (In place of Ms J Nunn)
J N Young (In place of M Gibson)

Members in Attendance: Cllr R C Stay

Officers in Attendance: Mr I Brown – Interim Assistant Director Assets
Mr B Carter – Overview and Scrutiny Manager
Mr R Ellis – Director of Customer and Shared Services
Mr C Jones – Assistant Director Customer and Systems
Mr L Manning – Committee Services Officer

CCS/10/122 Members' Interests

(a) **Personal Interests:-**

None.

(b) **Personal and Prejudicial Interests:-**

None.

(c) **Any political whip in relation to any agenda item:-**

None.

CCS/10/123 Chairman's Announcements and Communications

The Chairman advised the meeting that the running order of the agenda had been changed. Item 10 (Your Space) would now be considered before Item 9 (ICT Strategy) because the presenting officer for the latter had been delayed.

CCS/10/124 Petitions

No petitions were received from members of the public in accordance with the Public Participation Procedure as set out in Part D2 of the Constitution.

CCS/10/125 Questions, Statements or Deputations

No questions, statements or deputations were received from members of the public in accordance with the Public Participation Procedure as set out in Annex 1 of Part A4 of the Constitution.

CCS/10/126 Call-In

No decisions of the Executive were called-in to be reviewed in accordance with the Call-In Procedure as set out in Part D2 of the Constitution.

CCS/10/127 Requested Items

No items were referred to the Committee for consideration at the request of a Member under Procedure Rule 3.1 of Part D2 of the Constitution.

CCS/10/128 Portfolio Holders' Updates

Members were aware that consideration of this item had been deferred by the previous meeting of the Committee (minute 10/112 refers).

Members noted that the Portfolio Holders for Customers, Systems and Assets and Finance, Governance and People had been unable to attend the meeting.

The Committee received a verbal update from the Portfolio Holder for Policy and Performance. The Portfolio Holder reported that the Authority was making good progress in achieving efficiencies and, based on the data available as at 26 October 2010, he would be surprised if the Council did not meet its efficiency target.

The Portfolio Holder referred to the Council's engagement agenda and the meetings organised under the title of 'Lets Talk Together'. The Committee noted that the first of the meetings had been held at Cranfield and the second was due to be held that evening at Sandy. The Portfolio Holder stated that the

first meeting had seen attendance by a range of public bodies and positive feedback on its value.

The Portfolio Holder reported that positive feedback had also been forthcoming from the latest town and parish council meeting. He added that the next one was scheduled to be held in October.

Turning next to the revamp of Performance Indicators the Portfolio Holder reported that these were currently out to consultation.

The Portfolio Holder stated that the local Chief Executives' Forum had developed four business cases around Total Place and the most important dealt with procurement.

The meeting was advised that the Council's upgraded web site would launch, on time, in April.

The Portfolio Holder reminded the Committee that briefings, meetings and consultation were ongoing with regard to the Budget.

The Committee noted that the latest edition of News Central would be published in the following week. Although £25k had been received in advertising this sum had not covered the production costs in full. The Portfolio Holder stated that the magazine had been generally well received and the option existed to go online.

The Portfolio Holder stated that, following a request by Members, an emergency contact sheet was being drawn up. He also stated that the Members' Year Book would be available in a filofax style format.

Following comments by the Chairman regarding the difficulty experienced by his wife in registering a complaint the Portfolio Holder asked that details be sent to him so he could take action.

The Vice-Chairman commented that the times originally given for the 'Lets Talk Together' meeting at Leighton Buzzard had apparently been incorrect and new, later, times of 7.00 – 9.00 p.m. had been emailed to him. He sought clarification as to between what times the meeting would take place. In response the Portfolio Holder explained that the original times given were only suggested times and he confirmed that the meeting would now be held between 7.00 p.m. and 9.00 p.m. Following a further query by the Vice-Chairman the Portfolio Holder stated that he would investigate when local residents would be notified of the change in times and advise the Vice-Chairman.

A Member queried the cost of arranging the 'Lets Talk Together' sessions. The Portfolio Holder stated that the costs were not great and arose mainly from officer time, the hire of the hall and advertising. He added that he wished to see the sessions build on and enhance what had gone before. Arising from this discussion the Chairman requested that, at the end of the process, an evaluation of the exercise be undertaken to include: an analysis of costs

(including staff time), the numbers of public present (with Members of local authorities recorded separately) and of any lessons learnt. It was agreed that the matter would be discussed after Easter.

CCS/10/129 **Your Space**

The Committee received a presentation by the Director of Customer and Shared Services which analysed the Council's Your Space programme through an examination of the key drivers, the programme scope, omissions from the original brief, chronology, outcomes versus objectives, lessons to be learnt and a summary. In addition a list of the proposed benefits of the programme was provided. A copy of the presentation is attached at Appendix A to these minutes.

The Director explained that although the programme had originally been commissioned in the summer of 2009 he had evaluated it against the most recent and complete business case from March 2010.

A Member raised a number of queries regarding the excess travel payments made to staff as a result of their relocation and the current position regarding Technology House. In response the Director explained that contracts issued by the legacy District Councils stated that staff were expected to work anywhere within the relevant District boundaries. This had emerged as a shortcoming when staff were relocated within the new, enlarged boundaries of Central Bedfordshire Council and it had proved necessary to make payments for 'excess' travel (known as 'Appendix E payments' because the relevant terms and conditions were contained in Appendix E of the Green Book). He added that negotiations were being held with the unions on changing employees' terms and conditions including the travel payments. The Director also added that new employees were expected to work anywhere within Central Bedfordshire and that it was not expected that any further staff relocations would require such payments to be made to any employees.

With regard to office requirements the Director referred to proposed changes through the widespread introduction of homeworking and 'hot desking', the changes in general desk allocation to staff and reductions in employee numbers. Arising from these points it was apparent that the Council could, in the future, operate from the administrative headquarters buildings at Dunstable and Chicksands. It was probable that the Council would be able to vacate Technology House within the next four years.

Discussion took place on the omissions from the original brief including travel payments and car parking provision following which the Chairman requested that copies of Appendix E be circulated to Members for examination.

The Chairman commented that the original aim of Your Space had been changed from simply relocating staff from their accommodation in County/Borough Hall, Bedford to new accommodation in Technology House, Bedford to the relocation of whole teams to different offices and that this had been carried out without reviewing the original business case. He also referred

to the costs which had arisen with regard to staff travel and the lower than estimated level of overall savings. With these issues in mind the Chairman was of the opinion that improved project planning was necessary and it would be a worthwhile exercise to re-examine the original programme to establish what could be learnt.

Whilst acknowledging that lessons had been learnt, and others were still to be learnt, the Portfolio Holder for Policy and Performance reminded the meeting of the difficult circumstances, particularly with regard to staff accommodation at County/Borough Hall, which the Council faced at that time and the need to take action as quickly as was possible.

The Chairman queried desk numbers and usage and the Interim Assistant Director Assets advised that a survey had revealed that between 33-38% of desks were empty on a day by day basis. The Chairman commented on the potential for large efficiency savings through moving away from the concept of personal desks and to adopting multiuser workstations as the norm.

In response to a Member's query regarding the location of approximately 5% of the Council's front line services outside both Central Bedfordshire and Bedford the meeting was advised that these were services shared with other bodies.

The Chairman commented that approximately 50% of Central Bedfordshire staff remained users of that part of Central Bedfordshire Council's ICT network located at Bedford Borough Council. In response the Director explained that Your Space had aimed to consolidate 18 office locations (including County/Borough Hall and Melbourne House in Bedford) into five, primarily focussed on the three main sites of Priory House, Watling House and Technology House, and that this had been achieved. ICT provision was a separate issue and it was hoped to accelerate the pace of change in this area.

The Portfolio Holder for Policy and Performance referred to the progress of the new Job Centre Plus arrangements, which had just been signed off, as an example of what could be achieved with regard to shared accommodation. He advised that three organisations would share premises in Biggleswade, Dunstable and Leighton Buzzard in an agreement which was the first of its kind.

With regard to the Chairman's request to re-examine the Your Space programme the Director reminded the meeting that two years had passed since the original briefing and that many of the officers involved had since left the Authority taking with them their knowledge and experience of this matter. Nonetheless the Chairman was of the opinion that a number of lessons could still be learnt and that a Member Task Force should be formed to undertake this work.

RESOLVED

that the Committee form a Task Force in six months time in order to carry out a full review of the Your Space programme from beginning to end and to identify, in particular, any lessons to be learnt.

NOTED

the presentation.

CCS/10/130 ICT Strategy

The Committee considered a presentation by the Assistant Director Customer and Systems which outlined the main principles of the Council's ICT Strategy, along with the overall vision, objectives, current and future challenges and influences, proposed key programmes and the key outcomes. A copy of the presentation is attached at Appendix B to these minutes.

The meeting was aware that the draft ICT Strategy was scheduled to be submitted to the meeting of the Executive in March and the Committee's views were sought so they could be included within the consultation. The Chairman asked that any detailed comments be emailed directly to the Assistant Director.

The Chairman commented that a clear, overarching ICT Vision which covered the options available had not been included. In response the Assistant Director explained that the options would be present in the individual business cases.

Turning next to the use of SAP the Chairman queried if the Council should consider whether it needed to change the way in which it worked and whether it was willing to do so. He suggested that, alternatively, the Council could consider no longer using SAP. The Assistant Director Customer and Shared Services acknowledged that, whilst the question was whether to optimise the use of SAP or use another means of undertaking the work, the emphasis was on the need to first optimise the use of SAP to establish whether it was suitable or not before taking action to seek an alternative. He added that processes and utilisation formed part of the Strategy. The Chairman asked that it be made clear that organisational change might be needed.

The Assistant Director stated that whilst ICT was the physical enabler the efficiencies were dependent on implementation.

A Member queried the position regarding the merger of the legacy data bases given that this impacted on the implementation of SAP. In response the Assistant Director stated that the merger was scheduled for September.

NOTED

the presentation.

CCS/10/131 Short Term Corporate Asset Management Plan

The Committee considered a report by the Portfolio Holder for Customers, Systems and Assets which set out the Council's Interim Corporate Asset Management Plan (CAMP) for 2011/12.

The meeting discussed maintenance related issues including the growing level of backlog maintenance and the lack of funding to reduce this. Discussion also took place regarding the disposal of assets. Arising from this discussion a Member referred to land in Biggleswade and queried its proposed use for the provision of 17 football pitches. In response the Interim Assistant Director Assets assured the Committee that under the existing asset disposal protocol alternative uses would be considered. Either a planning brief could be drawn up setting out the types of land use that could be acceptable or, alternatively, the land could simply be placed on the market to see what proposals emerged. The Chairman stressed the need to ensure that the maximum value was obtained for the Council's assets.

In response to a query by the Chairman regarding the opportunity to examine the Council's strategy for vacating leased buildings the Interim Assistant Director Assets stated that the modelling was already finished and the work in full would be completed within the next few months. A report would be submitted during the new Council.

NOTED

the Interim Corporate Asset Management Plan (CAMP) for 2011/12.

CCS/10/132 Work Programme 2010-2011 and Executive Forward Plan

Members were aware that consideration of this item had been deferred by the previous meeting of the Committee (minute 10/112 refers).

The Committee received its current work programme and the latest Executive Forward Plan. Members were advised that there were no reports to be submitted to the February meeting of the Committee.

RESOLVED

that the meeting of the Customer and Central Services Overview and Scrutiny Committee scheduled to take place on 21 February 2011 be cancelled as there are no reports to be considered.

(Note: The meeting commenced at 2.00 p.m. and concluded at 4.20 p.m.)

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Presentation to Customer & Central Services Overview & Scrutiny Committee 24th January 2011



Key Drivers for Your Space

Central
Bedfordshire

- Better utilisation & rationalisation of CBC property assets
- Customer service – accessibility to customers & communities
- Joint occupancy arrangements impacting on staff morale and productivity – need to create CBC culture & identity
- Co-location of service teams
- Flexibility – smarter working opportunities for staff
- Creation of a common CBC ICT platform
- Enhance member facilities at HQ

yourspace

Developing and Connecting
Central Bedfordshire Council



Programme Scope



- Reduce 18 buildings down to 5
 - 3 key sites at Priory House, Dunstable, and Technology House
- Accommodation & ICT improvements for c1600 people
- Create a single ICT network from 4 existing networks
- Migrate 674 applications to the CBC network
- Merge 3 phone systems and allocate 1500 numbers



Omissions from original brief

Central
Bedfordshire

- Requirements:-
 - Car parking facilities
 - Senior Member/Officer accommodation at PH
 - Co-location of teams and Access to customers
- Governance:-
 - Effective Programme Management
 - Member involvement
 - Comms/engagement programme
 - Appendix E costs

yourspace

Developing and Connecting
Central Bedfordshire Council



Chronology



Executive agreed original Business case	July 2009
Executive agree extension to timescales	Dec 2009
Revised Business Case agreed	Mar 2010
Programme governance reviewed	Mar 2010
Programme completed	Aug 2010



Outcomes vs objectives



A) Financial Benefits

	£m budget	£m spend
Spend		
Capital	4.966	4.766
Revenue	Nil	0.200

Return on investment:

- £1.100m revenue savings over four years
- £0.5m pa thereafter



Outcomes vs Objectives



B) Customer Service Benefits

Of front line services:-

- Approx 70% located in Central Beds (was 50%)
- Approx 25% located in Bedford (was 47%)



Outcomes vs Objectives



C) Working environment benefits

- Co-location of teams – productivity gains
- Staff satisfaction with place of work:-
 - 59% in 2009
 - 73% in 2010
- Modern/refurbished facilities on 3 key sites
- Increased access to meeting facilities

yourspace

Developing and Connecting
Central Bedfordshire Council



Outcomes vs Objectives

Central
Bedfordshire

D) Technology benefits

- ICT/telephony
 - Single IT network at 3 key sites
 - 674 IT applications migrated
 - Single telephony application (from 3)
 - MFDs roll-out
- Flexible working
 - Enabling home/mobile workers
 - Remote conference calling
 - Increased hot desking/drop down facilities

yourspace

Developing and Connecting
Central Bedfordshire Council



Lessons to be learned

- Improved decision making
- Governance arrangements
- Programme Management
- Communications & Engagement
- Financial management of projects



Summary

- Massive organisational change programme, delivered to time and budget
- £1.1m revenue benefit over 4 years
- Optimisation of Property assets
- Improved staff working environments and morale
- Enhanced facilities and flexible working
- Single ICT and telephony platform for major sites and majority of staff
- Established basis for further rationalisation of property estate via Med Term Accommodation Plan
- And.....a number of valuable lessons for the future

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Central Bedfordshire Council



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ITC Strategy Principles

Overview & Scrutiny Committee Consultation

24th January 2011

Presentation by Clive Jones, Assistant Director Customer and Systems



Contents

1. Consultation Objectives
2. ICT Strategy Principles
3. Next Steps



Consultation Objectives

1. Inform members at an early stage of the initial thinking on the ICT Strategy
2. To seek the committees input
3. To seek the committees view on next steps



Background

- Since vesting day major property rationalisation. Still 90 locations
- 48% access systems via Bedford Borough network
- Over 50 ICT improvement projects under way currently. Many national and local initiatives



Current National Challenges

- Comprehensive Spending Review 2010
- Personalisation of adult social care
- Changes to the Benefits System
- The Government ICT Strategy, in particular its “Data Centre Rationalisation” and “The Government Cloud”



Future National Challenges

- Move of preventative health services responsibilities back into the council
- Launch of academies and free schools
- The Munro Review – Child protection
- Changes in the National Health Service



Service Local Challenges

- Supporting the Adult Social Care Recovery programme
- Supporting the transformation of learning and education infrastructure
- The continued harmonisation and rationalisation of applications in Sustainable Communities
- Total Place Access to Benefits Implementation



Corporate Local Challenges

- The Council's priorities
- Supporting the medium term financial strategy
- Disaggregation of ICT from Bedford Borough
- Increased mobile and home working
- Demand for ICT services outstripping resource and support for the C&SS Recovery Programme



ICT Vision

To become the invisible enabler of service delivery for our partners, suppliers and citizens.

Therefore the strategy must ensure the ICT infrastructure is:

- *Fit for a future where service delivery will be to many user communities from many devices and locations*
- *Value for money in these difficult economic times*
- *Integrated, ensuring efficient and effective use of information organised around the service user needs.*



Future Influences

- Pressure on office accommodation driving more home and mobile working
- More sharing of service delivery with other partners
- Increased demand for 24 x 7 x 365 availability
- Simplify the capturing of information and the reporting and access to information.



Proposed Key Programmes

- Application Infrastructure Programme
- Customer Management Programme
- Total Place Programme
- Enterprise Content Management Programme
- Enhancing Social Care Programme
- ICT Recovery Programme



Data Centre Comparison

Benefit	Data Centre (Current Position)	Hosted Public Sector Shared (Proposed)
Increasing speed and flexibility	Yes	Yes
Storage of sensitive data	Yes	Yes
Regulation sensitive data	Yes	Yes
Managed Infrastructure	No	Yes
24X7 Operation	No	Yes
Application Sharing	No	Yes
Best Value	No	Yes



Strategy Outcomes

- A stable and secure ICT voice and data network
- A value for money ICT infrastructure
- A self-service web environment to deliver the best service at lowest cost
- Accurate, timely and appropriate management information
- An architecture that meets the customers' expectations.
- Programme and project management that delivers ICT enhancements to time, cost and quality



ICT Strategy Next steps

- Obtain feedback from O&S committee
- Develop Strategy
- Portfolio Holder brief Leadership team
- Publish Strategy to staff and Members
- Adoption by Executive

Target publication in March 2011

Meeting: *Customer & Central Services Overview & Scrutiny Meeting*
Date: 21 March 2011
Subject: **Quarter 3 Corporate Budget Management Report 2010**
Report of: **Cllr Maurice Jones , Portfolio Holder for Finance, Governance and People**
Summary: The report sets out the financial position to the end of December 2010 and the latest forecast position.

Advising Officer: Richard Ellis, Director of Customer and Shared Services
Contact Officer: John Unsworth, Assistant Director Financial Services
Public/Exempt: Public
Wards Affected: All
Function of: Executive
Key Decision Yes
**Reason for urgency/
exemption from call-in
(if appropriate)** N/A

CORPORATE IMPLICATIONS

Council Priorities:

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 5 Council priorities

Financial:

The financial implications are set out in the report

Legal:

None

Risk Management:

None

Staffing (including Trades Unions):

Any staffing reductions as a result of compensatory efficiencies will be carried out in accordance with the Council's Managing Change Policy and in consultation with the Trades Unions.

Equalities/Human Rights:

Equality Impact Assessments were undertaken prior to the allocation of the 2010/11 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

Community Safety:

None

Sustainability:

None

RECOMMENDATION(S):

1. that the Committee

(a) Notes and considers this report

(b) Considers any issues from this report that could form part of their work programme

Executive Summary

This report sets out the actual spend to date and the forecast year end financial position of the Council for 2010/11, based on the information available as at 31 December 2010. Latest forecasts indicate a significant improvement since the last quarter report.

The Council continues to experience a significantly increased demand for many of its critical services including:

- a 7% increase in community based care packages for the 65+ age group;
- a 8% increase in numbers of children requiring social care interventions; and
- a 11% increase in demands on the benefits services as a consequence of recessionary pressures.

Central Bedfordshire has also suffered in year funding reductions of over £2.0M as a result of the new Coalition Government's Emergency Budget which has imposed additional pressures for 2010/11.

As a consequence, the latest revenue forecast to year-end identifies pressures of £1.954M, over budget. This forecast assumes no further management action and is based on expected and known service commitments. This is a significant improvement of £1.297M on the quarter 2 position and is evidence that the number of management actions implemented this year have been successful. The overall forecast outturn has reduce by £3.9M since the first quarter report as consequence of reducing expenditure on the BUPA residential care contract, Learning Disabilities transferred services from the Health Service, holding vacancies and bringing forward 2011/12 efficiencies.. Nevertheless, there can be no let up in the efforts to curb discretionary spend.

Whilst there is a positive year to date variance of £2.906M this position will not be sustained into the last quarter of the financial year. Grants and income have been received earlier than expected and unspent grants, contingency and capital financing costs are currently being held to offset costs that are unlikely to be fully reflected until the last quarter of the financial year. Additionally, some unspent grant income is proposed to be transferred to earmarked reserves at year end to fund project expenditure that will be incurred next year.

The capital monitoring sets out year to date spend against the approved budget profile and the forecast year end position. The capital reporting indicates that the capital programme is behind programme by £10.875M as at December with a year end forecast of £4.776M under budget. This is good news in that there are savings of £0.866M on this year's spend, and £3.910M has been deferred to future years whilst the capital programme review has been in progress.

1. INTRODUCTION

- 1.1 This is the third quarter budget management report to the Executive for 2010/11. It sets out spend to date against the approved profiled budget and the forecast financial outturn based on the information available as at 31 December 2010. Despite the increasing demands on some critical services, and the in year budget cuts, forecast pressures are being actively managed. This report shows a reduction of £1.297M in the forecast position since the mid-year report.
- 1.2 The 2010/11 revenue budget includes £12.076M of efficiencies which are being specifically monitored by the Efficiencies Implementation Group. £11.987M of these savings is on track to be delivered by the end of the year (compared to £11.666M reported in quarter 2).
- 1.3 The capital reporting indicates that the capital programme is behind programme by £10.875M as at December with a year end forecast of £4.776M under budget. This represents an under spend of £0.866M and slippage of £3.910M.

2. REVENUE POSITION

- 2.1 The current revenue forecast position based on information available as at the end of the third quarter identifies pressures of £1.954M, which takes into account expected expenditure commitments for the last quarter of the year. Continued work will be undertaken to further manage these pressures, hence the continuation of the recommendation to curb discretionary spend in order to deliver a balanced budget position at year end. A third quarter close is underway which will make an assessment of a number of balance sheet accounts ahead of closure of the accounts.
- 2.3 The year end forecast includes £2.208M of compensatory efficiency savings which builds on the £1.390M shown in the 2nd quarter report. The thermometer shown at Appendix A3 provides a summary of progress in delivering £11.987M of the £12.076M 2010/11 budget savings together with the savings still 'at risk'. Additional compensatory savings not already reported are also shown at Appendix A3(i). Where these compensatory efficiencies are a permanent replacement from the original budget assumptions they have been approved by the Portfolio Holder for Finance, Governance and People in consultation with the relevant Directors, Portfolio Holders and Chief Finance Officer.

- 2.4 There have been a number of management actions implemented this year which have been successful in reducing the year end forecast position by £3.9M since the first quarter report. Such measures have included, expenditure reduction on the BUPA residential care contract and Learning Disabilities transferred services from the Health service, holding vacancies, bringing forward 2011/12 efficiencies (e.g staffing reductions and contract changes) and using earmarked reserves.
- 2.5 The actual position to date is below budget by £2.906M This is indicative of a number of grants being unspent to offset expenditure in the last quarter of the year, or proposed to be transferred to reserves at year end as well as unspent contingency.
- 2.6 The following table shows a summary by Directorate, the full breakdown is available at Appendix A.
- 2.7 Table A: Revenue position by Directorate - Paragraphs 2.5 to 2.25 provide further commentary.

Directorate	Approved Budget £000	Forecast Outturn after use of Earmarked reserves £000	Variance to Date (-) under/ overspend £000	Forecast Outturn Variance(-) under/ overspend £000
SCHH	50,976	51,182	-1,118	204
CS	34,226	35,648	574	1,422
SC	47,310	46,820	-770	-490
C&SS	22,057	24,254	1,267	2,197
OCE	4,469	4,237	-527	-232
Contingency and Reserves	4,467	4,066	-986	-1,100
Corporate Costs	15,437	15,373	-1,638	-64
Schools	-1,916	-1,899	294	17
Total	177,026	179,715	-2,906	1,954

Social Care, Health and Housing

- 2.8 For older people, care package expenditure is over budget by £1.647m (£1.468m for quarter 2). The main cause of the pressure in residential and home care is because of the increase in volumes and the increased complexity of care required
- 2.9 For people with learning disabilities, care package expenditure is over budget by £0.713m (£0.570m for quarter 2). This reflects higher than budgeted transitions costs plus costs arising from the emergency closure of an in-house respite unit and additional cross boundary charges.
- 2.10 Physical Disability service costs are also showing a projected increase over budget of £0.354m (£0.214m for quarter 2), the main pressure being that of residential care.
- 2.11 The above pressures are to some extent being off set by under spends on pay and other direct service costs. It is also important to recognise that efficiencies are being realised through the Reablement service and so the effect of this pressure identified above could be far higher.

- 2.12 The overall forecast outturn position captures the full year effect of care packages including those that will be paid for during the last quarter of the financial year for both Older People and for Transitions. This is the main cause of the difference to the year to date under spend position.
- 2.13 An estimation of the pressure of a national Care Provider deregistering its care homes for adults with a learning disability has now been identified in the draft budget for 2011/12 and 2012/13. The potential impact for Central Bedfordshire is that there may be up to 32 people who might require care packages to be funded. The Council is still unclear on the actual impact until a full assessment of need have been carried out on these people.
- 2.14 On a more positive note, nationally the government has made available an additional £70 million to Primary Care Trusts (PCT) in 2010/11 to work with Local Authorities and other partners to facilitate seamless care for patients on discharge from hospital and to prevent avoidable hospital readmissions. Central Bedfordshire is likely to receive a share of £0.238m for this purpose and plans are being formulated to utilise the additional funding.
- 2.15 This will involve increasing capacity in the Councils Reablement Service with a focus on supporting safe discharges and preventing re-admissions of those discharged, spot purchasing equipment and assisting people following their stay in hospital
- 2.16 Clearly this additional funding will be of great benefit to the Council but it is difficult to know at this stage how much of this will be used in 2010/11. Further allocations will be made in 2011/12 although we are yet to fully understand what will become available from the PCT
- 2.17 The overall position shows an improved position moving to an over spend of £0.204m compared to the projected over spend of £0.574m at the end of quarter 2.

Children's Services

- 2.18 The full year forecast position is £1.43M over budget at the end of December 2010 compared to an overspend of £1.40m at the end of September 2010.
- 2.19 The overspend mainly relates to the number of children requiring social care intervention and also out of county placements for children with special educational needs. The needs led pressure on the social care and special educational needs budgets remain and have been contained as much as possible by management action to challenge resource allocation on a case by case basis. The pressures are comparable to the pressures experienced by other Councils in this financial year, following the report into the events arising out of the death of baby Peter in Haringey. The Local Government Association has recently reported an 20 % increase in pressures. There is a major pressure regarding the recoupment charges with Bedford Borough, which is being discussed. Children with disabilities budget build errors are adding further pressure. Savings in the PRU remain at risk and are subject to the ongoing re-commissioning process however in year compensatory savings have been made. The commissioning process will take account of planned savings and will also seek to improve the quality of service delivery.
- 2.20 The forecast overspend in Safeguarding and Children relating to the increased numbers amount to circa £2.12M.

- 2.21 Management action continues to be taken to address overspend in special educational needs budgets. At their September meeting the School Forum agreed to contribute £0.35M in 2010/11 from the Special Educational Contingency budget to fund the pressure on out of authority placements. In addition £191k of reserves originally set aside for Autistic Spectrum Disorder, which has not been required for that purpose, has also been used against this pressure.
- 2.22 Children's Services have reduced budgets by £1.172M (ABG) in line with the Coalition Government reductions and the current forecast position is that these in year cuts will be achieved. However, it has emerged following ministerial announcement that expectation exists that Connexions staff will need to be retained to fulfil some statutory requirement and therefore the full saving may not be achieved. A contingency of £175K will be set against the Early Intervention Grant in 2011/12. In those instances where schools received funding from the reduced ABG grants – schools have now been invoiced the 24%, being the pro-rated cut, to enable recovery of the funds and 'sharing of the reduced funds'. Subject to all the staffing proposals in the 90 day staffing consultation Children's Services will be able to absorb most of the full year effect.
- 2.23 In year savings in the Music Service will be partly achieved against the Music Standards Fund (MSF). The future of this fund is subject to a national review 'The Henley Review' which reported its findings in February 2011. The implications for Central Bedfordshire Council are being considered.
- 2.24 The small change in forecast this month is due to a number of revisions across cost centres as forecasts are being refined and the effect of grant movements is rationalised.
- 2.25 To explain the actual to date overspend (excluding schools) of £571K, this is lower in the first part of the year due to the freezing of discretionary spend against unspent un-ringfenced grants and the use of reserves and provides a front-loading effect.

Sustainable Communities

- 2.26 The third quarter forecast under spend of £490k is a £413k improvement in the financial position compared to the second quarter forecast under spend of £77k. Each division under the control of the Assistant Directors have and continue to work toward achieving budget targets.
- 2.27 The final size of the Directorate under spend is subject firstly to expenditure on responsive repairs, gritting and snow clearance of the road network. Under the highways contract routine winter maintenance costs rests with the contractor. However the Council faces some risk where the maintenance work extends outside of the winter period, for example, occurrence of snow in early Autumn or late Spring and the need for additional gritting or snow clearance. With half the winter to come there is still some risk that severe weather will eat into the forecast under spend.
- 2.28 Secondly, the under spend is subject to planning and building applications which generate income for the Council. These income streams make up about £2.5m in fee income which varies according to demand. Both the number and scale of planning and building projects influence income. A large scale complex development can skew income receipts in any one year.

Customer and Shared Services

- 2.29 The full year forecast position following planned use of reserves identifies pressures of £2,197k. This is an increase of £362k since the quarter two report.
- 2.30 The key reasons for the forecast variance are the same as reported in the previous quarter, but the reasons for the further increase in quarter 3 being budget build pressures in respect of the payroll contract, print room, reduced rental income and unachievable income targets in ICT as well as contractor costs in the Revenue and Benefits service to address the caseload backlog. These have been offset where possible by holding vacancies, reducing disaster recovery costs and ICT maintenance costs.

Office of the Chief Executive

- 2.31 The full year forecast position is £232k (5.2%) under budget. This incorporates planned contributions of £285k from earmarked reserves. This reserve funding, the majority of which is set aside from external resources, relates to specific activity not included in base budget funding.

Corporate Costs

- 2.32 The forecast for Corporate costs is showing a £65k under spend due to reduced Audit Fees reflecting a reduced amount of work being carried out. The actual to date under spend reflects the under spend on capital financing costs which will be offset by unbudgeted premature retirement costs payable at the end of the year.

Contingency and Reserves

- 2.33 Contingency and reserves is forecast to be £1.1M underspent. Following the finalised audit of the 2009/10 accounts the planned contribution to General Reserves has been reduced by £400k as the review of opening balances and creditors identified some minor adjustments.
- 2.34 It was agreed in the quarter 2 report to hold £0.7M contingency to offset 'Appendix E' costs that were not fully reflected in the forecasts at that time. It is now appropriate to release this balance to offset the costs that are now likely to be fully incorporated in the services forecasts.

Other Financial Issues

- 2.35 Calls on the redundancy reserve have been identified as: £1.251M for the Senior Management Review; £0.3M for other known in-year actions; and a further £0.823M is estimated for Area Based Grant (ABG) related redundancies.
- 2.36 The LSP have agreed that part of the LAA1 Performance Reward Grant monies will be given as a contribution to parties in the LSP, including this Council, for those redundancies arising as a direct result of the Government's withdrawal of Area Based Grant. It is anticipated that a balance of £0.482M will be available for ABG closure costs.
- 2.37 The redundancy reserve has been increased by £1.5M to mitigate the pressures and any redundancy costs incurred from the 2011/12 efficiency proposals impacting on the current financial year.

- 2.38 In addition, the CLG has given a capitalisation directive to enable £431K to be treated as capital and take the pressure of the revenue budget. The Council's bid was scaled back by CLG but Central Bedfordshire has fared better than many authorities who received nil.
- 2.39 In preparation for closure of the accounts, a third quarter close is underway. It is expected there will be some benefit to the revenue outturn position as this work concludes due to the finalisation of the legacy authorities' debtor and creditor balances, balance sheet cleansing in respect of goods receipting/invoices receivable and a review of earmarked reserves balances.
- 2.40 The following table B summarises the position in terms of use of the Redundancy Reserve:-

<u>2010/11 Redundancy Position</u>			
	£000	£000	£000
Original Reserve available		-1,528	
Redefinition of Dunstable Town Master plan reserve		-1,500	
Capitalisation Directive		-431	
LSP contribution		<u>-482</u>	
Total funding available			-3,941
<u>Less</u> Use of reserves			
Funding of SMR efficiencies double counted		167	
2010/11 Budget efficiencies and SMR			
- Redundancy	565		
- PILON	147		
- Actuarial Strain	<u>539</u>	1,251	
Estimated costs associated with ABG reductions			
-Redundancy	586		
- Actuarial Strain	<u>237</u>	823	
Other estimated Redundancies		<u>298</u>	
Total estimated costs			2,539
Balance remaining			-1,402

- 2.41 Appendix A5 shows graphically the spend trends based on actual to date monthly spend for the current year compared to the same time last year. Graph 1 compares actual spend between the years and projects to an outturn on a linear basis. This indicates that the actual to date is lower than at the same time last year. This supports the forecast outturn which is also lower than at the same time in 2009/10.

3. REVENUE VIREMENTS

- 3.1 Details of the virements actioned during quarter three are shown at Appendix A4

4. CAPITAL POSITION

- 4.1 As at the end of December the capital programme is showing to be £10.875M behind programme. However, at year end the forecast is to be under programme by £4.776M. This is good news in that this represents a saving on this years spend of £0.866M and £3.910M has been deferred (slipped) to next year as a consequence of the detailed capital programme review.
- 4.2 A summary position by Directorate is shown in table B below with a more detail breakdown shown at Appendix B.

4.3 Table C Capital Summary

	Revised Full Year Budget	Position as at December			Full Year Forecast Variance
		Budget	Actual	Variance	
Directorate	£000	£000	£000	£000	£000
Social Care, Health and Housing	2,562	1,029	-917	-1,946	-423
Children's services	3,492	2,384	2,424	40	97
Sustainable Communities	10,436	11,906	5,356	-6,550	-2,926
Customer and Shared Services	7,793	6,355	4,283	-2,072	-1,279
Office of the Chief Executive	260	0	0	0	-45
Sub Total	24,543	21,674	11,146	-10,528	-4,576
HRA	6,174	4,107	3,760	-347	-200
Total	30,717	25,781	14,906	-10,875	-4,776

Social Care, Health and Landlord Services

- 4.4 The year to date variance on the General Fund programme is predominately due to delays in payment of schemes under the Campus Closure. It is now recognised that this programme will slip into 2011/12 and 2012/13.
- 4.5 The year end forecast position of £0.423m is as a result of estimated slippage on the Timberlands project (£0.103m), Empty Homes (£.0160m) and Renewal Assistance (£0.160m) into 2011/12. This has been captured as part of the Capital Programme budget for 2011/12.
- 4.6 For the Housing Revenue Account, there has been some delay in payments for capital works which explains the year to date under spend.

- 4.7 In respect of the year end forecast under spend, there is recognition that there will be no future capital resources from Right to Buy receipts. Therefore reducing the expenditure programme on an annual basis will help with the future capital programme strategy. The £200k set out above is an early step towards protecting the future programme.

Children's Services

- 4.8 The revised 2010/11 budget is £3.49m and the full year forecast position is £3.59m.
- 4.9 The variance on actual of £40k derives principally from final invoices on pre 2010/11 schemes.
- 4.10 Work is ongoing to improve financial monitoring of a number of capital schemes to increase confidence in forecasting.

Sustainable Communities

- 4.11 The Variance to Date is due to the following schemes:

Scheme	YTD Budget	YTD Variance
Creasey Park Community Football Centre	£750k	£251k
Housing Schemes	£785k	£640k
Highways Integrated Schemes	£800k	£456k
Outdoor Access and Greenspace schemes	£306k	£266k
Street Lighting	£600k	£278k
Waste Infrastructure scheme	£193k	£193k

All of the above schemes are in progress and are expected to spend its allocation of funds by the end of the year other than the Housing Schemes.

- 4.12 The forecast annual position for the capital programme is expected to be £783k under budget. Affordable housing schemes are expected to slip into 2011/12 as housing development activity remains slower than planned. Section 278 schemes where developers contribute to the road infrastructure are forecast to be £800k below budget. The lower s278 forecast expenditure is matched to forecast income leaving a nil net effect on the capital programme. Again s278 schemes are treated as slippages into 2011/12 financial year as most of these schemes have some level of commitment from developers to proceed at some stage.
- 4.13 The annual forecast expenditure is £31,675k and forecast income is £21,621k. This leaves a balance of £10,054k to be financed under the Council's borrowing facilities.

Customer and Shared Services

- 4.14 There are currently two proposed scheme slippages:
- Corporate Property Block Budget £1,000k
- T Gov Partnership (CRM) £ 75k

- 4.15 Additionally, there is a forecast under spend of £200k against the Medium Term Accommodation Programme (Your Space) and ICT is forecasting a £120k overspend against budget, for commencement of the CBC Network Project which is included in a scheme within the proposed capital programme for 2011/12.

Office of the Chief Executive

- 4.16 The forecast under spend is in respect of the performance management system project which all assumed to slip to 2011/12.

5. KEY COST DRIVERS

- 5.1 The key cost drivers are shown in Appendix C. These drivers identify some of the budgets that have a significant impact on the forecast outturn and variances. They provide non financial data to support the evidence for variations.
- 5.2 In both Adult Social Care and in Children's Services the trend in respect of client numbers and average costs has increased since last financial year and is on-going during this financial year.
- 5.3 For Sustainable Communities planning fee income this year has consistently been lower than 2009 levels, and below budget leading to budget pressures. Whilst the amount of refuse sent to landfill increased by 1000 tonnes year to date compared to last year, this is within the bounds of normal fluctuation. The authority continues to perform well in terms of percentage of waste sent for recycling and composting.
- 5.4. In Customer and Shared Services the trend shows increased case loads for Benefits claimants of circa 11% which is attributable to the current economic climate.

6. RESERVES POSITION

Earmarked Reserves

- 6.1 The overall planned level of reserves stands at £12.2M. £2.917M of these earmarked reserves has been forecast to be used this year by Directorates. Assuming that the closing balance on the redundancy reserve will be £1.402M (as per Table B) the overall closing balance on earmarked reserves will stand at £8.751M. Full details of earmarked reserves are shown at Appendix D.

General Reserves

- 6.2 The final 2009/10 closing balance on General Fund has now been agreed following the audit. This has increased from £4.7M to £5.1M. As a consequence the planned contribution to general fund can be reduced by £0.4M to offset current budgetary pressures. The General Fund balance will then stand at £6.6M at the end of the year.
- 6.3 However, the balance on the General Fund would reduce to £3.9M should the current forecast overspend materialise. It is imperative that remaining expenditure pressures are brought in on target as this would result in there being inadequate general fund balances.

7. AGED DEBT

- 7.1 Debt outstanding as at the end of December was £12.440M. This represents an increase of £5.221M since last quarter. £2.2M is in respect of Learning Disabilities services and Campus Closure capital costs due from the NHS where they first need to recover the money from the Government department. Additionally, £3.2M of the increase is also due to a single invoice raised with Bedford Borough Council to enable the transfer of Growth Area Funds from them as an accountable body. As this debt falls due when the contract is formally signed, likely to be in April 2011, this invoice will be cancelled and reissued to align with the contract.
- 7.2 Whilst there is an increase in the total level of debt since September the debt over three months old is relatively constant at circa £3M, and the profile has improved where 30% of the debt is over 3 months old in comparison to 54% as at September. Additionally, it is worth noting that there is very little debt over 1 year old. A breakdown by Directorate is shown at Appendix E.
- 7.3 Outstanding debt for the legacy authorities has reduced since September being £0.9M for Bedfordshire County Council and £0.6M for Mid and South Beds.
- 7.4 There was a total of 69 debts written off in quarter 3 totalling £37,873.93.

Appendices:

- Appendix A – Summary of Revenue Position
- Appendix A1 – Quarterly Change in Forecasts
- Appendix A2 – Efficiencies
- Appendix A3 – Compensatory efficiencies.
- Appendix A4 – Revenue Virements
- Appendix A5 – Spend trend graphs
- Appendix B – Summary of Capital Position
- Appendix C – Key Cost Drivers
- Appendix D – Earmarked Reserves
- Appendix E – Debt

Background Papers: None

Location of papers: Technology House, Bedford

Director	Profiled Budget to date	Actual to date	Variance to date	Approved Budget	Forecast Outturn	Forecast Full Year Variance	Proposed use of Earmarked reserves	Forecast Outturn Variance after use of earmarked reserves.
	£000	£000	£000	£000	£000	£000	£000	£000
Adult Social Care Health and Housing								
Director of Social Care, Health, Housing	166	178	12	222	241	19		19
Housing Management (GF)	1,218	1,245	26	1,624	1,669	45	-125	-80
Adult Social Care	38,749	39,498	749	51,665	53,626	1,960	-18	1,942
Commissioning	3,161	1,746	-1,415	4,215	2,341	-1,874	544	-1,330
Business and Performance	-5,000	-5,396	-396	-6,666	-7,014	-348	0	-348
Sub Total Social Care Health and Landlord Services excluding HRA	38,295	37,271	-1,024	51,060	50,863	-197	401	204
Housing Services (HRA)	-63	-158	-95	-84	44	128	-128	0
Sub Total Social Care Health and Housing	38,232	37,113	-1,118	50,976	50,907	-69	273	204

Revenue Summary Position

Director	Profiled Budget to date	Actual to date	Variance to date	Approved Budget	Forecast Outturn	Forecast Full Year Variance	Proposed use of Earmarked reserves	Forecast Outturn Variance after use of earmarked reserves.
	£000	£000	£000	£000	£000	£000	£000	£000
Children's Services								
Director of Children's Services	139	87	-52	185	140	-44		-44
Children's Services Operations	14,578	15,947	1,369	19,400	21,966	2,566	-311	2,255
Learning and Strategic Commissioning	4,490	3,996	-493	5,987	5,906	-80	-413	-493
Joint School Commissioning Service (Transport)	6,289	6,038	-250	8,655	8,359	-296		-296
Sub Total Children's Services (excluding Schools)	25,495	26,068	574	34,226	36,372	2,146	-724	1,422
Sustainable Communities								
Director of Sustainable Communities	1,043	834	-210	1,391	1,345	-47		-47
Economic Growth, Skills & Regeneration	3,857	3,689	-168	5,143	5,874	731	-756	-25
Highways Transportation	8,921	8,661	-260	11,895	11,585	-310		-310
Planning	5,054	5,001	-52	6,738	7,382	644	-663	-19
Comm Safety Public Protec Waste Leisure	16,607	16,527	-80	22,143	22,215	72	-162	-90

APPENDIX A

Revenue Summary Position

Director	Profiled Budget to date	Actual to date	Variance to date	Approved Budget	Forecast Outturn	Forecast Full Year Variance	Proposed use of Earmarked reserves	Forecast Outturn Variance after use of earmarked reserves.
	£000	£000	£000	£000	£000	£000	£000	£000
Sub Total Sustainable Communities	35,483	34,713	-770	47,310	48,401	1,091	-1,581	-490
Customer and Shared Services								
Dir. Of Customer & Shared Services	310	294	-16	457	381	-76		-76
AD Customer & Systems	6,964	7,701	737	9,027	9,572	546		546
AD Finance	3,118	3,490	371	3,825	4,519	695	-49	646
AD People	1,412	1,843	431	1,833	2,437	605	-66	539
AD Governance Monitoring Officer	2,053	1,923	-130	2,633	2,429	-205	-49	-254
AD Assets	3,340	3,213	-127	4,283	5,145	862	-66	796
Sub Total Customer and Shared Services	17,198	18,464	1,267	22,057	24,484	2,427	-230	2,197

Director	Profiled Budget to date	Actual to date	Variance to date	Approved Budget	Forecast Outturn	Forecast Full Year Variance	Proposed use of Earmarked reserves	Forecast Outturn Variance after use of earmarked reserves.
	£000	£000	£000	£000	£000	£000	£000	£000
Office of the Chief Executive								
Chief Executive	230	220	-10	307	295	-12		-12
Communications	722	680	-42	963	956	-7	-16	-23
Strategy & Performance	2,734	2,259	-475	3,200	3,271	72	-269	-197
Sub Total Office of the Chief Executive	3,686	3,159	-527	4,469	4,522	53	-285	-232
Contingency and Reserves	986	0	-986	4,467	3,366	-1,100		-1,100
Corporate Costs	6,692	5,054	-1,638	15,437	15,373	-64		-64
TOTAL Excluding Schools	127,771	124,572	-3,199	178,942	183,426	4,484	-2,547	1,937
Schools								
Central DSG	-1,437	-1,143	294	-1,916	-1,529	387	-370	17
Schools Budget	111,271	111,271	0	148,362	148,362	0		0
Schools ISB	-111,271	-111,271	0	-148,362	-148,362	0	0	0
TOTAL Schools	-1,437	-1,143	294	-1,916	-1,529	387	-370	17

APPENDIX A

Revenue Summary Position

Director	Profiled Budget to date	Actual to date	Variance to date	Approved Budget	Forecast Outturn	Forecast Full Year Variance	Proposed use of Earmarked reserves	Forecast Outturn Variance after use of earmarked reserves.
	£000	£000	£000	£000	£000	£000	£000	£000
Total	126,334	123,428	-2,906	177,026	181,897	4,871	-2,917	1,954

Change in Forecast Variance

Appendix A1

Director	December Variance	September Variance	Change (-decrease)
Director of Social Care, Health, Housing	19	19	1
Housing Management (GF)	-80	-12	-68
Adult Social Care	1,942	944	998
Commissioning	-1,330	-374	-955
Business and Performance	-348	-3	-345
Housing Services (HRA)	0	0	0
Sub Total Social Care Health and Housing	204	574	-370
Director of Childrens' Services	-44	0	-44
Childrens Services Operations	2,255	1,895	360
Learning and Strategic Commissioning	-493	-399	-94
Joint School Commissioning Service (Transport)	-296	-97	-199
Sub Total Childrens Services (excluding Schools)	1,422	1,399	22
Director of Sustainable Communities	-47	-47	0
Economic Growth, Skills & Regeneration	-25	132	-157
Highways Transportation	-310	29	-339
Planning	-19	-20	1
Comm Safety Public Protec Waste Leisure	-90	-172	81
Sub Total Sustainable Communities	-490	-77	-413
Dir. Of Customer & Shared Services	-76	-76	0
AD Customer & Systems	546	477	68
AD Finance	646	563	83
AD People	539	250	-181
AD Governance Monitoring Officer	-254	-265	11
AD Assets	796	417	379
Sub Total Customer and Shared Services	2,197	1,366	361
Chief Executive	-12	0	-12
Communications	-23	1	-23
Strategy & Performance	-197	-90	-107
Sub Total Office of the Chief Executive	-232	-90	-142

Contingency and Reserves	-1,100	0	-1,100
Corporate Costs	-64	79	-142
TOTAL Excluding Schools	1,937	3,251	-1,314
Schools ISB	17	0	17
Schools Budget Funded By	0	0	0
Schools Unallocated DSG	0	0	0
TOTAL Schools	17	0	17
Total	1,954	3,251	-1,297

QUARTER 3 PERMANENT COMPENSATORY SAVINGS -

APPENDIX A3

	Total £M
OFFICE OF THE CHIEF EXECUTIVE	0.000
CHILDREN'S SERVICES	0.000
CUSTOMER AND SHARED SERVICES	
Mouchel contract termination	-0.060
	-0.060
SOCIAL CARE HEALTH AND HOUSING	
Savings from LD Transfer Funding	0.200
	0.200
SUSTAINABLE COMMUNITIES	
Fund Raiser Target	-0.013
Reduction in the lump sum payment to Amey	0.050
	0.037
TOTAL COMPENSATORY SAVINGS	0.177

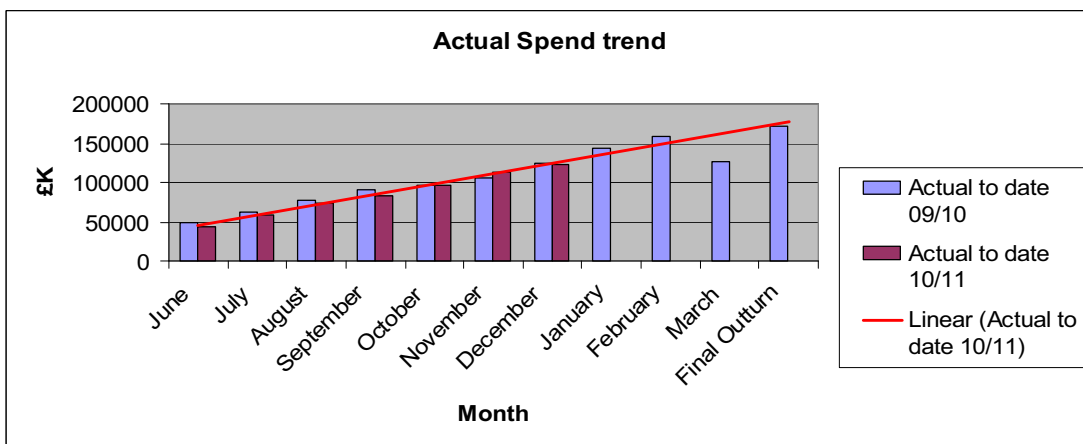
APPENDIX A4

Revenue Virements actioned in quarter 3

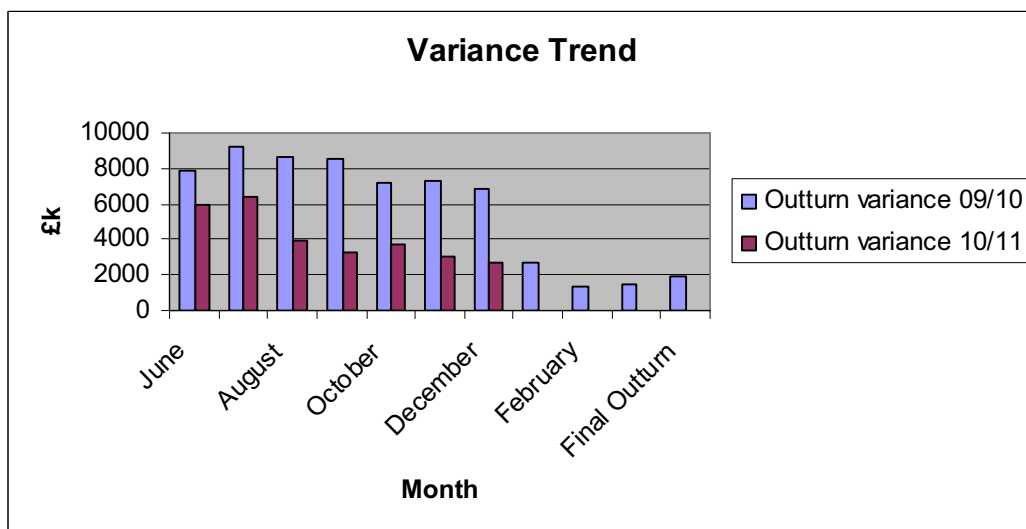
Virement from	Vired to	Net £'000	Reason
SCHH	C&SS	7	Transfer of receptionist post to Facilities management.
SCHH	OCE	7	Transfer of ABG budget
Children's Services	C&SS – performance team	46	Transfer of performance responsibilities to performance team.
C&SS	Sustainable Communities	13	Transfer of Woodland and Parks budget
C&SS AD People	SCHH	24	Transfer of Learning and Development post.
Contingency and Reserves	Children's Services	27	PFI shortfall
Contingency and Reserves	Office of the Chief Executive	47	Shortfall in subscriptions budget for Director of Public Health.
Children's Services	Schools	122	DSG corrections

APPENDIX A5

SPEND TREND GRAPHS



Graph 1



Graph 2

SERVICE	December 2010										
	BUDGET				ACTUAL				VARIANCE		
	Gross Expenditure	External Funding	Net Expenditure	Gross Expenditure	External Funding	Net Expenditure	Gross Expenditure	External Funding	Net Expenditure	Net Expenditure	
£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
<u>By Directorate</u>											
Social Care Health & Housing											
Pre 2010/11 Starts	3,209	(2,264)	945	2,037	(2,720)	(683)	(1,172)	(456)	(1,628)		
2010/11 Starts	196	(112)	84	76	(310)	(234)	(120)	(198)	(318)		
	3,405	(2,376)	1,029	2,113	(3,030)	(917)	(1,292)	(654)	(1,946)		
Children's Services											
Pre 2010/11 Starts	8,102	(6,769)	1,333	8,179	(6,806)	1,373	77	(37)	40		
2010/11 Starts	6,383	(5,332)	1,051	5,401	(4,350)	1,051	(982)	982	0		
	14,485	(12,101)	2,384	13,580	(11,156)	2,424	(905)	945	40		
Sustainable Communities											
Pre 2010/11 Starts	7,440	(3,599)	3,841	2,834	(3,770)	(936)	(4,606)	(171)	(4,777)		
2010/11 Starts	11,730	(3,665)	8,065	9,699	(3,407)	6,292	(2,031)	258	(1,773)		
	19,170	(7,264)	11,906	12,533	(7,177)	5,356	(6,637)	87	(6,550)		
Customers & Shared Service											
Pre 2010/11 Starts	4,241	0	4,241	3,507	0	3,507	(734)	0	(734)		
2010/11 Starts	2,114	0	2,114	776	0	776	(1,338)	0	(1,338)		
	6,355	0	6,355	4,283	0	4,283	(2,072)	0	(2,072)		
Office of Chief Executive											
Pre 2010/11 Starts	0	0	0	0	0	0	0	0	0		
2010/11 Starts	1,098	(1,037)	0	7	0	0	(1,091)	1,037	0		
	1,098	(1,037)	0	7	0	0	(1,091)	1,037	0		
Total Programme excluding HRA	44,513	(22,778)	21,674	32,516	(21,363)	11,146	(11,997)	1,415	(10,528)		
Housing & Revenue Account	4,107	0	4,107	3,760	0	3,760	(347)	0	(347)		
Total Programme including HRA	48,620	(22,778)	25,781	36,276	(21,363)	14,906	(12,344)	1,415	(10,875)		

SERVICE	Revised 2010/11 Budget			Full Year Forecast			Full Year Variance		
	Gross Expenditure £000s	External Funding £000s	Net Expenditure £000s	Gross Expenditure £000s	External Funding £000s	Net Expenditure £000s	Gross Expenditure £000s	External Funding £000s	Net Expenditure £000s
<u>By Directorate</u>									
Social Care Health & Housing									
Pre 2010/11 Starts	10,599	(8,202)	2,397	7,513	(5,379)	2,134	(3,086)	2,823	(263)
2010/11 Starts	277	(112)	165	124	(119)	5	(153)	(7)	(160)
	10,876	(8,314)	2,562	7,637	(5,498)	2,139	(3,239)	2,816	(423)
Children's Services									
Pre 2010/11 Starts	13,409	(11,359)	2,050	13,582	(11,435)	2,147	173	(76)	97
2010/11 Starts	8,193	(6,751)	1,442	6,961	(5,519)	1,442	(1,232)	1,232	0
	21,602	(18,110)	3,492	20,543	(16,954)	3,589	(1,059)	1,156	97
Sustainable Communities									
Pre 2010/11 Starts	15,263	(10,142)	5,121	13,442	(9,827)	3,615	(1,821)	315	(1,506)
2010/11 Starts	16,586	(11,271)	5,315	13,724	(9,829)	3,895	(2,862)	1,442	(1,420)
	31,849	(21,413)	10,436	27,166	(19,656)	7,510	(4,683)	1,757	(2,926)
Customers & Shared Service									
Pre 2010/11 Starts	5,021	(186)	4,835	4,706	(186)	4,520	(315)	0	(315)
2010/11 Starts	2,958	0	2,958	1,994	0	1,994	(964)	0	(964)
	7,979	(186)	7,793	6,700	(186)	6,514	(1,279)	0	(1,279)
Office of Chief Executive									
Pre 2010/11 Starts	0	0	0	0	0	0	0	0	0
2010/11 Starts	1,647	(1,387)	260	215	0	215	(1,432)	1,387	(45)
	1,647	(1,387)	260	215	0	215	(1,432)	1,387	(45)
Total Programme excluding HRA	73,953	(49,410)	24,543	62,261	(42,294)	19,967	(11,692)	7,116	(4,576)
Housing & Revenue Account	6,174	0	6,174	5,974	0	5,974	(200)	0	(200)
Total Programme including HRA	80,127	(49,410)	30,717	68,235	(42,294)	25,941	(11,892)	7,116	(4,776)

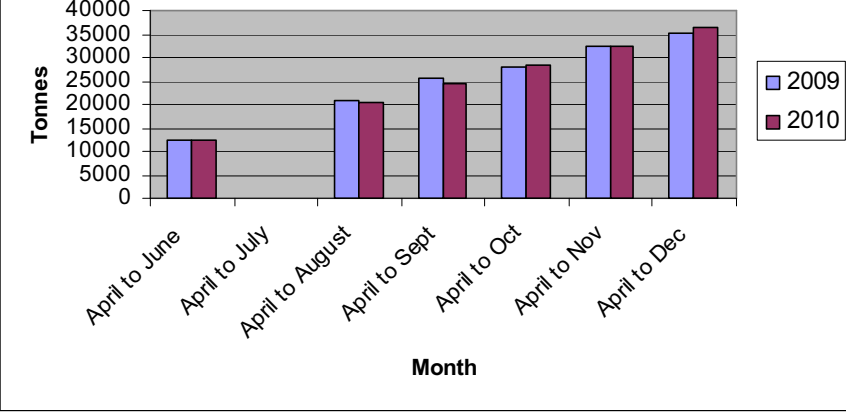
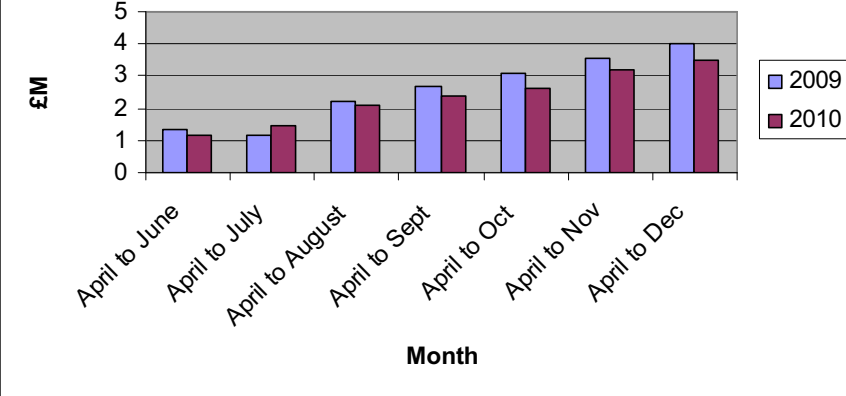
SERVICE	Under / Over spend				Slippage to 2011/12			
	Gross Expenditure	External Funding	Net Expenditure		Gross Expenditure	External Funding	Net Expenditure	
	£000s	£000s	£000s		£000s	£000s	£000s	£000s
<u>By Directorate</u>								
Social Care Health & Housing								
Pre 2010/11 Starts	0	0	0	0	3,092	(2,829)	263	
2010/11 Starts	0	0	0	0	153	(7)	160	
	0	0	0	0	3,245	(2,836)	423	
Children's Services								
Pre 2010/11 Starts	173	(76)	97	0	0	0	0	
2010/11 Starts	(1,233)	1,233	0	0	0	0	0	
	(1,060)	1,157	97	0	0	0	0	
Sustainable Communities								
Pre 2010/11 Starts	(377)	406	29	1,535	0	1,535		
2010/11 Starts	(1,084)	496	(588)	1,632	(800)	832		
	(1,461)	902	(559)	3,167	(800)	2,367		
Customers & Shared Service								
Pre 2010/11 Starts	(240)	0	(240)	75	0	75		
2010/11 Starts	36	0	36	1,000	0	1,000		
	(204)	0	(204)	1,075	0	1,075		
Office of Chief Executive								
Pre 2010/11 Starts	0	0	0	0	0	0	0	
2010/11 Starts	0	0	0	1,432	(1,387)	45		
	0	0	0	1,432	(1,387)	45		
Total Programme excluding HRA	(2,725)	2,059	(666)	8,919	(5,023)	3,910		
Housing & Revenue Account	(200)	0	(200)	0	0	0	0	
Total Programme including HRA	(2,925)	2,059	(866)	8,919	(5,023)	3,910		

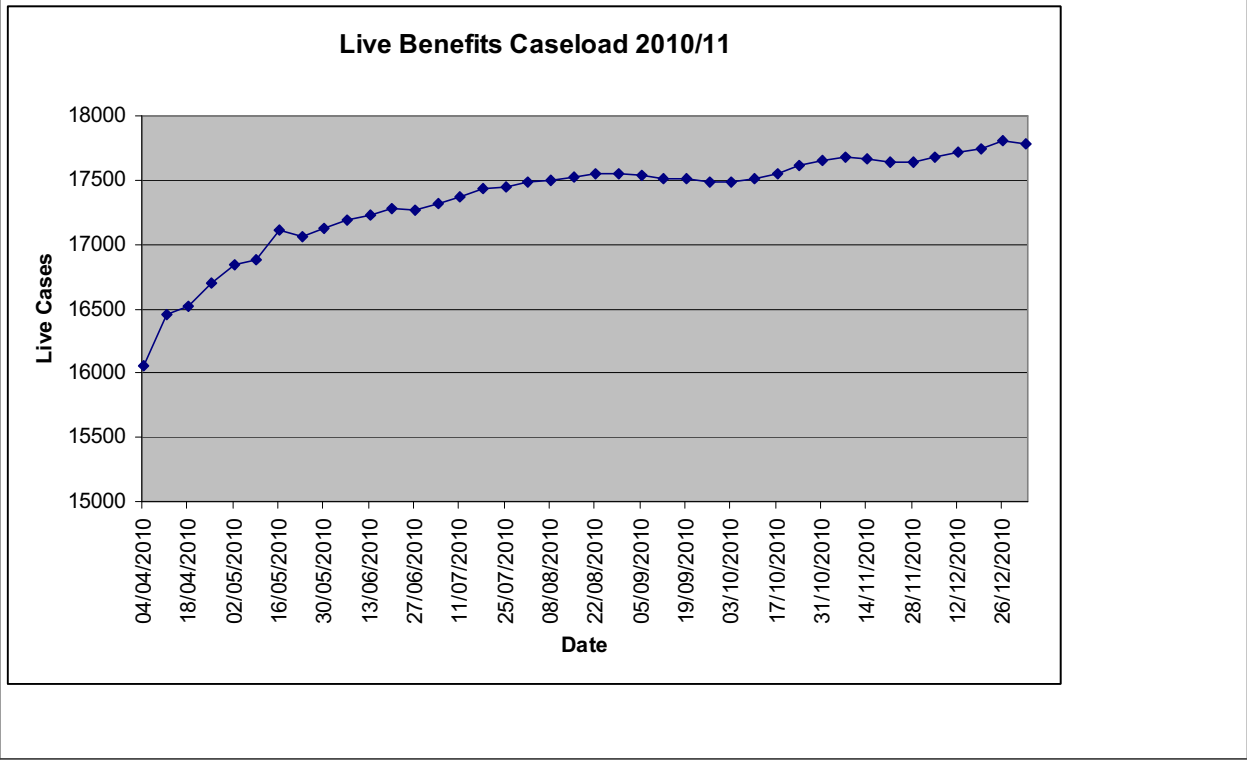
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Appendix C

Key cost drivers

<u>Directorate and cost driver</u>	<u>Numbers/volumes</u>	
Demographic pressure in the 65+ age group and costs of care packages.	822 cost commitments for Domiciliary Care at December 2010 compared to 814 in September	7% increase in community based packages with an average increase of 4% in cost. High cost packages have seen up to a 12% increase in cost.
Occupational therapy waiting lists are being worked through, resulting in an increased pressure on Disabled Facilities Grants expenditure	459 referrals between April and December 2010, compared to 367 referrals in total for 2009/10.	An additional resource of £468k was approved at November's Executive. Demand is being monitored closely and actions will be taken to manage demand, within the scope of the legislative requirements. This should reduce and possibly remove altogether the need to spend above the current approved budget.
Children's Services - Safeguarding activity	Open cases: April 1306 May 1300 June 1333 July 1358 August 1335 September 1319 October 1323 November 1300 December TBA	Child Protection cases: April 175 May 183 June 193 July 191 August 190 September 171 October 166 November 173 December TBA
Children's Services – Looked After Children (excluding respite care)	April 167 May 169 June 176 July 180 August 176 September 176 October 178 November 180 December TBA	

<p>Children's Services – Independent Fostering</p>	<p>March 2010 – 55 Children April 2010 – 63 Children May 2010 – 65 Children June 2010 – 69 Children July 2010 – 71 Children August 2010 - 58 children September 2010 – 69 Children October 2010 – 72 Children November 2010 –TBA December 2010 - TBA</p> <p>The number of days forecast is 19,256</p>																								
<p>Sustainable Communities - Waste tonnages sent to landfill</p>	<p style="text-align: center;">Waste Tonnages sent to Landfill</p>  <p>The chart displays waste tonnages in tonnes for 2009 (blue bars) and 2010 (maroon bars) across seven periods: April to June, April to July, April to August, April to Sept, April to Oct, April to Nov, and April to Dec. The y-axis ranges from 0 to 40,000 tonnes. 2010 generally shows higher tonnages than 2009, especially in the later periods.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>2009 (Tonnes)</th> <th>2010 (Tonnes)</th> </tr> </thead> <tbody> <tr> <td>April to June</td> <td>12,000</td> <td>12,000</td> </tr> <tr> <td>April to July</td> <td>20,000</td> <td>20,000</td> </tr> <tr> <td>April to August</td> <td>25,000</td> <td>24,000</td> </tr> <tr> <td>April to Sept</td> <td>28,000</td> <td>28,000</td> </tr> <tr> <td>April to Oct</td> <td>32,000</td> <td>32,000</td> </tr> <tr> <td>April to Nov</td> <td>35,000</td> <td>35,000</td> </tr> <tr> <td>April to Dec</td> <td>38,000</td> <td>38,000</td> </tr> </tbody> </table>	Month	2009 (Tonnes)	2010 (Tonnes)	April to June	12,000	12,000	April to July	20,000	20,000	April to August	25,000	24,000	April to Sept	28,000	28,000	April to Oct	32,000	32,000	April to Nov	35,000	35,000	April to Dec	38,000	38,000
Month	2009 (Tonnes)	2010 (Tonnes)																							
April to June	12,000	12,000																							
April to July	20,000	20,000																							
April to August	25,000	24,000																							
April to Sept	28,000	28,000																							
April to Oct	32,000	32,000																							
April to Nov	35,000	35,000																							
April to Dec	38,000	38,000																							
<p>Sustainable Communities – planning income</p>	<p style="text-align: center;">Planning Income</p>  <p>The chart displays planning income in £M for 2009 (blue bars) and 2010 (maroon bars) across seven periods: April to June, April to July, April to August, April to Sept, April to Oct, April to Nov, and April to Dec. The y-axis ranges from 0 to 5 £M. 2009 generally shows higher planning income than 2010, particularly in the later periods.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>2009 (£M)</th> <th>2010 (£M)</th> </tr> </thead> <tbody> <tr> <td>April to June</td> <td>1.5</td> <td>1.2</td> </tr> <tr> <td>April to July</td> <td>1.2</td> <td>1.5</td> </tr> <tr> <td>April to August</td> <td>2.2</td> <td>2.0</td> </tr> <tr> <td>April to Sept</td> <td>2.8</td> <td>2.5</td> </tr> <tr> <td>April to Oct</td> <td>3.2</td> <td>2.8</td> </tr> <tr> <td>April to Nov</td> <td>3.8</td> <td>3.2</td> </tr> <tr> <td>April to Dec</td> <td>4.2</td> <td>3.8</td> </tr> </tbody> </table>	Month	2009 (£M)	2010 (£M)	April to June	1.5	1.2	April to July	1.2	1.5	April to August	2.2	2.0	April to Sept	2.8	2.5	April to Oct	3.2	2.8	April to Nov	3.8	3.2	April to Dec	4.2	3.8
Month	2009 (£M)	2010 (£M)																							
April to June	1.5	1.2																							
April to July	1.2	1.5																							
April to August	2.2	2.0																							
April to Sept	2.8	2.5																							
April to Oct	3.2	2.8																							
April to Nov	3.8	3.2																							
April to Dec	4.2	3.8																							
<p>Customer and Shared Services –Benefits case load</p>																									



Appendix D

Earmarked Reserves

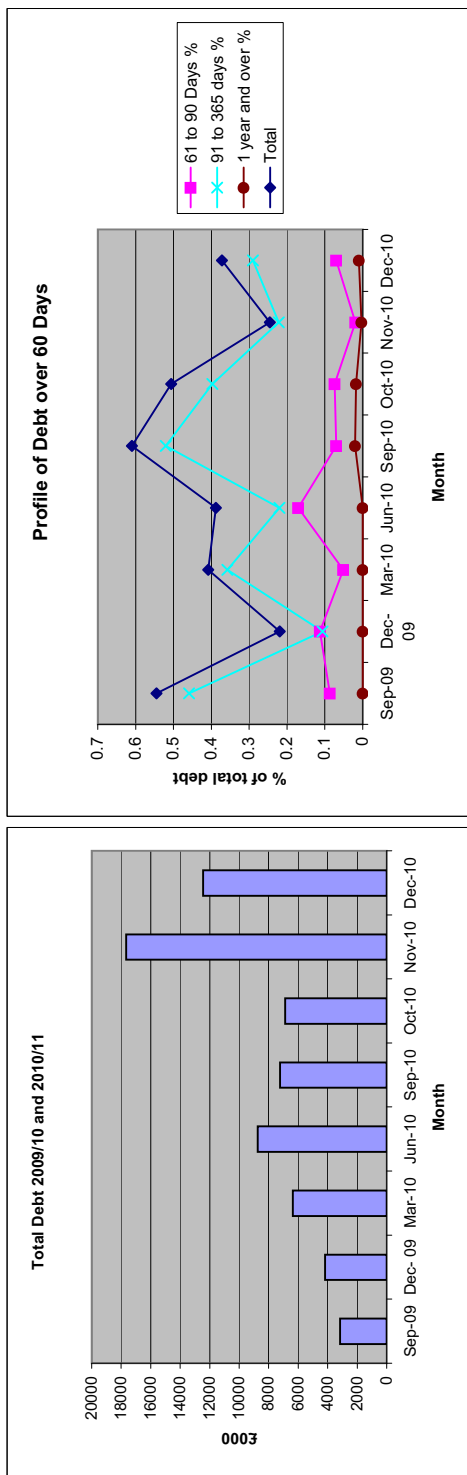
Description	Closing Balance 2009/10 £000	New for 2010/11 £000	Proposed use 2010/11 £000	Proposed transfers to reserves £000	Closing balance £000
Social Care Health and Housing Reserves					
Social Care Reform Grant	200		200	0	0
Learning Disabilities	583				583
LD Campus Closure				744	744
Supporting People		397	180		217
	783	397	380	744	1,544
Children's Services Reserves					
School Forum	3				3
Standards Fund	33		33		0
Local Safeguarding Children Board (LSCB)	25		25		0
Developing Specialist Provisions - ASD Lower Sch	191		191		0
Developing Specialist Provisions - ASD Middle Sch	232				232
Family Link	73		73		0
School Specific Contingency	874		370		504
Long Term Absence (Schools)	64				64
	1,495	0	692	0	803
Sustainable Communities Reserves					
Local Development Framework	200		100		100
Conservation Fund	34		17		17
Dunstable Master Plan	1,791			-1,500	291
Housing Planning Delivery Grant	750		457		293
Bedford & Luton Resilience Forum	65		36		29
Business growth grants	96		96		0
Development growth	82		82		0
EEDA	60		60		0
Economic participation	413		413		0
Regeneration Euro office	19		19		0
Euro Co-financing	36		36		0
Development planning	69		0		69
Transport policy	50		50		0
Financial Investigations Unit	12				12
Domestic abuse contribution	17				17
Grant Aid Fund	219				219
NIRAH	108		50		58
Crimebeat	12				12
Cemeteries Fund	97				97
Flitwick Leisure centre profit share fund	54		28		26
Houghton Regis Leisure Centre	12				12
Sandy Sports and Leisure Centre and Dual use Profit Share Account	31				31

Earmarked Reserves

Description	Closing Blance 2009/10	New for 2010/11	Proposed use 2010/11	Proposed transfers to reserves	Closing balance
Saxon Pool profit share	-13				-13
Flitwick Leisure Centre Build	63		63		0
Adaptation of open space	449				449
	4,726	0	1,507	-1,500	1,719
Office of the Chief Executive Reserves					
Performance Reward Grant	218		218		-1
LSP Sustainable Neighbourhoods	48		16		32
Community Engagement work	6		6		0
Targetted Support for Empowerment Improvement Project	18		2		16
	290	0	242	0	48
Corporate Reserves					
Redundancy/Harmonisation Reserve	90	1,271	739	1,500	2,122
Insurance reserve	3,076		29		3,047
Elections Fund	42			146	188
	3,208	1,271	768	1,646	5,357
Total Earmarked Reserves	10,502	1,668	3,589	890	9,471
Housing Revenue Account Reserves					
HRA	4,236		128		4,108
Business Process Re-engineering	46				46
Major Repairs (HRA)	200				200
	4,482	0	128	0	4,354
School Reserves					
Revenue 3030050	7,888				7,888
Capital 3030033	6,030				6,030
	13,918	0	0	0	13,918
GRAND TOTAL	28,902	1,668	3,717	890	27,743
GENERAL RESERVES	5,163	1,500			6,663

APPENDIX E

Debt Monitoring December 2010												
DIRECTORATE	15 to 30 Days		31 to 60 Days		61 to 90 Days		91 to 365 days		1 year and over		Total Due Debts	
	£k	%	£k	%	£k	%	£k	%	£k	%	£k	%
Social Care Health & Housing	650	5%	169	1%	750	6%	724	6%	105	1%	2,398	19%
Children's Services	106	1%	99	1%	-8	0%	2,148	17%	18	0%	2,363	19%
Sustainable Communities	770	6%	3,391	27%	131	1%	376	3%	-77	-1%	4,591	37%
Customer and Shared Services	189	2%	176	1%	21	0%	380	3%	79	1%	845	7%
Office of the Chief Executive	10	0%	0	0%	0	0%	0	0%	0	0%	10	0%
NHS Bedfordshire	212	2%	2,095	17%	0	0%	29	0%	0	0%	2,336	19%
Unallocated & Non Directorate	-33	0%	-20	0%	-6	0%	-22	0%	-23	0%	-104	-1%
GRAND TOTAL	1,904	15%	5,910	48%	888	7%	3,635	29%	102	1%	12,439	100%
PREVIOUS QUARTER	1,493	21%	1,324	18%	486	7%	3,773	52%	144	2%	7,219	100%



Meeting: *Customer & Central Services Overview & Scrutiny Meeting*
Date: 21st March 2011
Subject: **Budget Management Report Quarter ended 31st December 2010 for Customer and Shared Services**
Report of: **Portfolio Holder for Finance, Governance and People, and the Portfolio Holder for Customer, Systems and Assets**
Summary: The report sets out the financial position to the end of December 2010 and the latest forecast position.

Contact Officer: Director of Customer & Shared Services
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

Sound financial management contributes to the delivery of the Council's value for money, enabling the Council to successfully deliver its priorities

Financial:

The financial implications are set out in the report

Legal:

None

Risk Management:

None

Staffing (including Trades Unions):

None

Equalities/Human Rights:

None

Community Safety:

None

Sustainability:

None

RECOMMENDATION(S):

1. that the Committee

- (a)** Notes and considers this report
- (b)** Considers any issues from this report that could form part of their work programme

Introduction

1. The report sets out the financial position to the end of December 2010 and the latest forecast position.

Executive Summary Revenue

2. The full year forecast position following planned use of reserves identifies pressures of £1,033k (2.5%).
3. The Director of Customer and Shared Services budget 2010/11 is set at £41,960k.
4. The key reasons for the forecast variance are, firstly within AD Customers & Systems there are staffing and contractor cost pressures, additional IT support and maintenance costs, and unachievable income targets. Secondly, within AD Finance there are staff cost pressures as a result of maternity cover, restructuring delays and salary protection. Thirdly, within AD Assets there are pressures around income achievement and some unforeseen property costs. Additionally, within AD People pressures are being forecast against the payroll contract together with staffing cost pressures due to the loss of Transitional funding from 09/10. Within Head of Legal & Democratic there are pressures due to a reduction in income together with the need for use of specialist agency staff. These pressures are being mitigated in part by a reduction in the forecast contribution to reserves and the release of contingency to cover Appendix E pressures throughout the Authority.

5. The forecast has decreased by £412k since quarter two. The key movements within the last quarter are as a result of:

An increased forecast of £379k within AD Assets mainly due a pressure of £145k within School Catering due to an unrealisable income target transferred over from Children's Services. Pressure surrounding printing at Priory House of £115k and £116k of pressure on staff cost budget, overtime and Agency cost within Maintenance and Facilities.

An increase in forecast of £289k within AD People due to pressures being forecast against the payroll contract £141k, transferred over from AD Finance, a £107k pressure on HR staff cost budget and £27k pressure on HEART for the loss of its main customer.

An increase in forecast of £68k within AD Customer and Systems mainly due to unachievable income targets of £276k, re-appraisal of contractor costs £44k, offset by a Disaster Recovery saving of (£150k) a reduction in ICT Software and hardware costs (£100k).

An increase of £83k within AD Finance mainly due to an increase in contractor costs £372k, offset by a reduction in salary costs (£277k) and an under spend within AD Finance (£20k) following a general review.

A reduced forecast in Corporate Costs for interest payable (£113k) and Audit Fees (£30k)

A release of (£700k) Contingency to cover Appendix E pressures throughout the Authority and a reduced contribution to reserves of (£400k).

6. The following Table A shows a summary position analysed by Assistant Director, with more detailed commentary in the following paragraphs. Appendix A1 provides a more detailed analysis by service budget and Appendix A2 the change in forecast outturn since the last report.

7. Table A

Assistant Director	Variance to date	Forecast variance at year end (after use of reserves)	Management Actions	Forecast Outturn Variance
	£000	£000	£000	£000s
Dir. Customer & Shared Services	(49)	(76)	0	(76)
AD Customer & Systems	737	546	0	546
AD Finance	372	646	0	646
AD People	431	539	0	539
Head of Legal & Democratic	(133)	(254)	0	(254)
AD Assets	(126)	796	0	796
Sub Total Customer & Shared Services Operational	1,232	2,197	0	2,197
Corporate Costs	(1,638)	(64)	0	(64)
Sub Total before Contingency & Reserves	(406)	2,133	0	2,133
Contingency & Reserves	(986)	(1,100)	0	(1,100)
Director of Customer & Shared Services	1,392	1,033	0	1,033

8. **Assistant Director – Customer & Systems**

Head of ICT

Of the net pressures of £546k within AD Customer & Systems, £663k has been identified in ICT, of which £551k relate to staff and contractor costs; high consultancy costs are due to back fill for project work and SAP support to cover vacancies. There is an unachievable income target of £276k built into base budget for services no longer carried out by ICT. In addition to this, software licence and maintenance net costs amounting to £120k have been identified by the business during the last 12 months. These pressures have been partly offset by £134k furniture & equipment saving, and £150k Disaster Recovery Saving.

Head of Customer Services

There is an under spend forecast in the region of £133k against staff costs in Customer Services as vacancies are not being filled to meet efficiency targets, and a pressure of £24k in Coroners Service due to under funding of HM Coroners post with an additional £6k due to an inability to compensate for over budgeted recharges.

9. **Assistant Director – AD Finance**

AD Finance

There is an anticipated saving of £50k following a review of expenditure, partly offset by a forecast net pressure of £30k for completion of IBS project.

Revenues & Benefits

Customer Accounts shows a net forecast pressure of £393k, mainly due to a £623k overspend on Contractor costs following the systems conversion; agency staff have been retained longer than anticipated whilst building on the skills base. This has been partially offset by salary slippage £258k, an increase in Housing Benefit payments of £119k, and increased Admin Subsidy £107k in line with DWP 2010/11 Mid Year Estimate Form.

In Revenues there is an increase in staff costs of £57k due to posts previously funded from transitional budget together with an inability to achieve vacancy savings, and unbudgeted Appendix E costs. There is also a £66k pressure on bank and card charges and a £29k pressure due to the council tax single person discount and empty property reviews. These are partly offset by additional income of £29k from DCLG for 'Efficiency on Council Tax bills' and 'New burdens business rate relief', a saving of £14k on general expenditure and £17k income from credit card surcharges from customers.

Financial Management

There is a net forecast pressure of £111k largely due to Agency Staff covering vacant posts and maternity leave, delay in implementing the restructure, salary protection associated with the restructure, and a loss of income £15k due to training facility not being available in Bursary Services.

Financial Strategy

There is a net forecast pressure of £59k mainly due to agency staff filling vacant posts, partly offset by additional income from commission from Schools buy back and legal insurance cover within Insurance Management.

Audit

There is a £12k pressure due to a delay in the Senior Management review.

10. **Assistant Director – People**

AD People has a year to date pressure of £513k and following planned contributions from reserves has a forecast pressure of £539k.

The forecast position includes a £483k pressure against the HR staff cost budget, a £26k pressure against the Heart Supply Agency budget, a £26k pressure against the Occupational Health budget, a £7k pressure against the HR professional services budget and a £141k pressure against the Payroll Processing budget. These pressures are partly offset by forecast under spends of £112k against the Organisational Development and Corporate Training budget, £17k of unbudgeted recharge income and £15k against the Health and Safety professional services budget.

The pressure against the staff cost budget is due to a reduction in the staff cost budget since 2009/10 which has not yet been offset by a corresponding reduction in staff numbers.

The pressure against the Heart Agency Supply budget is due to the loss of one of the Agency's key customers, Greys Education Centre. Ongoing monitoring is required to ensure that the full extent of the loss of this customer has been recognised in the forecast.

The pressure against the Occupational Health budget is due to the actual costs for quarter one, quarter two and quarter three being higher than costs for 2009/10 upon which the reduced budget was based. This budget was reduced earlier in the financial year when £70k was transferred to the HR staffing cost to help mitigate the forecast over spend.

Since 2009/10 the Income budget for the CRB team has increased by £15k. In order to generate this additional income, HR will need to ensure that they review the current level of their administrative charge which is applied to external customers and fully funded schools.

11. **Head of Legal & Democratic**

There is a forecast under spend of £254k.

The forecast includes savings of a part year salary cost for AD Governance and Head of Democratic Services posts, together with unbudgeted procurement rebates.

In respect of the Legal Services, there are particular pressures on the salaries budget caused by the continuing need to employ a locum lawyer to cover the vacancy in the Adults, Children and Education team. Two posts have now been filled but one still remains vacant. The vacancy is currently being advertised nationally. There is also a problem with the income target which was set for 2009/10 and has been increased in 2010/11; the target assumes that income will be generated from legacy BCC external contracts which were not passed to CBC on 1 April 2009. In addition to this, income from section 106 agreements etc. has suffered as a result of the downturn in the housing market.

12. **Assistant Director – Assets**

AD Assets are currently forecasting a pressure of £796k. This is due to a number of reasons:

The final agreement is still to be reached around some areas of recharges from Bedford Borough Council.

Pressures surrounding staffing costs within Capital Development, Property Business and Maintenance and FM.

There are pressures within Surplus Properties, Bedford Square, County Hall, and County Farms.

There is a pressure of £145k in School Meals, partly due to an unrealisable income target transferred over from Children's Services.

Additionally, there is a forecast pressure in Development Disposals of £150k, though this is being met by use of Contingency.

13. **Corporate Costs and Contingency & Reserves**

There is a pressure as a result of some PRC Pension costs being omitted from the budget. This will be more than mitigated by better than budgeted savings in financing costs.

There is a forecast saving in Audit Fees due to a reduced amount of work being carried out.

The provision for Members' Allowances remains insufficient to meet the budget requirement as well as there being no budget provision for Members' ICT allowances from when the new scheme was approved by Executive in 2009/10.

The forecast for transfer to reserves has been reduced by £400k, as a result of the 2009/10 accounts producing a higher general fund balance than expected.

14. **Executive Summary Capital Position**

The following Table B shows a summary of capital position as at December and Appendix B provides more detailed breakdown by scheme.

There are currently two proposed scheme slippages:

Corporate Property Block Budget £1,000k

T Gov Partnership (CRM) £ 75k

Additionally, there is a forecast under spend of £200k against the Medium Term Accommodation Programme (Your Space) and ICT is forecasting a £120k overspend against budget, for commencement of the CBC Network Project which is included in a scheme within the proposed capital programme for 2011/12.

Table B

Title	Net Budget to date	Net Expenditure to Date	Variance to date	Forecast Outturn variance
	£000	£000	£000	£000
Pre 2010/11 Starts	4,241	3,507	(734)	(275)
2010/11 Starts	2,047	776	(1,271)	(880)
Total	6,288	4,283	(2,005)	(1,155)

Revenue Virement Requests

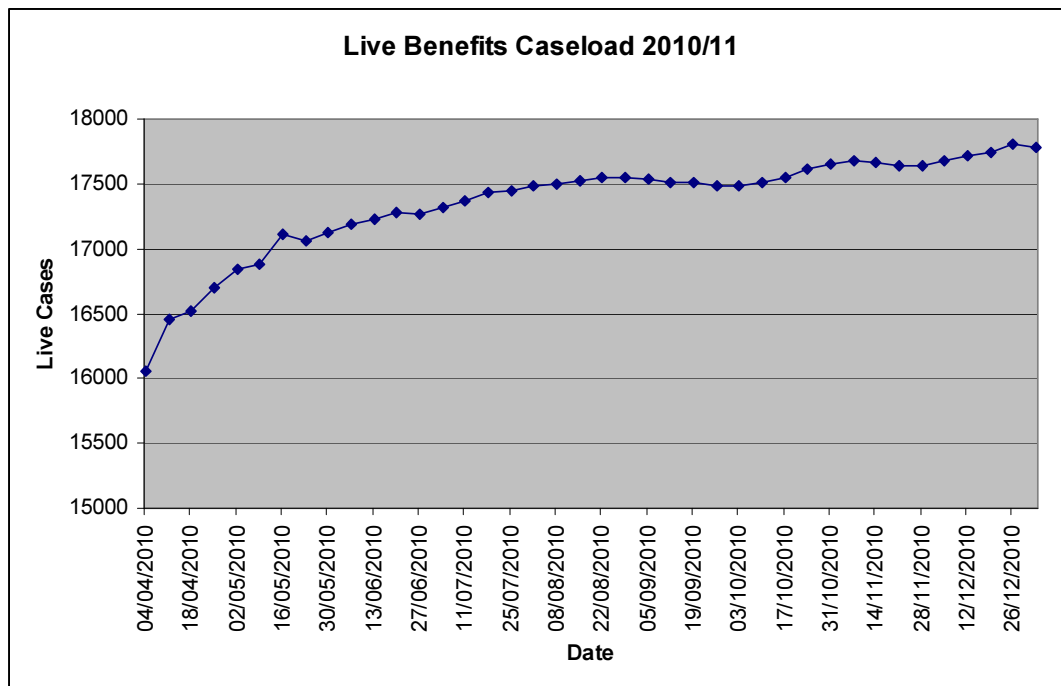
15. No virements over £100k processed in December.

Management Actions

16. No additional management actions identified.

Key Cost Drivers

17. Benefits Caseload - The number of live Benefits cases within Customer Accounts can have a large impact on the budget. The chart below as at 31st December 2010 shows a large increase in the number of cases this year. This has resulted in additional posts being needed, which are currently being filled by contractors in order to meet the demand.



Achieving Efficiencies

18. A number of efficiency savings are built into the 2010/11 base budget. There is currently a forecast shortfall in achievement of these efficiencies of £189k. A summary is provided in Appendix C

Reserves position

19. The reserve position is provided in Appendix D.

Debt analysis

20. The debt position is provided in Appendix E.

Appendices:

Appendix A1 – Net Revenue Position Full Analysis

Appendix A2 – Movement between latest expected variance and Sept forecast variance

Appendix B – Capital Monitoring

Appendix C – Efficiencies

Appendix D – Earmarked Reserves

Appendix E – Debt Analysis

Background Papers: None

Location of papers: Technology House, Bedford.

NET REVENUE POSITION - Full Analysis

Appendix A1

	Annual Budget		Profiled Budget		Actual to Date		Variance		Forecast Outcome		Proposed transfers from earmarked reserves		Forecast Variance		Notes
	£000		£000		£000		£000		£000		£000		£000		
Director of Customer & Shared Services	326		244		217		(27)		269		0		(57)		Savings due to Senior Management Review, and general review of expenditure.
Service Development	131		66		77		12		112		0		(19)		
Sub Total Director of Customer & Shared Services	457		310		294		(16)		381		0		(76)		
AD Customer and Systems	135		101		86		(16)		121		0		(14)		Vacant posts not being filled to meet efficiency target within Customer Services being partly offset by an overspend in Coroner's salary, and an inability to compensate for over budgeted recharges in Registration Services.
Head of Customer Services	2,608		1,938		1,675		(263)		2,505		0		(103)		
Head of Systems (operations)	3,363		2,628		3,192		564		3,304		0		(59)		Forecast under spend of £59k within ICT Infrastructure & Support - Large pressure in Agency and Prof Serv Consultancy (£259k) and an unachievable income target of (£146k). This has been offset by under spend in Salary costs (-£233k) for vacancies and savings in Furniture and Equipment (-£90k), Disaster Recovery saving (£150k) and General Overspends £9k. The recovery of consumables costs from the business is still outstanding.
Head of Systems (strategy & assurance)	2,920		2,296		2,748		452		3,642		0		722		A pressure of £722k has been identified. Major pressures are Salary costs of £107k and Agency and Consultancy costs of £418k. Consultancy costs are back fill for project work and SAP support to cover vacancies. There is also an unachievable income target of £130k and a net pressure in Software and Hardware Maintenance costs £120k. These pressures are partly offset by saving in Furniture & Equipment £43k, and SAP licence income £13k.
Sub Total Customer & Systems	9,027		6,964		7,701		737		9,572		0		546		
AD Finance	104		299		261		(37)		84		0		(20)		An underspend of £50k due to a review of salary costs, consultancy costs, printing and stationery costs, computer costs and conference expenses, offset by a £30k overspend on the IBS Project.
Revenues & Benefits	1,033		775		1,026		251		1,519		0		466		A variance of £466k is largely due to a pressure on Contractors within Customer Accounts of £623k and an increase in HB Payments £119k, partly offset by an increase in Admin Subsidy of £107k and vacancy savings of £258k. Within Revenues there is a pressure in salary costs of £53k due to the funding of posts previously funded from transitional costs together with an inability to meet the vacancy saving target as a result of there being no posts vacant. There is also a pressure within Bank and Card Charges of £66k, partially offset by Government Grants £29k and general savings.
Financial Management	1,231		923		982		59		1,350		9		111		The variance is largely due to a delay in implementing the restructure, together with the cost interims covering vacancies and maternity leave. Additionally, Bursary Services are forecasting a loss of income of £15k due to training facility not being available.
Head of Financial Strategy	1,000		756		856		99		1,099		40		59		There is a pressure due to the cost interims covering vacancies, partly offset by salary slippage.
Control Accounts	0		0		7		7		0		0		0		
Head of Audit	456		365		357		(8)		467		0		11		There was a delay in implementing the Senior Management review, resulting in salary cost pressures.
Sub Total AD Finance	3,825		3,118		3,490		372		4,519		49		646		

NET REVENUE POSITION - Full Analysis

Appendix A1

	Annual Budget	Profiled Budget	Actual to Date	Variance	Forecast Outturn	Proposed transfers from earmarked reserves	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	
Debt Management	10,963	4,697	3,146	(1,551)	9,850	0	(1,113)	A review of debt financing is forecast to yield a £1.113m underspend against full year budget.
Audit Fees	509	382	352	(29)	479	0	(30)	Reduction to fees forecast due to reduced work carried out by Audit Commission
Insurance	676	612	507	(105)	676	0	0	
Members' costs	1,335	1,001	1,049	48	1,414	0	79	Pressure around Members' ICT allowances, NI, superannuation and car allowances.
Premature Retirement Costs	1,954	0	0	0	2,954	0	1,000	Pressure around Pension Costs, due to miscalculated budget build.
Sub Total Corporate Costs	15,437	6,692	5,054	(1,638)	15,373	0	(64)	
Director of Customer & Shared Services, before Contingency & Reserves	37,494	23,890	23,516	(374)	39,857	230	2,133	
Contingency & Reserves	4,467	986	0	(986)	3,366	0	(1,100)	Revised forecast contribution to reserves due to larger than forecast general fund balances available (£400k) and release of Contingency to cover Appendix E pressures (£700k).
Director of Customer & Shared Services	41,960	24,876	23,516	(1,360)	43,223	230	1,033	

Appendix A2

Movement on Forecast compared to previous month

Customer and Shared Services	Full Year Forecast Variance as at		Forecast Variance Movement	Commentary
	December £000	September £000		
Director of Customer & Shared Services Service Development	-57 -19	-57 -19	0 0	
Sub Total Director of Customer & Shared Services	-76	-76	0	
AD Customer and Systems Head of Customer Services	-14 -103	-14 -109	-0 6	Inability to compensate for over budgeted recharges within Registration Services.
Head of Systems (operations)	-59	-103	43	An unachievable income target £146k has been identified, offset by Disaster Recovery saving of (£150k). Re-appraisal of contractor cost forecast £44k and a general increase in expenditure £3k.
Head of Systems (strategy & assurance)	722	703	19	Movement in forecast mainly due to an unachievable income target £130k, offset by a reduction in ICT Software and Hardware costs (£100k), a revision in staff salary forecast £15k offset by (£12k) SAP license income and a general review of expenditure (£5k).
Sub Total Customer & Systems	546	477	68	
AD Finance	-20	-2	-18	An underspend in AD Finance £20k following a review of of salary costs, consultancy costs, printing and stationery costs, computer costs and conference expenses, offset by a £2k over spend on IBS Project.
Revenues & Benefits	486	381	104	Increase in forecast within Customer Accounts due to extension of Contractors £169k, offset by a reduction in salary costs £109k, plus an increase in Staff car lease costs £19k. Within Revenues an increase in Bank and Card charges £43k, an increase of £29k for council tax single person discount review and empty property review. (This review is expected to bring in an additional £300k of Council Tax), offset by a £20k reduction in Professional Services, and £16k reduction in salary costs.
Financial Management	111	136	-25	Reduction in staff costs £50k mainly due to secondment not being backfilled, offset by an increase in Agency staff £5k in Financial Management. An increase in Bursary Services £5k following a general review plus a loss of income £15k due to training facility not being available.
Head of Financial Strategy	59	30	29	Pressure mainly due to interims covering vacancies £198k offset by salary slippage £121k, offset by a £25k reduction in Bank and Card Charges. Additional income from Commission from Schools buy back and legal insurance cover in Insurance Management £32k offset by £3k increase in staff costs.
Head of Audit	11	17	-6	Review of expenditure.

Appendix A2

Movement on Forecast compared to previous month

Customer and Shared Services	Full Year Forecast Variance as at December £000	Full Year Forecast Variance at September £000	Forecast Variance Movement	Commentary
	£000	£000	£000	
Sub Total AD Finance	646	562	83	
Head of HR Strategy	606	370	236	The key reasons for the £236k movement within HR Strategy is due to, £107k ongoing pressure on staff cost budgets with HR, £141k for a new Payroll Provision for the payroll services for SERCO and a reduction of (£11k) within Health and Safety for Supplies and Services.
Head of HR Operations	44	-8	53	The movement of £53k in HR Operations are mainly due to, £26k increase within Occupational Health due to higher costs to run service compared to last financial year with a reduced budget and £27k increase within HEART due to the loss of HEART's main customer (Grey's Education).
Head of Recruitment Development	-112	-112	0	
Sub Total AD People	539	250	289	
Governance & Monitoring Officer	-29	-49	20	Increase in forecast for Head of Legal and Democratic Services to support Staff costs
Head of Procurement & Contract Management	-151	-153	2	Various small adjustments
Head of Legal Services	91	103	-12	Various small adjustments
Head of Democratic Services	-165	-167	2	Various small adjustments
Sub Total AD Governance Monitoring Officer	-253	-265	11	
AD Assets	49	13	35	The movement of £35k from the last quarter is due to additional cost of interim cover for the AD Assets post.
Head of Assets	92	179	-87	A movement of (£87k) from last quarter is mainly due to a £212k increase in Capital Development for the Salary costs for the ex Mouchel staff offset by (£281k) for Mouchel fees paid only up until Sep 2010 bring Mouchel "in house". (£150k) within Development Disposals which is now being met by Contingency. £64k within Farm Estate due to a reduction in Tarmac income and a pressure on rents. Rental income reduction of £107k within Business units, offset by (£49k) due to increase income from L Buzzard for Public Convincies and payment of lower rates within Industrial Units.

Appendix A2

Movement on Forecast compared to previous month

Customer and Shared Services	Full Year Forecast Variance as at December	Full Year Forecast Variance as at September	Forecast Variance Movement	Commentary
	£000	£000	£000	
Maintenance & FM - Staff & Over	655	224	431	An increase movement of £431 since the last quarter is mainly due to, a pressure of £145k within School Catering due to an unrealisable income target transferred over from Children's Services. £126k pressure within the Priority House budget mainly due to a pressure on printing. £74k increase in variance at Dunstable District Offices over the last quarter due to £38k pressure on utilities. £35k on security. £32k overspend on postage and £15k waste collection costs offset by £45k underspend on general expenses. £116k increase within the M & F staffing budget due to increase in staffing costs, mainly overtime and agency. A reduction in R&M costs of (£128k). £48k increase within Catering Service for agency staff and Catering Supplies. £50k increase in utilities and various other adjustments in various buildings
Sub Total AD Assets	796	417	379	
Director of Customer & Shared Services - Operational	2,197	1,366	831	
Corporate Costs				
Debt Management Costs	-1,113	-1,000	-113	A review of Financing cost has identified additional forecast underspend.
Audit Fees	-30	0	-30	Reduction to fees forecast due to reduced work carried out by Audit Commission
Insurance	0	0	0	
Members' costs	79	79	0	
Premature Retirement Costs	1,000	1,000	0	
Sub Total Corporate Costs	-64	79	-142	
Director of Customer & Shared Services, before Contingency & Reserves	2,134	1,445	689	
Contingency & Reserves	-1,100	0	-1,100	Revised forecast contribution to reserves due to larger than forecast general fund balances available (£400k) and release of Contingency to cover Appendix E pressures (£700k).
Director of Customer & Shared Services	1,033	1,445	-412	

Title and Description of the Scheme	Revised 2010/11 Budget						Full Year Forecast						Full Year Variance						Over / under spend						Slippage to 2011/12						December 2010					
	Gross Expenditure		External Funding		Net Expenditure		Gross Expenditure		External Funding		Net Expenditure		Gross Expenditure		External Funding		Net Expenditure		Gross Expenditure		External Funding		Net Expenditure		Gross Expenditure		External Funding		Net Expenditure		Gross Expenditure		External Funding		Net Expenditure	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s		
Total 2010/11 Starts:	2,893	0	2,893	2,003	0	2,003	(890)	0	(890)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Capital 2010/11	7,904	(186)	7,718	6,749	(186)	6,563	(1,155)	0	(1,155)	(200)	0	(200)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Targeted Efficiency Savings Monitoring - Summary

Month:

Dec 2010

Service Area	2010/11 Budget £m	Month			Year to date			Full Year		
		Budget £m	Actual £m	Variance	Budget £m	Actual £m	Variance	Budget £m	Forecast £m	Variance
Customer & Shared Services										
Efficiencies										
Customer Services	0.043	0.004	0.002	(0.002)	0.030	0.032	0.002	0.043	0.045	0.002
Revenues & Benefits	0.230	0.027	0.011	(0.016)	0.149	0.055	(0.094)	0.230	0.102	(0.129)
Finance	0.546	0.047	0.046	(0.001)	0.406	0.393	(0.013)	0.546	0.533	(0.013)
Audit	0.061	0.005	0.005	0.000	0.046	0.046	0.000	0.061	0.061	0.000
Legal & Democratic	0.133	0.011	0.025	0.014	0.100	0.181	0.081	0.133	0.255	0.122
Property	0.554	0.056	0.075	0.019	0.386	0.250	(0.136)	0.554	0.543	(0.011)
HR	0.198	0.018	0.011	(0.008)	0.145	0.066	(0.080)	0.199	0.121	(0.079)
ICT	0.750	0.063	0.063	0.000	0.563	0.563	0.000	0.750	0.750	0.000
Corporate Costs	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SMR	0.503	0.050	0.040	(0.010)	0.352	0.301	(0.051)	0.503	0.421	(0.082)
TOTAL	3.018	0.281	0.277	(0.084)	2.177	1.886	(0.472)	3.019	2.830	(0.189)

Earmarked Reserves		Appendix D			
Reserve	Proposed Balance as at 1/4/10	Increased in year 2010/11	Planned Use 2010/11	Proposed Balance as at 31/3/11	Notes
	£000's		£000's	£000's	
CORPORATE RESERVES					
Elections Fund	42	146		188	Equalised annual revenue contributions from service
Redundancy/Harmonisation Reserve	90	2,771	-739	2,122	Increase in year includes £1,500k transfer from Sus Comm
Insurance Reserve CBC	349			349	
Insurance Reserve ex BCC	2,726		-29	2,697	Planned use equates to cost of administering insurance for ex BCC claims.
Total	3,207	2,917	(768)	5,356	

Appendix E

Debtor invoices issued, overdue, with a value greater than £10k.

DATE	Customer Number	Amount
25/01/2010	109572	£ 119,095.18
01/06/10	109783	£ 11,720.95
01/09/10	109572	£ 16,226.94
27/10/10	109783	£ 42,043.26
02/11/10	109572	£ 60,053.64
16/11/10	103823	£ 16,389.20
16/11/10	113854	£ 14,744.56
25/11/10	114867	£ 24,995.67
03/12/10	113481	£ 189,000.00
03/12/10	124091	£ 19,964.12
08/12/10	109640	£ 12,830.46
17/12/10	111267	£ 20,277.90
17/12/10	105974	£ 11,751.74
21/12/10	114867	£ 17,064.80
25/12/10	109640	£ 13,953.13

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Meeting: *Customer & Central Services Overview & Scrutiny Meeting*
Date: *21st March 2011*
Subject: **Budget Management Report Quarter ended 31st December 2010 for the Office of the Chief Executive**
Report of: **Portfolio Holder for Policy and Performance**
Summary: The report sets out the financial position to the end of December 2010 and the latest forecast position.

Contact Officer: Chief Executive
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

Sound financial management contributes to the delivery of the Council's value for money, enabling the Council to successfully deliver its priorities

Financial:

The financial implications are set out in the report

Legal:

None

Risk Management:

None

Staffing (including Trades Unions):

None

Equalities/Human Rights:

None

Community Safety:

None

Sustainability:

None

RECOMMENDATION(S):

1. that the Committee

- (a)** Notes and considers this report
- (b)** Considers any issues from this report that could form part of their work programme

Introduction

1. The report sets out the financial position to the end of December 2010 and the latest forecast position.

Executive Summary Revenue

2. The full year forecast position is £233k (5.2%) under budget. This incorporates planned contributions of £285k from earmarked reserves. This reserve funding, the majority of which is set aside from external resources, relates to specific activity not included in base budget funding.
3. The following Table A shows a summary position analysed by CE and Assistant Directors, with more detailed commentary in the following paragraphs. Appendix A1 provides a more detailed analysis by Head of Service and A2 the change in forecast outturn since the last report.
4. The forecast under spend position of £233k consists of a £72k under spend against the supplies and services budget, a £169k under spend against the staff cost budget and an £8k unachievable income target. The under spend against supplies and services includes a £9k forecast under spend against the Chief Executive's budget, a £32k under spend against the AD Strategy and Performance budget and a £31k under spend against the AD Communications budget. The forecast under spend against the staff cost budget is primarily due to the existence of four vacant posts including the Performance Head of Service post, the Performance Improvement Manager post and 2 further posts within the Planning and Programme Management Team. The unachievable income target relates to advertising income expected to be generated from News Central publications. The resultant over spend has however been offset by a corresponding reduction in forecast costs for the magazine.

There is currently an under spend to date, against profiled budget, of £527k. This includes a £10k under spend against the Chief Executive's budget, a £42k under spend against the Communications budget and a £475k under spend against the AD Strategy and Performance budget. A significant element of the under spend against the AD Strategy and Performance budget relates to the £800k Invest to Save (ITS) Programme. All of this has been committed to be spent this year (detail in section 16).

5. The forecast spend has reduced by £142k since the Quarter 2 budget monitoring report. This includes a £12k reduction to the Chief Executive’s forecast, a £23k reduction to the AD Communication’s forecast and an £106k reduction to the AD Strategy and Performance forecast. £47k of this reduction is due to a transfer in of budget to mitigate a budget shortfall for costs associated with MKSM and the Director of Public Health.
6. Table A

Assistant Director	Variance to Date	Forecast variance at year end (after use of reserves)	Management Actions	Forecast Outturn Variance
	£000	£000	£000	£000
Chief Executive	(10)	(12)	0	(12)
Communications	(42)	(24)	0	(24)
Strategy and Performance	(475)	(197)	0	(197)
TOTAL	(527)	(233)	0	(233)

7. **Chief Executive**

The Chief Executive has a year to date under spend of £10k and a forecast under spend position of £12k. This £12k forecast under spend consists of a £3k under spend against the staff cost budget and a £9k under spend against the Supplies and Services budget.

8. **AD Communications**

AD Communications has a year to date under spend of £42k and following planned contributions from reserves has a forecast under spend position of £24k. The AD Communications budgets have now been re-aligned to new Communications structure and as part of this process a net budget of £77k has been set aside for costs associated with the production of the News Central magazine. This net budget includes income of £25k which is expected to be generated from advertising revenue.

9. The £42k year to date under spend consists of a £24k budget pressure against the staff cost budget, a £7k income target not yet achieved and a £73k under spend against the Supplies and Services forecast. The income target relates to advertising revenue associated with the New Central magazines. The year to date budget pressure against the staff cost budget is due to Agency staff costs incurred in the first half of the financial year and to redundancy costs, amounting to £16k, which have been offset by a transfer from reserves. The under spend against supplies and services is due to planned expenditure for News Central Magazine and E Communications work which is due to fall in the latter part of the financial year.

10. The forecast spend has decreased by £23k since the Quarter 2 budget monitoring report. This movement incorporates a £13k budget transfer to the Director of Children's Services. The forecast movement includes a £17k reduction in staff costs, a £27k reduction in supplies and service forecast offset by an £8k unachievable income target. The reduction in forecast for staff costs is primarily due to the recent departure of two members of staff, staff absent on sick leave and changing assumption regarding the requirement for agency staff. Specific reasons for the reduction in forecast for supplies and services include the postponement of the 2010 Residents Survey and Place Survey and a reduction in the forecast for costs associated with the News Central magazine. This reduction in forecast costs for the magazine offsets the unachievable income target.
11. The full year forecast under spend position of £24k reflects a breakeven position for staff cost, a £32k forecast under spend against the supplies and services budgets and an £8k unachievable income target. Pressures identified in previous reports against the staff cost budget have been mitigated by careful management of this budget and by earlier than previously planned departures of agency staff which has successfully kept costs within budget. The £8k unachievable income target relates to advertising income expected to be generated from the News Central magazine and has been offset by a corresponding reduction in forecast costs for the magazine. The under spend against the Supplies and Service budget includes a £25k forecast under spend against the AD Communications Professional Services, Subscriptions and Printing and Stationery budgets, a £9k under spend against the E Communications and Consultancy budget due to the postponement of the 2010 Residents Survey and Place Survey 2010 offset by a £10k over spend against the Internal and External Communications budgets partly which is partly due to the inclusion of a £7k forecast for the Digital Advertising Licence.

12. **AD Strategy and Performance**

AD Strategy and Performance has a year to date under spend of £475k and following planned contributions from earmarked reserves has a forecast under spend position of £197k. The forecast spend position has increased by £2k since the previous budget monitoring report.

13. The forecast under spend position of £197k includes a £32k under spend against the supplies and services budget and a £165k under spend against the staff cost budget. The forecast under spend against the staff cost budget is due to the existence of 4 vacant posts including the Performance Head of Service post, the Performance Improvement Manager post and 2 further posts within the Planning and Programme Management Team. This forecast is based on the assumption that three posts of the four posts will remain vacant until the end of the financial year. The £32k under spend against the Supplies and Service budget consist of a £3k under spend against the AD Strategy and Performance budget, a £3k under spend against the Corporate Costs budget, an £8k under spend against the Performance and Partnership budget and a £18k under spend against the Planning and Programme Management budget.

14. The year to date under spend position of £475k includes a £293k under spend against the £800k Invest to Save (ITS) Programme which is due to a variation between profiled budget and actual expenditure to date partly due to a reduction in revenue allocation for the Web Strategy project and an £8k under spend against the Target Support Grant. In addition, across the remainder of the Assistant Directorate there is a £103k under spend against the Supplies and Services budget, a £7k income receipt in advance of requirement and a £64k under spend against the staff cost budget. Planned supplies and services expenditure during the latter part of the year includes Partnership Forums and Performance Management expenditure. The year to date position for staff costs reflects a higher level of spend in the first half of the financial year than is forecast for the second. This is due to the mid year transfer out of 11 posts and redundancy costs amounting to £28k were also incurred during the first half of the financial year, although these have been offset by a transfer from reserves.

15. The forecast over spend position has reduced by £106k since the Quarter 2 budget monitoring report. This is due to a £47k budget transfer from Customer and Shared Services to mitigate the budget shortfall for costs relating to MKSM and the Director of Public Health. Additional forecast reductions include a £25k reduction against the Partnership and Performance supplies and services budget partly due to reduced costs associated with Stakeholder, 3rd Sector and CBT Community events, and reductions to the forecast against the Printing and Stationery and Postage budgets and a £21k reduction against the Planning and Programme Management supplies and service budgets which includes forecast reductions against General Transport, Catering Supplies, Civic Hospitality, Books and Journals, Printing and Stationery, Professional Services, Consultancy and postage.

16. The full year budget of £800k for the Invest to Save Programme has been provisionally allocated to the following projects:

Passenger Transport Strategy - £238k

Web Strategy - £136k

Revenue Income Optimisation (RIO) Project - £115k

Customer & Shared Services Recovery Programme - £225k

The Invest to Save budget is currently showing an under spend of £86k.

Allocation of this remaining balance is currently under review by CMT.

17. Planned use of reserves by AD Strategy and Performance amounts to £269k. £242k of this will be funded by reserves created from the receipt of external grants, and will be used in support of the Sustainable Neighbourhood Project, the Targeted Support for Empowerment Improvement Project, and Implementation of Community Engagement Work. The remaining £27k planned use of reserves will be drawn from a corporate reserve and used to cover costs incurred as a result of redundancy.

18. Grant Funding

The £11.657m Area Based Grant (ABG), the estimated £1.328m LAA Performance Reward Grant (LAA PRG) and the £0.080m Target Support Grant are all coordinated within this Assistant Directorate by the Head of Partnerships and Performance.

19. Area Based Grant As a result of the local government budget cuts announced on 10th June 2010 the Central Bedfordshire ABG allocation has been reduced from £13.115m to £11.610m. The reductions overall include £1.172m from Department for Education revenue, £0.104m for Supporting People Administration revenue, £0.204m for Road Safety revenue and £0.025m from the Home Office. The Executive have agreed that each Director will manage their own reductions and where this may involve redundancy costs, the LAA PRG may be used to offset an element of these. There has now been a further mid year revision to the Area Based Grant resulting in increase of £47k from £11.610m to £11,657m. This additional income is primarily associated with a £32k grant for the eradication of child poverty and a £17k grant for petitions duty.

20. LAA Performance Reward Grant LAA Performance Reward grant received to date amounts to £1.330m with a further £218k expected to be received at the end of the financial year. This additional reward grant is the result of a further claim made to Communities and Local Government (CLG) in respect of the Volunteering Target. As a condition of the grant 50% of the total grant must be used for capital expenditure and 50% for revenue expenditure.

21. Target Support Grant This is a revenue grant of up to £87k from the East of England Regional Empowerment Partnership to contribute towards the cost of activities associated with supporting improvement in empowerment and participation in Central Bedfordshire. The grant is claimed quarterly in arrears.

22. Total Place A funding bid made to Improvement East now provides £200k for implementation activities for the two pilot themes (Phase 1), to further develop shared Customer Insight functionality across partners and to kick-start future Total Place opportunities. This funding needs to be spent by 31st March 2011. Monitoring information will need to be submitted to Improvement East in order to draw down the funding. In addition, £35k under spend from the pilot budget and £26k under spend from the shared Customer Insight pilot work (funded by IDEa) has been ring-fenced and carried forward. A total pot of £262k is therefore available for implementation within 2010/11.

23. Budget Transfers. During the previous quarter, the following budget transfers were processed:

- £13k from AD Communications to the Director of Children’s Services. This reverses a previous transfer for a Communications graduate trainee post
- £45k from AD Strategy and Performance to the Director of Customer and Shared Services for 3 EDRMS posts
- £47k from the Director of Customer and Shared Services to AD Strategy and Performance for Corporate Subscriptions
- £65k income transfer from AD Strategy and Performance to the Director and Children’s Service and the Director of Adult Services for Area Based Grant associated with costs transferred in September.

Capital Position

24. Details of the OCE Capital programme is shown at Appendix B

25. The following Table B shows a summary of capital projects including the slippage from 2009/2010 which is still subject to approval and the LAA grant funded scheme.

26. Table B

Title	Budget Expenditure £000s	Expenditure to Date £000s	Forecast Expenditure £000s	Slippage to 2011/12 £000s
LPSA and LAA Grant Payout – (Slippage of £697k from 2009/10). LSP agreement is required to use this grant.	697	0	0	697
LAA PRG Capital Reward Grant	690	0	0	690
Performance/ Complaints Management System	90	0	45	45
Web Strategy	170	0	170	0
Net	1,647	0	215	1,432

Revenue Virement Requests

27. There are currently no proposed virements over £100k.

Key Risks and Opportunities

28. There is a financial risk associated with the publication of News Central, however the expected pressure has been included in the forecast and a budget drawn from existing resources has also now been put in place.

Achieving Efficiencies

29. A number of efficiency savings are built into the 2010/11 base budget. A full analysis of efficiencies is provided at Appendix C. Currently these are all on track to be delivered which is borne out by the forecast outturn position.

Reserves position

30. Appendix D shows the full list of reserves for OCE. The total balance available as at April was £290k. £242k of these reserves is currently planned to be used in year.

Debt analysis

31. There are currently no debts greater than £10k

Appendices:

Appendix A1 – Net Revenue Position Full Analysis

Appendix A2 – Movement between latest expected variance and November forecast variance

Appendix B – Capital Monitoring

Appendix C – Efficiencies

Appendix D – Earmarked Reserves

Background Papers: None

Location of papers: Technology House, Bedford

Appendix A1

NET REVENUE POSITION Full Analysis

OFFICE OF THE CHIEF EXECUTIVE	Profiled Budget to date A	Actual to Date B	Variance to date C (B) - (A)	Approved Budget D	Forecast Outturn E	Forecast Full Year Variance G (E) - (D)	Proposed use of Earmarked reserves H	Forecast Variance after use of earmarked reserves J (G)+(H)	Report Para Ref
	£000	£000	£000	£000	£000	£000	£000	£000	
Chief Executive	230	220	(10)	307	295	(12)	0	(12)	
Sub Total Chief Executive	230	220	(10)	307	295	(12)	0	(12)	7
AD Communications	134	110	(24)	179	161	(18)	0	(18)	
Corporate Communications	0	9	9	0	8	8	(7)	1	
Business Development	161	141	(20)	214	204	(10)	(9)	(19)	
Internal Communications	131	133	2	174	182	8	0	8	
External Communications	162	170	9	216	233	17	0	17	
E Communications and Consultation	135	116	(18)	180	167	(13)	0	(13)	
Sub Total Communications	722	680	(42)	963	956	(7)	(16)	(24)	8 to 11
AD Strategy and Performance	117	111	(5)	156	153	(2)	0	(2)	
Total Place	0	0	0	0	0	0	0	0	
Invest to Save Programme	669	376	(293)	800	800	0	0	0	
Planning and Programme Management	835	784	(52)	1,112	1,050	(62)	(28)	(90)	
Performance and Partnerships	971	856	(115)	980	880	(100)	0	(100)	
LAA Performance Reward Grant	0	0	0	0	218	218	(218)	0	
Targeted Support Grant	28	21	(8)	0	22	22	(24)	(2)	
Corporate Subscriptions	114	112	(2)	152	149	(3)	0	(3)	
Sub Total Strategy and Performance	2,734	2,259	(475)	3,200	3,271	72	(269)	(197)	12 to 22
Total Office of the Chief Executive	3,686	3,159	(527)	4,470	4,522	53	(285)	(233)	

Movement between December variance and September forecast variance				Appendix A2
Office of the Chief Executive	December Variance	September Variance	Change (- decrease)	Commentary
	£000	£000	£000	
Chief Executive	(12)	-	(12)	Movement due to a reduction in a £3k reduction in forecast for staff costs and a £9k reduction in forecast for supplies and services.
Sub Total Chief Executive	(12)	-	(12)	
AD Communications	(18)	(9)	(9)	Movement primarily due to a £25k reduction in forecast for professional service costs offset by a £13k increase in forecast due to a budget transfer to the Director of Children's Services. This transfer relates to funding transferred from Children's Services earlier in the financial year for a graduate trainee post. A £3k increase in the staff cost forecast is further reason for this movement.
Corporate Communications	1	1	0	
Business Development	(19)	(12)	(7)	Movement primarily due to a reduction in the forecast for staff costs due to a post recently becoming vacant (not previously forecast) and the reduction in Agency staff costs due to the correction of a purchase order which had been goods receipted in error
Internal Communications	8	3	5	Movement due to a £2.5k increase in forecast for staff costs and a £2.5k increase in forecast for supplies and services.
External Communications	17	16	1	Movement due to a £7k increase due to the inclusion of a £7k forecast for a Digital Advertising Licence offset by a £6k decrease in the staff cost forecast.

Movement between December variance and September forecast variance				Appendix A2
Office of the Chief Executive	December Variance	September Variance	Change (- decrease)	Commentary
	£000	£000	£000	
E Communications and Consultation	(13)	0	(13)	£10k of this movement is due to the postponement of the 2010 Residents Survey and Place survey. A further £3k is due to a reduction in the staff cost forecast.
Sub Total Communications	(24)	(1)	(23)	
AD Strategy and Performance	(2)	(0)	(2)	Movement due to a reduction in forecast against various supplies and services budgets
Invest to Save Programme	-	-	0	
Planning and Programme Management	(90)	(79)	(11)	Movement due to a £10k increase in forecast for staff costs offset by a £21k reduction in forecast for Supplies and services which includes forecast reductions against General Transport, Catering Supplies, Civic Hospitality, Books and Journals, Printing and Stationery, Professional Services, Consultancy and postage
Performance and Partnerships	(100)	(58)	(42)	Movement due to a £10k reduction in Agency staff costs which are now to be met from External Target Support Grant funding, a £7k reduction to the staff cost forecast partly due to the vacant Hd of Performance post and a £25k reduction to the Supplies and Service forecast. This is partly due to reduced costs associated with Stakeholder, 3rd Sector and CBT Community events, and reductions to the forecast against the Printing and Stationery and Postage budgets

Appendix A2

Movement between December variance and September forecast variance				Change (- decrease) £000	Commentary
Office of the Chief Executive	December Variance £000	September Variance £000	£000		
LAA Performance Reward Grant	-	0	0		
Targeted Support Grant	(2)	0	(2)		Movement due to a reduction in forecast for Agency staff costs
Corporate Subscriptions	(3)	47	(50)		Movement due to a budget transfer to cover the a budget shortfall for costs associated with MKSM and the Director of Public Health
Sub Total Strategy and Performance	(197)	(91)	(106)		
Total Office of the Chief Executive	(233)	(91)	(142)		

CENTRAL BEDFORDSHIRE CAPITAL REVIEW 2010/2011

Office of the Chief Executive

Title and Description of the Scheme	Detailed Business Case	Outline Business Case	Revised 2010/11 Budget			Full Year Forecast			Full Year Variance			Over / under spend			Slippage to 2011/12			
			Gross Expenditure £000s	External Funding £000s	Net Expenditure £000s	Gross Expenditure £000s	External Funding £000s	Net Expenditure £000s	Gross Expenditure £000s	External Funding £000s	Net Expenditure £000s	Gross Expenditure £000s	External Funding £000s	Net Expenditure £000s	Gross Expenditure £000s	External Funding £000s	Net Expenditure £000s	
2010/11 Starts:																		
LPSA & LAA Grant payout The funding is reward grant based on the achievement by partners of joint outcomes and targets agreed with central government via the regional office. An element of the total reward grant is for revenue funding and this is being dealt with separately.			1,387	(1,387)	0	0	0	0	1,387	0	0	(1,387)	0	0	0	1,387	(1,387)	0
<u>Performance / Complaints Management System:</u> To introduce a corporate software system or systems which will allow us to: Effectively monitor, report and improve on our performance Analyse and plan for effective risk management Enable multi user access (officers and Members) to provide up to date performance information Web strategy - The Council's web strategy project has 3 strategic objectives: <ul style="list-style-type: none"> To generate efficiencies To support democratic engagement To improve customer service The implementation of this comprehensive web strategy is fundamental to the transformation of the Council's services.			90	0	90	45	0	45	(45)	0	0	(45)	0	0	0	45	0	45
Total 2010/11 Starts:			1,647	(1,387)	260	215	0	215	(1,432)	1,387	(45)	0	0	0	0	1,432	(1,387)	45
Total Capital 2010/11			1,647	(1,387)	260	215	0	215	(1,432)	1,387	(45)	0	0	0	0	1,432	(1,387)	45

Appendix C

Targeted Efficiency Savings Monitoring - Summary

Month: Dec 10

Service Area	2010/11 Budget £m	Comments (please include here explanations around the current status of the efficiency i.e why it is or is not on target and the full year implications)	Month			Year to date			Full Year			
			Budget £m	Actual £m	Variance	Budget £m	Actual £m	Variance	Budget £m	Forecast £m	Variance	
Office of the Chief Executive												
Efficiencies			Updated on : 1st December 2010									
Communications	0.015	Via reduced spend - on track	0.000	0.000	.0000	0.015	0.015	.0000	0.015	0.015	.0000	.0000
Corporate Efficiencies	0.015	Via economies of scale and efficient procurement	0.000	0.000	.0000	0.010	0.010	.0000	0.015	0.015	.0000	.0000
Strategy and Partnerships	0.119	Via reduced spend & frozen posts - on track	0.002	0.002	.0000	0.112	0.112	.0000	0.119	0.119	.0000	(0.000)
SMR Review	0.056	On track	0.006	0.006	.0000	0.037	0.037	.0000	0.056	0.056	.0000	(0.000)
TOTAL	0.205		0.008	0.008	0.000	0.174	0.174	.0000	0.205	0.205	.0000	0.000

OFFICE OF THE CHIEF EXECUTIVE

Appendix D

Earmarked Reserves and Carry Forwards	Proposed Balance as at 1/4/2010	Planned Use 2010/11	Proposed Balance as at 31/3/11
	£000's	£000's	£000's
OCE Reserves:			
Sustainable Neighbourhood	48	(16)	32
Local Area Agreement PRG	218	(218)	0
Implementation of Community Engagement Work	6	(6)	0
Targeted Support for Empowerment Improvement Project	18	(2)	16
Total planned use of OCE Reserves:	290	(242)	48
Use of Corporate reserves			
Redundancies Reserve		(44)	
Total		(44)	
Total Planned Use of Reserves:		(285)	

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Meeting: Corporate & Customer Services Overview & Scrutiny Committee
Date: 21 March 2011
Subject: Treasury Management Quarter Three Report
Report of: Cllr Maurice Jones, Portfolio Holder for Finance, Governance and People
Summary: The report provides an update on treasury management activity for Quarter three of the financial year 2010/11.

Advising Officer: Richard Ellis, Director of Customer & Shared Services
Contact Officer: John Unsworth, Interim Assistant Director Financial Services
Public/Exempt: Public
Wards Affected: All
Function of: Executive/Council
Key Decision No
**Reason for urgency/
exemption from call-in
(if appropriate)** Not applicable

CORPORATE IMPLICATIONS

Council Priorities:

The effective management of the treasury management activities allowing the maximisation of its investment income and reduction in associated borrowing cost.

Financial:

None arising from the report.

Legal:

None

Risk Management:

Activities during the quarter have been undertaken in line with the Council's Treasury Management Strategy. This Strategy takes a risk based approach the manner in which borrowing and investments are managed.

Staffing (including Trades Unions):

None

Equalities/Human Rights:

None

Community Safety:

None

Sustainability:

None

RECOMMENDATION(S):

- 1. That the Corporate & Customer Services Shared Services Overview & Scrutiny Committee considers the report and submits comments to the Executive and Council if considered necessary.**

Reason for Recommendation(s): Monitoring of the treasury management performance is in line with the requirements of Central Bedfordshire's Treasury Management Strategy.

Introduction

1. Central Bedfordshire Council approved its Third Treasury Management Policy and Strategy in February 2011.
2. Attached at Appendix A is a report on performance for the Third Quarter of 2010/11 covering investments, borrowing and cashflow management.
3. Matters that Overview & Scrutiny Committee may wish to consider:
 - 1) The Council's approach to the Treasury Management Strategy.
 - 2) The level of investments required to allow for cash volatility and the opportunities for refinancing
 - 3) Compliance with prudential indicators and the margin of comfort at current activity.
 - 4) The format and contents of future reports.

Key activity and outcomes

4. The detailed commentary is contained in the Appendix A but the following issues are of note.

Borrowing

5. Table 1 sets out the movement in Central Bedfordshire's borrowing between 1st April 2010 and 31st December 2010. The detailed borrowing Portfolio is shown at Appendix B to the report.

Table 1 Central Bedfordshire Borrowing 2010/11

	Balance on 01/04/2010 £000s	Debt Repaid £000s	New Borrowing £000s	Balance on 31/12/2010 £000s	Increase/ (Decrease) in Borrowing
Short Term Borrowing	5,006	25,500	20,500	6	(5,000)
Long Term Borrowing	156,253	0	0	156,253	0
TOTAL BORROWING	161,259	25,500	20,500	156,259	(5,000)

6. Typically, local authorities have entered into fixed rate borrowing. The portfolio inherited by Central Bedfordshire on 1 April 2009 amounted to £156.266m and was 100% fixed rate. The equivalent borrowing figure as at the 31st March 2010 was £161.259m, of which 78% was fixed and 22% variable following restructuring undertaken during the previous financial year. This was reported to Corporate and Customer Services Overview and Scrutiny and has generated revenue savings of £1.083m (£1.007m after Premium write off) in the current financial year to the end of December.
7. The authority continues to evaluate possibilities of further debt restructuring in accordance with its Treasury Management Strategy. However, within the announcement in the Comprehensive Spending Review on 20th October 2010, the HM Treasury instructed the PWLB to increase the interest rate on all new loans by an average of 1% above UK Government Gilts. The new borrowing rates for fixed loans increased by approximately 0.87% across all maturities, and variable rates by 0.90% has made restructuring less attractive.
8. The use of internal resources in lieu of borrowing has been the most cost effective means of financing of capital expenditure. This has lowered overall treasury risk by reducing both external debt and temporary investments. However, this position will not be sustainable over the medium term and the Council expects it will need to borrow to support its Capital Programme during 2011/12

Investments

9. Table 2 sets out the movement in investments in Central Bedfordshire between 1st April 2010 and 31st December 2010. The detail of investment is set out at Appendix C to the report.

Table 2 Central Bedfordshire Investments 2010/11

	Balance on 01/04/2010 £000s a	Investments Made £000s b	Investments Repaid £000s c	Balance on 31/12/2010 £000s (a+b-c) = d	Increase/ Decrease in Investments £000s (d-a) = e
Short Term Investments	59,350	424,160	416,260	67,250	7,900
Long Term Investments	0	0	0	0	0
Investments in Pooled Funds Lime Fund	4,530	0	0	4,589	59*
Funds Managed - Investec	5,749	0	5,749	0	(5,749)
TOTAL INVESTMENTS	69,629	424,160	422,009	71,839	1,415

* Units valued at market value

10. The UK Bank Rate has been maintained at 0.5% since March 2009 and consequently short-term money market rates have remained at very low levels. Despite this new deposits for periods up to one year have been made between 0.8% to 2.2%. For internally managed funds the Council has been able to obtain a rate of return over its set benchmark of 3 month LIBID (currently 0.66%), the Council's average rate of return being 1.52%.

Cash Management

11. The authority continues to develop its cashflow management arrangements with its external advisers, Arlingclose. A predictive cash flow model is in place that combines known income and expenditure trends against current budgeted data. Appendix D sets out the cash movement for the current financial year to the end of December 2010.
12. Graph 1 demonstrates the range of daily movements. These have ranged between net payments of £17M (demonstrated as a negative figure on the graph) and income of £15M (demonstrated as a positive on the graph).
13. Graph 2 shows that the actual cash movement of the Council will equate to anything between £50m to £70m within a calendar month. In order to facilitate these cash movements the Council will typically keep up to £30M in liquid cash, that is allowed to run down, and build up in the course of the month.

Prudential Indicators

14. The authority has remained within its prudential indicators within the Third Quarter. Full details can be found in Annex A of Appendix A to the report.

Appendices:

Appendix A – Treasury Management Report – Quarter 3 2010/11

Appendix B – Debt Portfolio

Appendix C – Investment Profile

Appendix D – Cashflow Movements–Excluding Investments and Loan Principal Movements.

Background Papers: (open to public inspection)

Treasury Management Strategy – 2010/11

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Quarterly Treasury Report Q3 2010/11

1. Background

The Treasury Management Strategy for 2010/11 has been underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2009, which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year.

The Code of Practice recommends that members should be informed of Treasury Management activities at least twice a year, but preferably quarterly. This report therefore ensures this authority is embracing Best Practice in accordance with CIPFA's recommendations.

Treasury management is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2. Economic Background

- The Comprehensive Spending Review announced on 20 October 2010 set out how the Coalition Government will carry out the UK's deficit reduction plan over the next 4 years with the aim of eliminating the structural deficit by 2015. Particular focus was given to "reducing welfare costs and wasteful spending". Departmental budgets (other than health and overseas aid) are to be cut by an average of 19%, with around £81 billion cut from public spending overall, over 4 years resulting in a loss of around 490,000 public sector jobs. The Office of Budget Responsibility's (OBR), the new fiscal watchdog, verdict on the CSR was that there was a better than even chance of hitting the fiscal mandates and that the rebalancing of the economy could be relatively pain-free.
- The Bank of England's November Quarterly Inflation Report showed inflation remaining above the 2% target throughout 2011. In the Bank's view the recovery in economic activity was likely to continue, with GDP growth more likely to be above the historical average than below it for much of the 2-year forecast period.
- The headline inflation rate, Consumer Price Inflation (CPI), rose to 3.3% year-on-year to November 2010 and was expected to remain at a discomfortingly high rate into 2011. However, wage inflation remained benign with annual rate for average weekly earnings only 2.2% to October 2010.
- The UK economy grew in the third calendar quarter of 2010 by 0.8%, twice as much as economists forecast, as services and construction helped sustain the recovery's momentum. The annual growth rate increased to 2.8%. The Monetary Policy Committee maintained the Bank Rate at 0.5%, and although the MPC maintained Quantitative Easing at £200bn, minutes

of the Committee's meetings showed the MPC was clearly ready to resume asset purchases if the economy slowed faster than expected.

3. Debt Management

PWLB Borrowing Rates post-CSR : Announced in the Spending Review on 20th October was the instruction from HM Treasury to the PWLB to increase the interest rate on all new loans by an average of 1% above UK Government Gilts. PWLB Circular 147 was released on the same day which detailed the changes to the rate setting system. The new borrowing rates for fixed loans increased by approximately 0.87% across all maturities, and variable rates by 0.90%. Premature repayment rates did not benefit from the corresponding increase and the PWLB's methodology remained unchanged. HM Treasury determined that these changes ensured that the rate at which loans are made available to local authorities better reflected the availability of capital funding post-Spending Review and would encourage optimal borrowing and investment decisions.

Whilst there are an increasing series of claims that a competitive, comparable equivalent to PWLB is readily available, the Council will adopt a cautious and considered approach to funding from the capital markets. The Council's treasury advisor, Arlingclose, is actively consulting with investors, investment banks, lawyers and credit rating agencies to establish the attraction of different sources of borrowing, including bond schemes, loan products and their related risk/reward trade off.

Currently the use of internal resources in lieu of borrowing has been the most cost effective means of funding of capital expenditure. This has lowered overall treasury risk by reducing both external debt and temporary investments. However, this position will not be sustainable over the medium term and the Council expects it will need to borrow for capital purposes during 2011/12.

£35.6m of PWLB fixed rate loans was rescheduled last year at an average rate of 0.7% which mitigate the impact of changes in variable rates on the Council's overall treasury portfolio (the Council's investments are deemed to be variable rate investments due to their short-term nature. Due to the fact that the Council's variable rate loans were borrowed prior to 20/10/2010 (the date of change to the PWLB's lending arrangements post CSR) the variable rates payable are maintained on their initial terms and are not subject to the additional increased margin. Variable rate borrowing is expected to remain attractive for some time as the Bank of England maintains the base rate at historically low levels. This strategic exposure to variable interest rates will be regularly reviewed and, if appropriate, reduced by switching into fixed rate loans.

This Debt rescheduling has generated revenue savings of £1.083m (£1.007m after premium write off) in the current year to the end of December.

The rescheduling activity complies with the Local Government accounting and regulatory requirements.

4. Investment Activity

The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles.

The UK Bank Rate has been maintained at 0.5% since March 2009. Short-term money market rates have remained at very low levels. Despite this, internally new deposits for periods up to one year have been made between 0.8% - 2.2%.

The council has been able to obtain average rate of return over its set benchmark of 3 month LIBID (currently 0.66%), the Council's average rate of return being 1.52% (which was received overall on internal investments and monies in call accounts).

Long term investment:

Lime Fund - The Council's Investment in the Lime Property Fund, continues to generate a good return. The second quarter's return was distributed in November which was consistent to the first quarters which mean year to date to the end of September the return on the investment was 5.49% before fees and 4.76% after fees.

As the property market picks up, the fund has also continued to grow in value albeit slowly, over the year to 31 December 2010. It has increased by £59k in capital terms (which is unrealised). Although the value of the fund remains below its initial investment value of £5m at the end of December it should be noted that the nature of the investment is long term.

Externally Managed Funds:

Investec – The Council had an amount of money managed by a fund manager who traded on the open market buying and selling primarily certificates of deposits and commercial papers. The fund was structured in a way which historically generated a good return due to changes in the market the performance of the fund over the last few years deteriorated significantly.

The Council has undertaken an ongoing review of the externally managed fund the council with its advisors. Following this review it was decided to withdraw its fund from Investec and bring the money in-house. The reasons for this change were twofold. Firstly the costs associated with restructuring the funds were very high, and secondly the increase in liquid internal funds would allow the council to use the funds in lieu of borrowing which was the most cost effective means of using the funds.

Security of capital remained the Council's main investment objective. This was maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2010/11. This restricted new investment to the following:

- the Debt Management Office

- Other Local Authorities
- AAA-rated Stable Net Asset Value Money Market Funds
- Deposits with UK Banks and Building Societies systemically important to the UK banking system and deposits with select non-UK Banks (Australia, Canada, Finland, France, Germany, Netherlands, Spain, Switzerland and the US).

Counterparty credit quality is assessed and monitored with reference to: Credit Ratings (Council's minimum long-term counterparty rating of A+ across all three rating agencies, Fitch, S&P and Moody's); Credit Default Swaps; GDP of the country in which the institution operates; the country's net debt as a Percentage of GDP; Sovereign Support Mechanisms /potential support from a well-resourced parent institution; Share Price.

- Bonds issued by Multilateral Development Banks, such as the European Investment Bank
- Pooled funds (collective investment schemes) meeting the criteria in SI 2004 No 534 and subsequent amendments

Counterparty Update

- The Council added one new UK banks to the approved counterparty list in Q3 2010/11: Standard Chartered Bank. Currently no money has been invested with them.
 - The long-term rating for Standard Chartered Bank was upgraded to A1 (A+ equivalent) by Moody's in November, due to its recent \$5.2bn rights issue. The Bank is strongly positioned to accommodate increases in capital requirements as a result of regulatory changes. Standard Chartered was one of the eight UK institutions given automatic access to the UK Government's Credit Guarantee Scheme (CGS) in October 2008, meaning that it could be deemed to be of systemic importance to the UK Banking System.

5. Compliance with Prudential Indicators

The Council can confirm that it has complied with its Prudential Indicators for 2010/11, which were set in 25th February 2010 as part of the Council's Treasury Management Strategy Statement.

The Council's 2011/12 Treasury Management Strategy, Policy and Prudential Indicators was approved in February 2011.

6. Outlook up to 2012/13

The outlook for interest rates is as follows:

Table 3 Outlook for Interest Rates

	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Mar-13
Official Bank Rate											
Upside risk	-	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	0.50	0.50	0.50	0.75	1.00	1.25	1.50	2.00	2.50	2.75	2.75
Downside risk	-	-	-	- 0.25	- 0.50	- 0.50	- 0.50	- 0.50	- 0.50	- 0.50	- 0.50

- The recovery in growth is likely to be slow, uneven and more “Square root” than “V” shaped.
- The path of base rates reflects the fragility of the recovery and the significantly greater fiscal tightening of the emergency budget. With growth and underlying inflation likely to remain subdued, the Bank will stick to its lower for longer stance on policy rates.
- Uncertainty surrounding Eurozone sovereign debt and the risk of contagion will remain a driver of global credit market sentiment.
- The economy has been growing at around or a little above trend during 2010. However, the outlook for growth remained highly uncertain and inflation remained above the 2% target. Banks still face a significant challenge in repairing their balance sheets, but funding conditions had eased in recent months, potentially easing some of the limitations to growth from constrained credit supply.
- Consumer Price Inflation is stubbornly above 3% and will likely spike above 4% in January 2011 as VAT, Utilities and Rail Fares are increased.
- Unemployment remains near a 16 year high at just under 2.5 million, and is set to increase further as the Public Sector shrinks. Meanwhile, employment is growing but this is due to part time work, leaving many with reduced income.

7. Other Information

- **Reform of Council Housing Finance** –The CLG published a summary of responses to the consultation held between March and July 2010 on proposals for the reform of the current system of council housing finance. There was widespread agreement with the general methodology proposed in the Prospectus. Many of the reservations related to assumptions about costs and the affordability of allocated debt. There was broader acceptance that a level of housing debt redistribution was an acceptable or necessary price to pay for the freedoms and benefits that the reforms would bring and there was strong support for retaining and clarifying the operation of the HRA ring fence.

The Housing Minister confirmed that the new system of HRA self-financing will be most likely implemented in 2012. Full details of the Government’s policy on reforming council housing finance will be published in early 2011.

In the Consultation the PwC self-financing model provides an indicative sustainable level of opening housing debt. As the Council’s debt level generated by the model is higher than the Subsidy Capital Financing Requirement (SCFR), the Council will be required to pay the CLG the difference between the two, which could be between £150-180m. This will require the Council to fund this amount in the medium term through internal resources and/or external borrowing. The Council has the option of borrowing from the PWLB or the market. The type of loans taken will be decided on in discussions with the Housing department and the councils’ Treasury Advisors.

Annex A

Prudential Indicator Compliance

(a) Authorised Limit and Operational Boundary for External Debt

- The Local Government Act 2003 requires the Council to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit which should not be breached.
- The Council's Affordable Borrowing Limit was set at £221m for 2010/11.
- The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit.
- The Operational Boundary for 2010/11 was set at £211m.
- There were no breaches to the Authorised Limit and the Operational Boundary during the period from 01/04/10 to 31/12/10; borrowing at its peak was £169.3m.

(b) Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

- These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.
- The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

Table 1 - Upper Limits for Interest Rate Exposure

	Limits for 2010/11 %
Upper Limit for Fixed Rate Exposure	100
Compliance with Limits:	Yes
Upper Limit for Variable Rate Exposure	35
Compliance with Limits:	Yes

(c) Maturity Structure of Fixed Rate Borrowing

- This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates. The maturity of the Councils borrowing is profiled in order that no more than 20% matures in any one financial year.

Table 2 – Maturity Structure of Fixed Rate Borrowing

Maturity Structure of Fixed Rate Borrowing	Actual Fixed Rate Borrowing as at 31/12/10	% Fixed Rate Borrowing as at 31/12/10	Compliance with Set Limits?
under 12 months	6	0.00	Yes
12 months and within 24 months	651	0.42	Yes
24 months and within 5 years	28,973	18.54	Yes
5 years and within 10 years	16,060	10.28	Yes
10 years and within 15 years	12,734	8.15	Yes
15 years and within 20 years	19,398	12.41	Yes
20 years and within 25 years	2,522	1.61	Yes
25 years and within 30 years	0	0.00	Yes
30 years and above	75,916	48.58	Yes

(d) Total principal sums invested for periods longer than 364 days

- This indicator allows the Council to manage the risk inherent in investments longer than 364 days.
- The limit for 2010/11 was set at £20m.
- The Council’s policy response since the onset of the credit crunch in 2007 was to keep investment maturities to a maximum of 12 months. No investments were made for a period greater than 364 days during this period.

Money Market Data and PWLB Rates

Table 3 - Bank Rate, Money Market Rates

Date	Bank Rate %	O/N LIBID %	7-day LIBID %	1-month LIBID %	3-month LIBID %	6-month LIBID %	12-month LIBID %	2-yr SWAP Bid %	3-yr SWAP Bid %	5-yr SWAP Bid %
01/04/2010	0.50	0.35	0.35	0.42	0.51	0.81	1.26	1.54	2.07	2.82
30/04/2010	0.50	0.30	0.30	0.43	0.53	0.83	1.29	1.70	2.23	2.95
31/05/2010	0.50	0.45	0.50	0.61	0.60	0.85	1.35	1.46	1.89	2.58
30/06/2010	0.50	0.35	0.35	0.45	0.61	0.94	1.38	1.40	1.79	2.42
31/07/2010	0.50	0.40	0.40	0.50	0.71	1.01	1.46	1.36	1.75	2.39
31/08/2010	0.50	0.40	0.55	0.50	0.71	1.00	1.45	1.20	1.47	2.02
30/09/2010	0.50	0.30	0.25	0.51	0.72	1.01	1.46	1.24	1.51	2.05
31/10/2010	0.50	0.48	0.40	0.51	0.72	1.01	1.46	1.26	1.53	2.08
30/11/2010	0.50	0.40	0.51	0.51	0.72	0.88	1.46	1.32	1.66	2.30
31/12/2010	0.50	0.40	0.40	0.51	0.72	1.01	1.47	1.49	1.94	2.61
Minimum	0.50	0.30	0.25	0.42	0.51	0.75	1.00	1.13	1.37	1.92
Average*	0.50	0.39	0.41	0.49	0.66	0.96	1.40	1.40	1.78	2.42
Maximum	0.50	0.55	0.55	0.80	0.75	1.01	1.47	1.75	2.31	3.04
Spread		0.25	0.30	0.38	0.24	0.26	0.47	0.62	0.94	1.11

**The average, low and high rates correspond to the rates during the financial year and rather than those in the table*

Table 4 - PWLB Borrowing Rates – Fixed Rate, Maturity Loans

Change Date	Notice No	1 year %	4½-5 yrs %	9½-10 yrs %	19½-20 yrs %	29½-30 yrs %	39½-40 yrs %	49½-50 yrs %
01/04/2010	064/10	0.81	2.84	4.14	4.21	4.60	4.61	4.63
30/04/2010 12:15	089/10	0.85	2.86	4.13	4.20	4.61	4.61	4.60
28/05/2010 12:15	127/10	0.73	2.46	3.76	3.83	4.36	4.38	4.38
30/06/2010 12:16	171/10	0.67	2.27	3.54	3.62	4.22	4.28	4.27
30/07/2010 12:16	217/10	0.70	2.29	3.55	3.62	4.32	4.41	4.40
31/08/2010 12:15	259/10	0.63	1.84	3.05	3.13	3.82	3.93	3.93
30/09/2010 12:15	303/10	0.64	1.88	3.14	3.86	4.00	4.03	4.02
29/10/2010 12:16	346/10	1.58	2.90	4.23	5.06	5.20	5.22	5.20
30/11/2010 12:15	390/10	1.56	3.05	4.40	5.18	5.26	5.25	5.23
31/12/2010 09:19	430/10	1.65	3.33	4.58	5.18	5.23	5.20	5.16
Minimum*		0.60	1.81	3.05	3.82	3.93	3.93	3.92
Average*		0.96	2.50	3.79	4.50	4.57	4.57	4.56
Maximum*		1.77	3.45	4.75	5.41	5.47	5.46	5.43

**The average, low and high rates correspond to the rates during the financial year and rather than those in the table*

Table 5 - PWLB Repayment Rates – Fixed Rate, Maturity Loans

Change Date	Notice No	1 year %	4½-5 yrs %	9½-10 yrs %	19½-20 yrs %	29½-30 yrs %	39½-40 yrs %	49½-50 yrs %
01/04/2010	064/10	0.56	2.38	3.82	4.35	4.36	4.26	4.19
30/04/2010 12:15	089/10	0.62	2.43	3.83	4.37	4.38	4.33	4.30
28/05/2010 12:15	127/10	0.50	2.04	3.44	4.12	4.15	4.11	4.10
30/06/2010 12:16	171/10	0.44	1.86	3.23	3.98	4.05	4.00	3.97
30/07/2010 12:16	217/10	0.47	1.88	3.23	4.08	4.18	4.13	4.10
31/08/2010 12:15	259/10	0.40	1.45	2.73	3.57	3.70	3.66	3.62
30/09/2010 12:15	303/10	0.41	1.48	2.82	3.62	3.77	3.76	3.73
29/10/2010 12:16	346/10	0.47	1.61	3.03	3.93	4.09	4.07	4.03
30/11/2010 12:15	390/10	0.45	1.75	3.20	4.06	4.15	4.10	4.06
31/12/2010 09:19	430/10	0.54	2.04	3.39	4.07	4.12	4.05	3.99
Minimum*		0.37	1.40	2.73	3.51	3.70	3.66	3.62
Average*		0.49	1.85	3.23	4.01	4.10	4.06	4.02
Maximum*		0.68	2.53	3.94	4.47	4.46	4.38	4.35

**The average, low and high rates correspond to the rates during the financial year and rather than those in the table*

Table 6 - PWLB Variable Rates

	1-M Rate %	3-M Rate %	6-M Rate %			
01-Apr-2010	0.65	0.65	0.70			
30-Apr-2010	0.65	0.65	0.70			
28-May-2010	0.65	0.65	0.70			
30-Jun-2010	0.65	0.70	0.70			
30-Jul-2010	0.65	0.70	0.70			
31-Aug-2010	0.65	0.65	0.70			
30-Sep-2010	0.65	0.70	0.70			
Borrowing undertaken pre-CSR				Borrowing undertaken post-CSR		
	1-M Rate %	3-M Rate %	6-M Rate %	1-M Rate %	3-M Rate %	6-M Rate %
29-Oct-2010	0.66	0.67	0.69	1.56	1.57	1.59
30-Nov-2010	0.67	0.67	0.69	1.57	1.57	1.59
31-Dec-2010	0.70	0.70	0.75	1.60	1.60	1.65
Minimum*	0.65	0.65	0.68	1.56	1.56	1.58
Average*	0.66	0.67	0.70	1.57	1.58	1.61
Maximum*	0.70	0.75	0.75	1.60	1.65	1.65

**The average, low and high rates correspond to the rates during the financial year and rather than those in the table*

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**Central Bedfordshire Borrowing 2010/11 –
Schedule of Borrowing as at 31st December 2010**

	ISSUED DATE	REPAYMENT DATE	INTEREST RATE %	AMOUNT £ 000
Total Short term Borrowing, various				5.6
Long Term Borrowing				
PWLB Various				27.2
PWLB	30-Dec-97	18-Mar-23	6.25%	944.6
PWLB	30-Dec-97	15-Dec-22	6.50%	629.7
PWLB	17-Sep-98	18-Sep-23	5.13%	4,093.3
PWLB	28-Sep-98	18-Mar-24	4.88%	3,778.4
PWLB	28-Sep-98	18-Mar-24	4.88%	314.9
PWLB	14-Jan-99	15-Jun-24	4.38%	755.7
PWLB	14-Jan-99	15-Jun-24	4.38%	2,204.1
PWLB	03-Jun-99	15-Dec-28	4.88%	3,022.8
PWLB	12-Nov-99	18-Sep-25	4.25%	2,519.0
PWLB	25-Nov-99	18-Mar-28	4.25%	3,148.7
PWLB	25-Nov-99	18-Sep-28	4.25%	3,463.6
PWLB	06-Sep-01	15-Jun-26	4.88%	5,352.8
PWLB	30-May-03	28-May-28	4.45%	1,889.2
PWLB	30-Jun-05	15-Jun-12	4.25%	5,037.9
PWLB	30-Jun-05	15-Jun-31	4.35%	2,520.8
PWLB	06-Sep-05	15-Jun-13	4.20%	4,408.2
PWLB	23-Dec-05	15-Jun-51	4.05%	6,297.4
PWLB	23-Dec-05	15-Dec-51	4.05%	3,778.4
PWLB	23-Dec-05	15-Dec-52	4.05%	7,556.9
PWLB	23-Dec-05	15-Dec-53	4.05%	7,556.9
PWLB	23-Jan-06	15-Dec-54	3.70%	6,297.4
PWLB	06-Mar-06	06-Sep-46	3.95%	646.0
PWLB	06-Sep-06	15-Jun-55	4.20%	9,446.1
PWLB	28-Sep-06	06-Sep-52	4.05%	646.0
PWLB	28-Sep-06	18-Sep-52	4.05%	6,297.4
PWLB	06-Aug-07	15-Jun-53	4.55%	7,556.9
PWLB	20-Aug-07	15-Jun-55	4.50%	4,723.1
PWLB	23-Aug-07	15-Jun-55	4.45%	1,574.4
PWLB	12-Mar-08	06-Mar-12	4.05%	646.0
PWLB	28-Oct-09	28-Oct-14	0.60%	2,519.0
PWLB	28-Oct-09	28-Oct-15	0.60%	3,148.7
PWLB	12-Nov-09	12-Nov-14	0.60%	3,148.7
PWLB	17-Dec-09	17-Dec-14	0.65%	5,000.0
PWLB	17-Dec-09	17-Dec-14	0.65%	5,705.6
PWLB	19-Feb-10	19-Feb-14	0.70%	3,148.7
PWLB	19-Feb-10	19-Feb-16	0.70%	6,297.4
PWLB	26-Feb-10	26-Feb-17	0.70%	6,612.3
DEPFA	17-Dec-04	17-Dec-54	4.50%	7,242.0
DEPFA	11-Jan-08	11-Jan-78	3.92%	6,297.4
Total Long Term Borrowing				156,253.4
Total Borrowing				156,259.0

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Appendix C

Central Bedfordshire Investments 2010/11

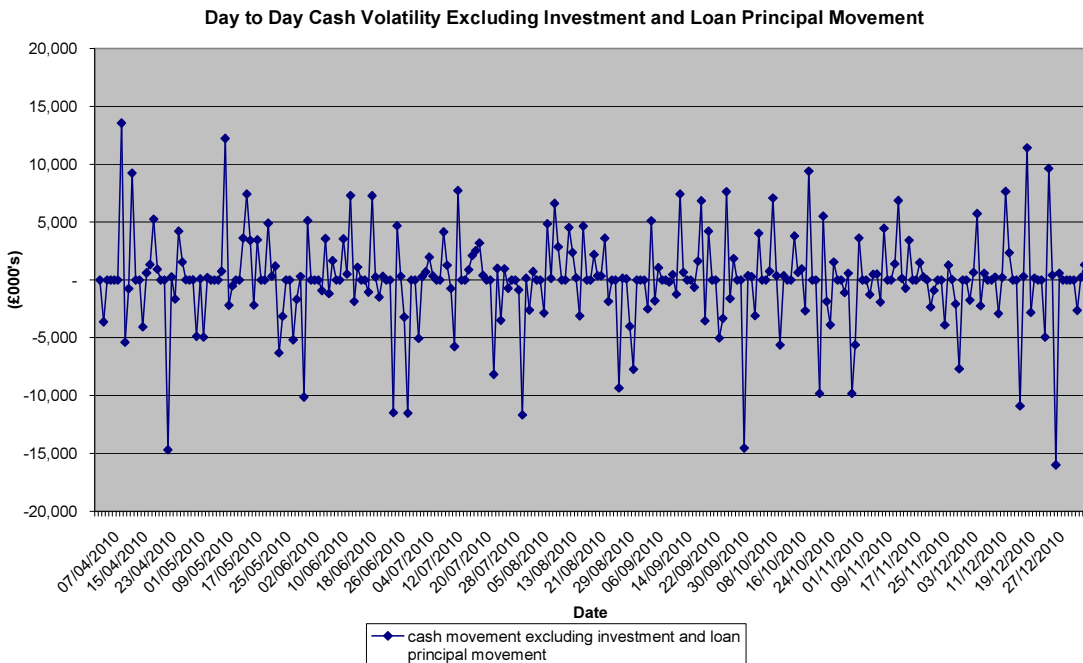
Schedule of Investments as at 31 December 2010

	ISSUED DATE	REPAYMENT DATE	INTEREST RATE %	AMOUNT £000
Short Term Investments				
Fixed Deposits				
Lloyds TSB	20-Jan-10	20-Jan-11	1.88%	5,000
Barclays Bank	10-Jun-10	09-Jun-11	1.45%	10,000
Lloyds TSB	15-Jun-10	14-Jun-11	1.88%	1,000
Barclays Bank	06-Jul-10	05-Jul-11	1.46%	15,000
Lloyds TSB	16-Jul-10	15-Jul-11	2.10%	5,000
Lloyds TSB	12-Oct-10	11-Oct-11	2.20%	10,000
Call Accounts				
National Westminster Bank			1.00%	13,250
Abbey			0.80%	8,000
TOTAL Short term Investments				67,250
Investment in Pooled Fund				
LIME Fund				4,589
Total Investments				71,839

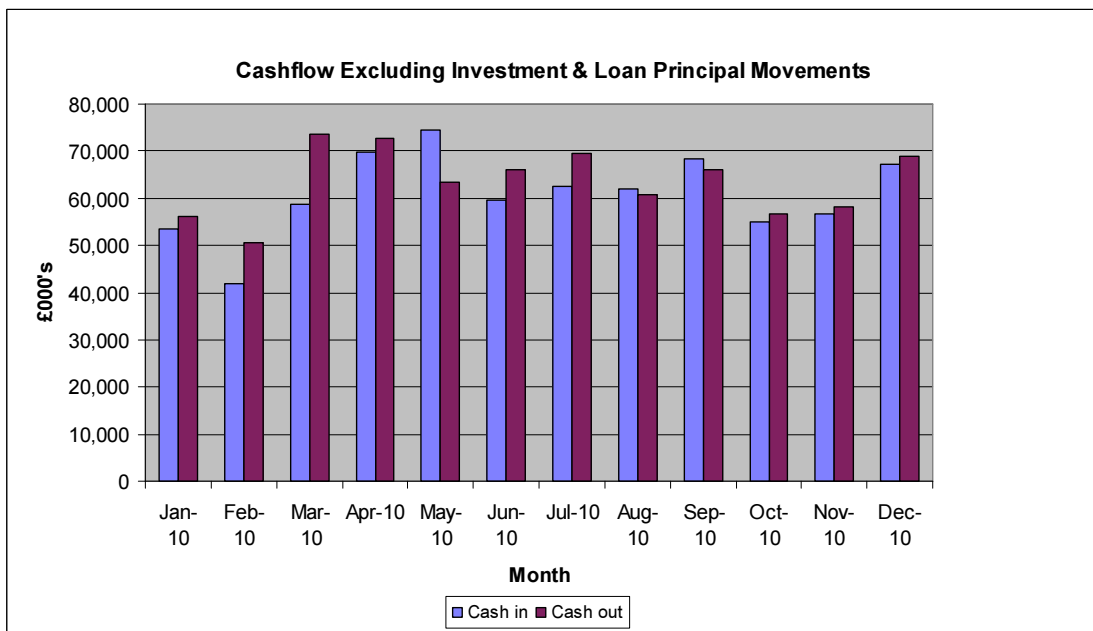
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Appendix D

GRAPH ONE: ANALYSIS OF DAILY CASH MOVEMENTS



GRAPH TWO: ANALYSIS OF MONTHLY CASH MOVEMENTS



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Meeting: Customer & Central Services Overview and Scrutiny Committee
Date: 21st March 2011
Subject: Quarter 3 Performance Report
Report of: Cllr Richard Stay, Deputy Leader and Portfolio Holder for Policy and Performance
Summary: The report highlights the Quarter 3 performance for the Customer & Shared Services Directorate and Corporate Health Indicators for the Council.

Advising Officer: Richard Carr, Chief Executive
Contact Officer: Ian Porter, AD Strategy and Performance
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

The Quarterly Performance Report underpins the delivery of the Council's priorities.

Financial:

None directly, but there are a number of performance indicators within the corporate suite that have a strong financial link – most notably, the amount of debt outstanding, the percentage of Council Tax collected and invoices paid within 30 days.

Legal:

None.

Risk Management:

Areas of ongoing underperformance are a risk to both service delivery and the reputation of the Council.

Staffing (including Trades Unions):

The corporate performance suite includes indicators on sickness absence within the Council and the number of Carlisle Management Solutions agency staff.

Equalities/Human Rights:

This report highlights performance against performance indicators which seek to measure how the Council and its services impact across all communities within Central Bedfordshire, so that specific areas of underperformance can be highlighted for further analysis/drilling down as necessary.

As such it does not include detailed performance information relating to the Council's stated intention to tackle inequalities and deliver services so that people whose circumstances make them vulnerable are not disadvantaged. The interrogation of performance data across vulnerable groups is a legal requirement and is an integral part of the Council's equalities and performance culture which seeks to ensure that, through a programme of ongoing impact assessments, underlying patterns and trends for different sections of the community identify areas whether further action is required to improve outcomes for vulnerable groups.

Community Safety:

None.

Sustainability:

No direct implications.

RECOMMENDATION(S):

that the Overview and Scrutiny Committee

1. Note the contents of the report, considering the Council's performance position and any associated actions that need to be taken

Performance Summary

1. **Corporate Health Performance Indicators**
Sickness absence across CBC has seen a slight increase in Q3 (at 2.72 days per employee and is slightly higher than the same period last year (2.6 days per employee). Performance for this indicator is heavily influenced by long term absences and consequently has been separated out in this report (45% of current sickness levels are classified as incidents of long-term sickness). Current performance levels should be considered in the context of seasonality (a higher sickness figure in winter is often common) and the staffing changes the organisation is currently facing.
2. Much attention is being paid to this indicator and management action continues to focus on reducing the levels of absence across the organisation.
3. The Council's contract with Carlisle Managed Solutions to provide temporary agency staff is now being carefully monitored to understand where we may be able to reduce the requirements. It is worth noting however, that the largest group of agency workers in the Council continue to be care workers, who fulfil a vital role in covering sickness absence in this service.

4. The number of undisputed invoices paid within 30 days (85%) has seen a slight improvement in performance against Q2, but is still below target at 90%. However, this is slightly up on the same period last year, and a concerted and proactive effort to clear these invoices is now being pursued. This includes enforcement of 'No PO No Pay' from 1st March 2011, which will reduce the number of invoices that cannot be input to SAP, and the streamlined requisitioning training to improve the monitoring and management of unpaid and blocked invoices.
5. We are continuing to monitor the levels of debt outstanding. The amount of long term debt has reduced in the quarter as a result of focussed management intervention. However, short term debt has risen. Invoices paid within 30 days remains below target. The Council has re-instated the issue of County Court Judgements on those accounts applicable and will identify best practice in the management of outstanding debts.
6. **Customer & Shared Services**
Council tax collection is a vital indicator for the Council and needs to be very closely monitored given the likely impact of the challenging economic environment on many of our local residents. The percentage of Council Tax collected during Q3 2010/11 is slightly behind that which was collected during Q3 2009/10. However, Q3 saw significant inroads being made in collecting previous years' Council Tax arrears.
7. At the beginning of the financial year the Council tax arrears was £9.47M. By the end of Q3, £3.3M of council tax arrears had been collected of which £787k was collected during Q3. The amount of arrears collected each quarter as a percentage of the total outstanding at the start of each quarter remains broadly similar.
8. This will directly impact on the current year's collection performance as customers previously in arrears begin to catch up with their payments.
9. First point resolution of customer queries has improved slightly in Q3 but still remains significantly off target. It is now possible to identify where specific problems are occurring and target appropriate management action to meet staff training needs or to implement service migration. The introduction of the new golden numbers should further improve performance in Q4.
10. The start of the new performance year saw an increase in the demand on the Housing Benefits service, as a consequence of more customers being entitled to housing benefit. A 12% increase in the number of new claims for housing benefit in Q 1 hampered the work to reduce the backlog of new claims quickly during Q 2. However, the time taken to process new housing benefit and Council Tax Benefit claims and change events is now showing an improving trend.
11. As a result of targeted management action, the backlog, that the increased demand generated has been reduced from 800 in Q 1 to 273 in Q 3, and it is anticipated that the Council's performance in this area will continue to improve. The time taken to process claims has fallen from 54 days at Q 2 to 37 days for Q 3.

Conclusion and Next Steps

9. The Committee considers any issues from this report that could form part of their work programme

Appendices:

Appendix A – (Quarter 3 Performance Indicators)

Background Papers: (open to public inspection)

Executive 15 March 2011 - (Quarter 3 Performance Report)

Location of papers: Priory House, Chicksands

Customer & Shared Services

Director : Richard Ellis

Portfolio Holder for Finance, Governance & People - Cllr Maurice Jones
Portfolio Holder for Customers, Systems & Assets - Cllr Steve Male

Indicators	National PwC 09/10	Unit	Good is	Outturn 09/10	Quarter 1 Apr.-Jun	Quarter 2 Jul.-Sept	Quarter 3 Oct.-Dec	Quarter 4 Jan.-Mar	Trend Comparison	Year to Date	Performance Judgement (Q compared with Q)	Target 10/11	Comments
The percentage of Council Tax due, collected	-	%	High	97.19%	28.79%	27.82%	27.86%	-	Seasonal	84.47%	↔A	98.50%	<p>The amount of Council Tax due for the year: £140,152,091. The amount of Council Tax collected: £118,382,469 against the Council's target level of £119,605,794. Therefore, we are £1.2M behind target.</p> <p>The performance judgement is based on the seasonal activity of this KPI. It is rated as amber because performance is behind the Q3 target of 85.34%.</p> <p>The percentage of Council Tax collected is 0.68% (slightly) behind that which was collected during Q3 2009/10 where the amount of Council Tax due for the year was: £135,498,180.75 and the amount of Council Tax collected was: £131,691,066.35</p> <p>Significant inroads have been made in collecting previous years' Council Tax arrears, £3.3m or 35% of the £9.47m outstanding as at 31/3/10 has been collected. This will directly impact on the current year's collection performance as customers in arrears begin to catch up with their payments.</p>
The percentage first point resolution by Customer Service Centre	-	%	High	76.00%	68.00%	50.00%	53.00%	-	Qtr on Qtr	57.00%	↑R	80.00%	<p>The purpose for this indicator is to ensure that the Council's Customer Service Contact Centre works towards resolving 80% of calls at first point of contact. Performance has improved slightly in Q3 but still remains significantly off target.</p> <p>Access to the call reporting system is now available and will enable analysis of transferred calls to take place. This will identify where training or service migration is beneficial. This will also enable guidance to be created for service areas as to which numbers to publish for enquiries, reducing the switchboard service currently undertaken in Customer Services. The introduction of the new golden numbers should further improve performance in Q4</p>

Indicators	National PwC 09/10	Unit	Good is	Outturn 09/10	Quarter 1 Apr - Jun	Quarter 2 Jul - Sept	Quarter 3 Oct - Dec	Quarter 4 Jan - Mar	Trend Comparison	Year to Date	Performance Judgement (Judgement shared with Q)	Target 10/11	Comments
NI 181 - Time taken to process Housing Benefit, Council Tax, new claims and change events	16.9	No. Days	Low	29	54	54	37	-	Qtr on Qtr	37	↑R	29	<p>There was a 12% increase in the number of customers who were entitled to Housing Benefit in Quarter 1. This increase in workload hampered the ability to reduce the backlog of new claims quickly. The new claims backlog of 273 cases has reduced from its peak of 800 in Quarter 1. The Council has achieved a 11 % reduction in the overall number of items of outstanding correspondence in Quarter 3 which will have a positive effect on this indicator.</p> <p>The strategic decisions taken to improve the time taken to process Housing Benefit, Council Tax Benefit and New Claims and the impact of these decisions are as follows:</p> <ul style="list-style-type: none"> • To migrate all incoming telephone calls from Benefits customers into Customer Services. This happened in July and has helped officers to concentrate on the actual processing of claims rather than deal with a lot of low level enquiries from customers. • To recruit an additional contractor resource, 4 fte staff, to cover vacancies and long term sickness. This has resulted in significant improvements in the Council's processing times during Quarter 3 and has seen the backlog of outstanding correspondence reduce. • To restructure the management of the Customer Accounts team in order to remove the duplication of posts and to move forward the alignment of processes. • A post has been created for a Training Officer, a Performance Officer and 2 Quality checking officers. <p>A fundamental review of the processing of benefits claims will be undertaken in Quarter 4, which will include visits to high performing authorities, and revised processes will be in place for April 2011.</p>

Indicators	National PwC 09/10	Unit	Good is	Outturn 09/10	Quarter 1 Apr - Jun	Quarter 2 Jul - Sept	Quarter 3 Oct - Dec	Quarter 4 Jan - Mar	Trend Comparison	Year to Date	Performance Judgement (Q compared with Q)	Target 10/11	Comments
Corporate sickness absence - average number of days lost per employee		No. Days (Av)	Low	9.9	1.8 (09/10 2.3)	2.13 (09/10 2.61)	2.72 (09/10 2.6)	-					
Total corporate sickness absence - number of days lost per employee - (Total long term sickness absence in brackets)		Total			NA	NA	6,836 (3,100)	-					Sickness absence this time last year was recorded at 2.6 days per employee and is slightly higher (2.72) for the same period in 2010/11.
Adult Social Care, Health & Housing (long term sickness absence in brackets)		Av			2.92	3.30	3.18	-					There are a number of employees in each Directorate who have been on 'long term' sickness (20 or more consecutive days) and HR resources are focused at supporting line managers to manage these cases.
Children's Services (long term sickness absence in brackets)		Av			1.26	1.41	2.86	-		6.65	↕R	8.0	Training is provided for Managers to use the Council's Sickness Absence policy which is a robust policy for dealing with sickness absence issues. Training has also been provided to those employees in all service areas who are responsible for completing E forms to provide accurate and timely reporting.
Sustainable Communities (long term sickness absence in brackets)		Total			NA	NA	1,714 (925)	-					Management information has improved significantly, allowing action to be taken in key areas to address the sickness absence issues.
Customer & Shared Services (long term sickness absence in brackets)		Av			1.51	1.85	2.30	-					
Office of the Chief Executive (long term sickness absence in brackets)		Total			NA	NA	1,516 (575)	-					
		Av			1.37	1.61	2.35	-					
		Total			NA	NA	1,236 (562)	-					
		Av			2.18	4.05	4.24	-					
		Total			NA	NA	224 (128)	-					
Total number of Carlisle Managed Solutions agency staff					207	191	182	-					
Adult Social Care, Health & Housing					79	75.88	74.94	-					This indicator presents a snap shot view of the numbers (FTE) of Carlisle Managed Solutions Staff working in the Council at the end of Quarter 3.
Children's Services		No.	Low	-	63	58.23	53.65	-		182	↑	NA	
Sustainable Communities					11	11.4	11.75	-					
Customer & Shared Services					53	41.22	39.86	-					
Office of the Chief Executive					1	3.97	1.40	-					

Seasonal = Compared To The Same Time In The Previous Year, Qtr on Qtr = Compared To Previous Qtr, Annual = Compared To A Fixed Point In Previous Year

Indicators	National PwC 09/10	Unit	Good is	Outturn 09/10	Quarter 1 Apr - Jun	Quarter 2 Jul - Sept	Quarter 3 Oct - Dec	Quarter 4 Jan - Mar	Trend Comparison	Year to Date	Performance Judgement (Q compared with Q)	Target 10/11	Comments
Invoices paid within 30 Days					88.00%	85.00%	85.28%	-					Automatic SWIFT payments are now included in ASCHH figures, which explains the significant improvement in performance for that Directorate.
Adult Social Care, Health & Housing					86.00%	84.00%	92.41%	-					The enforcement of 'No PO No Pay' from 1 March 2011 should reduce the number of invoices that cannot be input to SAP, and the Streamlined Requisitioning training (Jan-March 2011) should improve the monitoring and management of unpaid and blocked invoices.
Children's Services	90.9%	%	High	82.6%	79.00%	81.00%	76.30%	-	Qtr on Qtr	86.19%	↑R	90%	The Council is implementing the 'Streamlined Requisitioning Programme' and has delivered 13 training sessions to date. 75% of Requisitioners have attended part one of the Council's Requisitioning Training Course and currently 28% have attended part two of the programme.
Sustainable Communities					84.00%	76.00%	82.35%	-					
Customer & Shared Services					71.00%	71.00%	76.67%	-					
Office of the Chief Executive					82.00%	65.00%	80.49%	-					
Amount of debt outstanding - 61 - 90 days (£m)	-	No.	Low	NA	1.442M	0.486M	0.889M	-	Qtr on Qtr (When available)	0.889M	↓	-	The 'Reminder Issuing' process was reviewed during Q3. The finalised versions of the revised Final reminders and the relevant changes required have been sent on to the SAP team for implementation. Those debts over £5k are being effectively managed.
Amount of debt outstanding - 91 - 365 days (£m)	-	No.	Low	NA	1.941M	3.773M	3.636M	-	Qtr on Qtr (When available)	3.636M	↑	-	The Finance Team have sent the first batch of pre County Court Judgement letters & will then be following up on these by issuing the County Court Judgements.
Amount of debt outstanding - over 1 year (£m)	-	No.	Low	NA	0.006M	0.144M	0.101M	-	Qtr on Qtr (When available)	0.101M	↑	-	Legacy debts are being sent to Debt Collectors in batches. CBC debts over 1 year old under £500 were actively chased during both November and December 2010. The debts have been passed onto a debt collection agency. The value of the debts handed over to the debt collection agency was £32,026.61 (38 accounts). During quarter 4, the Income Team, will be reviewing all smaller debts to ensure all possible routes of recovery have been taken.

Meeting: Customer & Central Services Overview & Scrutiny Committee
Date: 21 March 2011
Subject: Work Programme 2011 – 2012 & Executive Forward Plan
Report of: Chief Executive
Summary: The report provides Members with details of the currently drafted Committee work programme and the latest Executive Forward Plan.

Contact Officer: Bernard Carter, Overview & Scrutiny Manager
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

The work programme of the Customer & Central Services Overview & Scrutiny Committee will contribute indirectly to all 5 Council priorities.

Financial:

n/a

Legal:

n/a

Risk Management:

n/a

Staffing (including Trades Unions):

n/a

Equalities/Human Rights:

n/a

Community Safety:

n/a

Sustainability:

n/a

RECOMMENDATION(S):

1. **that the Customer & Central Services Overview & Scrutiny Committee**
 - (a) **considers and approves the work programme attached, subject to any further amendments it may wish to make;**
 - (b) **considers the Executive Forward Plan; and**
 - (c) **considers whether it wishes to add any further items to the work programme and/or establish any Task Forces to assist it in reviewing specific items.**

Work Programme

1. Attached at Appendix A is the currently drafted work programme for the Committee.
2. Also attached at Appendix B is the latest version of the Executive's Forward Plan so that Overview & Scrutiny Members are fully aware of the key issues Executive Members will be taking decisions upon in the coming months. Those items relating specifically to this Committee's terms of reference are shaded in light grey.
3. The Committee is now requested to consider the work programme attached and amend or add to it as necessary. This will allow officers to plan accordingly but will not preclude further items being added during the course of the year if Members so wish and capacity exists.

Task Forces

4. In addition to consideration of the work programme, Members will also need to consider how each item will be reviewed i.e. by the Committee itself (over one or a number of Committee meetings) or by establishing a Member Task Force to review an item in greater depth and report back its findings.

Conclusion

5. Members are requested to consider and agree the attached work programme, subject to any further amendments/additions they may wish to make and highlight those items within it where they may wish to establish a Task Force to assist the Committee in its work.

Work Programme for Customer & Central Services Overview & Scrutiny Committee 2011 – 2012

Ref	Indicative OSC Meeting Date	Report Title	Issue to be considered	Comment
1.	21 March 2011	Portfolio Holders' Updates	To receive a brief verbal update from respective Portfolio Holders.	
		Quarter 3 Budget Monitoring	To consider corporate budget monitoring information for the third quarter of 2010/11, together with specific budget monitoring information for the Office of the Chief Executive and the Customer & Shared Services Directorate.	
		Treasury Management	To consider the Quarter 3 Treasury Management report.	
		Quarter 3 Performance Monitoring	To consider performance monitoring information for the third quarter of 2010/11	
2.	14 June 2011	Portfolio Holders' Updates	To receive a brief verbal update from respective Portfolio Holders.	
		Recovery Programme for Customer & Shared Services Directorate	To consider progress made to date with the recovery programme for the Customer & Shared Services Directorate.	

Ref	Indicative OSC Meeting Date	Report Title	Issue to be considered	Comment
		Delivering Localism in Central Bedfordshire	To receive a report regarding the work of the Portfolio Holder Task Group	
		Shared Services	To receive and consider the final report of the Shared services Task Force	
3.	25 July 2011	Portfolio Holders' Updates	To receive a brief verbal update from respective Portfolio Holders.	
		Pensions	To receive and consider a report regarding the Local Government Pension Fund and Council options	
		2012/13 Budget Process & Timetable	To receive and consider details of the 2012/13 budget process and timetable	
4.	5 September 2011	Portfolio Holders' Updates	To receive a brief verbal update from respective Portfolio Holders.	
5.	17 October 2011	Portfolio Holders' Updates	To receive a brief verbal update from respective Portfolio Holders.	
		Quarter 1 Budget Monitoring	To consider corporate budget monitoring information for the first quarter of 2011/12, together with specific budget monitoring information for the Office of the Chief Executive and the Customer & Shared Services Directorate.	

Ref	Indicative OSC Meeting Date	Report Title	Issue to be considered	Comment
		Quarter 1 Performance Monitoring	To consider performance monitoring information for the first quarter of 20011/12	
6.	28 November 2011	Portfolio Holders' Updates	To receive a brief verbal update from respective Portfolio Holders.	
7.	19 December 2011	Portfolio Holders' Updates	To receive a brief verbal update from respective Portfolio Holders.	
8.	16 January 2012	Portfolio Holders' Updates	To receive a brief verbal update from respective Portfolio Holders.	
		Quarter 2 Budget Monitoring	To consider corporate budget monitoring information for the second quarter of 20011/12, together with specific budget monitoring information for the Office of the Chief Executive and the Customer & Shared Services Directorate.	
		Quarter 2 Performance Monitoring	To consider performance monitoring information for the second quarter of 20011/12	
9.	27 February 2012	Portfolio Holders' Updates	To receive a brief verbal update from respective Portfolio Holders.	
10.	16 April 2012	Portfolio Holders' Updates	To receive a brief verbal update from respective Portfolio Holders.	

Ref	Indicative OSC Meeting Date	Report Title	Issue to be considered	Comment
		Quarter 3 Budget Monitoring	To consider corporate budget monitoring information for the third quarter of 20011/12, together with specific budget monitoring information for the Office of the Chief Executive and the Customer & Shared Services Directorate.	
		Quarter 3 Performance Monitoring	To consider performance monitoring information for the third quarter of 20011/12	
11.	21 May 2012	Portfolio Holders' Updates	To receive a brief verbal update from respective Portfolio Holders.	
Other Items to be Considered – Date to be Determined				
12.		Property Function Restructure	To consider proposals regarding a restructure of the Council's Property function.	
13.		People Strategy	As agreed at the Corporate Resources OSC meeting of 1 March, to consider the underpinning action plans supporting implementation of the Council's People Strategy.	
14.		Total Place	To receive an update regarding the Total Place agenda.	

Ref	Indicative OSC Meeting Date	Report Title	Issue to be considered	Comment
15.		ICT Strategy	To consider the Council's ICT strategy prior to Executive.	
16.		Corporate Asset Management Plan	To consider the Council's Corporate Asset Management Plan	

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**Central Bedfordshire Council
Forward Plan of Key Decisions
1 March 2011 to 29 February 2012**

- 1) During the period from **1 March 2011 to 29 February 2012**, Central Bedfordshire Council plans to make key decisions on the issues set out below. “Key decisions” relate to those decisions of the Executive which are likely:
- to result in the incurring of expenditure which is, or the making of savings which are, significant (namely £200,000 or above per annum) having regard to the budget for the service or function to which the decision relates; or
 - to be significant in terms of their effects on communities living or working in an area comprising one or more wards in the area of Central Bedfordshire.
- 2) The Forward Plan is a general guide to the key decisions to be determined by the Executive and will be updated on a monthly basis. Key decisions will be taken by the Executive as a whole. The Members of the Executive are:

Member	Portfolio
Cllr Mrs Tricia Turner MBE	Chairman of the Executive and Leader of the Council
Cllr Richard Stay	Deputy Leader of the Council and Portfolio Holder for Policy and Performance
Cllr Mrs Rita Drinkwater	Portfolio Holder for Housing
Cllr Mrs Carole Hegley	Portfolio Holder for Social Care and Health
Cllr Maurice Jones	Portfolio Holder for Finance, Governance and People
Cllr Mrs Anita Lewis	Portfolio Holder for Children’s Services
Cllr Steve Male	Portfolio Holder for Customers, Systems and Assets
Cllr Ken Matthews	Portfolio Holder for Economic Growth, Skills and Regeneration
Cllr David McVicar	Portfolio Holder for Safer Communities and Healthier Lifestyles
Cllr Tom Nicols	Portfolio Holder for Sustainable Development

- 3) Those items identified for decision more than one month in advance may change in forthcoming Plans. Each new Plan supersedes the previous Plan. Any person who wishes to make representations to the Executive about the matter in respect of which the decision is to be made should do so to the officer whose telephone number and e-mail address are shown in the Forward Plan. Any correspondence should be sent to the contact officer at the relevant address as shown below. General questions about the Plan such as specific dates, should be addressed to the Head of Democratic Services, Priory House, Monks Walk, Chicksands, Shefford SG17 5TQ.
- 4) The agendas for meetings of the Executive will be published as follows:

Meeting Date	Publication of Agenda
15 March 2011	03 March 2011
05 April 2011	24 March 2011
31 May 2011	19 May 2011
12 July 2011	30 June 2011
23 August 2011	11 August 2011
4 October 2011	22 September 2011
15 November 2011	3 November 2011
6 December 2011	24 November 2011
10 January 2012	22 December 2011
14 February 2012	2 February 2012
27 March 2012	15 March 2012
15 May 2012	3 May 2012

Central Bedfordshire Council

Forward Plan of Key Decisions for the period 1 March 2011 to 29 February 2012

Key Decisions

Date of Publication: 11.02.11

Ref No.	Issue for Key Decision by the Executive	Intended Decision	Indicative Meeting Date	Consultees and Date/Method	Documents which may be considered	Portfolio Holder and Contact officer (method of comment and closing date)
1.	Budget Management Report - Quarter 3 -	To consider the Quarter 3 Budget Management Report.	15 March 2011		Report	<p>Cllr Maurice R Jones Comments by 15/02/11 to Contact Officer: John Unsworth, Interim Assistant Director of Finance Email john.unsworth@centralbedfordshire.gov.uk Tel: 0300 300 6147</p>
2.	Review of Centrally commissioned and managed School Meals Contract -	To consider an analysis of consultation undertaken with schools	15 March 2011		Report	<p>Cllr Stephen F Male Comments by 15/02/11 to Contact Officer: Ian Brown, Interim AD Assets Email: ian.brown@centralbedfordshire.gov.uk Tel: 0300 300 5711</p>

Ref No.	Issue for Key Decision by the Executive	Intended Decision	Indicative Meeting Date	Consultees and Date/Method	Documents which may be considered	Portfolio Holder and Contact officer (method of comment and closing date)
3.	Proposals for Services to Schools -	To consider revised charges for school support services.	15 March 2011		Report	Cllr Maurice R Jones, Cllr Mrs Anita M Lewis Comments by 15/02/11 to Richard Ellis, Director of Customer and Shared Services Email: richard.ellis@centralbedfordshire.gov.uk Tel: 0300 300 4423
4.	Child Poverty Strategy -	To agree the strategy which sets out how the Local Authority and its partners intend to reduce child poverty by 2020. This includes 4 targets (relative low income, material deprivation, absolute poverty and persistent poverty). This also includes a needs assessment to describe the characteristics of child and family within Central Bedfordshire and a joint child poverty strategy which will outline the steps and accountability for the Local Authority and partners.	15 March 2011		Report	Cllr Mrs Anita M Lewis Comments by 05/02/11 to Contact Officer: Edwina Grant, Deputy Chief Executive and Director of Children's Services Email: edwina.grantt@centralbedfordshire.gov.uk Tel: 0300 300 4229

Ref No.	Issue for Key Decision by the Executive	Intended Decision	Indicative Meeting Date	Consultees and Date/Method	Documents which may be considered	Portfolio Holder and Contact officer (method of comment and closing date)
5.	Community Safety Partnership Priorities and the Community Safety Partnership Plan for 2011 - 2012 -	To agree and sign off the Community Safety Partnership Priorities and the Community Safety Partnership Plan for 2011- 12	15 March 2011	Strategic Assessment & Partnership Plan will be considered at the CSP Executive Meeting in November 2010, Overview and Scrutiny Committee in January 2011 and the Local Strategic Partnership in February 2011	Strategic Assessment Priorities & Community Safety Partnership Plan 2011 - 2012	Cllr David McVicar Comments by 10/02/11 to Contact Officer: Jeanette Keyte, Community Safety Manager Email: jeanette.keyte@centralbedfordshire.gov.uk Tel: 0300 300 5232
6.	Dunstable Town Centre Masterplan -	To approve the Dunstable Town Centre Masterplan as Interim Technical Guidance for Development Management Purposes.	15 March 2011	<ul style="list-style-type: none"> • Non statutory consultation – April 2009 comprising dedicated website, public exhibition, stakeholder workshop and printed consultation methods. • Non statutory consultation – September 2009 comprising dedicated website, public exhibition, stakeholder workshop and printed consultation methods. • Formal 6 weeks statutory consultation – 18th September - 1st November 2010 comprising dedicated website, 3 public exhibitions, printed consultation methods, presentations to relevant stakeholders, CDs. 	Dunstable Town Centre Masterplan	Cllr Ken C Matthews, Cllr Tom Nicols Comments by 15/02/11 to Contact Officer: Liz Wade, Assistant Director Economic Growth and Regeneration Email: liz.wade@centralbedfordshire.gov.uk Tel: 0300 300 6288

Ref No.	Issue for Key Decision by the Executive	Intended Decision	Indicative Meeting Date	Consultees and Date/Method	Documents which may be considered	Portfolio Holder and Contact officer (method of comment and closing date)
7.	Children and Young People's Plan -	That the Executive endorse the Central Bedfordshire Children and Young People's Plan and recommends the adoption of the Plan to Council.	15 March 2011	Children and young people, parents, carers and stakeholders through a variety of mechanisms such as workshops, information published on website and meetings with key partners.	Report	Cllr Mrs Anita M Lewis Comments by 01/02/11 to Contact Officer: Sylvia Gibson, Interim Assistant Director, Learning and Strategic Commissioning Email: sylvia.gibson@centralbedfordshire.gov.uk Tel: 0300 300 5598
8.	LDF(North) Site Allocations DPD -	To consider the Site Allocations DPD	15 March 2011		Report	Cllr Tom Nicols Comments by 15.02.11 to Contact Officer: Richard Fox, Head of Development Plan Email: richard.fox@centralbedfordshire.gov.uk Tel: 0300 300 4105

Ref No.	Issue for Key Decision by the Executive	Intended Decision	Indicative Meeting Date	Consultees and Date/Method	Documents which may be considered	Portfolio Holder and Contact officer (method of comment and closing date)
9.	Food Law Enforcement Service Plan 2011-2012, Age Restricted Sales Plan 2011-2012 and the Health and Safety (as a Regulator) Service Plan 2011-2012 -	To approve the Food Law Enforcement Service Plan 2011-2012, the Age Restricted Sales Plan 2011-2012 and the Health and Safety (as a Regulator) Service Plan 2011-2012	15 March 2011		Central Bedfordshire Enforcement Policy; FSA Framework Agreement on Local Authority Food Law Enforcement; Food Law Code of Practice (England); HSE Section 18 Standard on Enforcement	Cllr David McVicar Comments by 15/02/11 to Contact Officer: Susan Childerhouse, Head of Public Protection (North) Email: susan.childerhouse@centralbedfordshire.gov.uk Tel: 0300 300 4394
10.	Electricity and Gas Supply Contracts -	To approve the use of Central Buying Consortium's retendered "Flexible Framework" to renew the Council's main energy contracts for the supply period October 2012 to September 2016.	15 March 2011		Report	Cllr Maurice R Jones Comments by 15/02/11 to Contact Officer: Robert Gregan, Head of Procurement Email: robert.gregan@centralbedfordshire.gov.uk Tel: 0300 300 6626
11.	Outcomes of the Review of Transforming Teaching and Learning in Dunstable and Houghton Regis -	To consider the outcome of the review of Transforming Teaching and Learning in Dunstable and Houghton Regis.	5 April 2011		Report	Cllr Mrs Anita M Lewis Comments by 05/03/11 to Contact Officer: Director of Children's Services Emails: edwina.grant@centralbedfordshire.gov.uk Tel: 0300 300 4229

Ref No.	Issue for Key Decision by the Executive	Intended Decision	Indicative Meeting Date	Consultees and Date/Method	Documents which may be considered	Portfolio Holder and Contact officer (method of comment and closing date)
12.	Award of the 24/7 Community Alarm and Emergency out of hours telephone call handling service -	To award the preferred contactor.	31 May 2011		Tender report	<p>ClIr Mrs Rita J Drinkwater Comments by 30/04/11 to Contact Officer: Basil Quinn, Housing Asset Manager Performance Email: basil.quinn@centralbedfordshire.gov.uk Tel: 0300 300 5118</p>
13.	Transforming learning and our relationship with schools - Review of school places in Dunstable and Houghton Regis -	To consider recommendations to commence informal (pre statutory) public consultation for a 12 week period on a short list of preferred option(s).	31 May 2011		Education Vision, Children and Young People's Plan, Learning Transformation Dunstable and Houghton Regis Review Protocol	<p>ClIr Mrs Anita M Lewis Comments by 30/04/11 to Contact Officer: Sylvia Gibson, Interim Assistant Director, Learning and Strategic Commissioning Email: sylvia.gibson@centralbedfordshire.gov.uk Tel: 0300 300 5598</p>
14.	The Future of Special Schooling in the South of Central Bedfordshire and the Proposal to Discontinue the Dyslexia Provision at Priory Middle School -	To report back on the informal consultation for the future of Special Schooling in the South of Central Bedfordshire and the proposal to discontinue the dyslexia provision at Priory Middle School.	31 May 2011		None.	<p>ClIr Mrs Anita M Lewis Comments by 29/04/11 to Contact Officer: Mark Wheeler, Interim Assistant Director Children's Services Email: mark.wheeler@centralbedfordshire.gov.uk Tel: 0300 300 6044</p>

Ref No.	Issue for Key Decision by the Executive	Intended Decision	Indicative Meeting Date	Consultees and Date/Method	Documents which may be considered	Portfolio Holder and Contact officer (method of comment and closing date)
15.	Local Economic Plan -	To approve the Central Bedfordshire Local Economic Plan.	12 July 2011		Draft final Local Economic Plan	Cllr Ken C Matthews Comments by 11/06/11 to Contact Officer: James Cushing, Head of Economic Policy Email james.cushing@centralbedfordshire.gov.uk Tel: 0300 300 4984
16.	Biggleswade Town Centre Strategy and Masterplan -	To consider and formally adopt the Biggleswade town centre strategy and masterplan as a supplementary planning document.	12 July 2011	Non statutory consultation – July 2009 comprising public exhibition Non statutory consultation – 3 July to 27 August 2010, 4 public exhibitions in addition to web and print consultation methods Formal statutory consultation – Early November 2010 for a period of four to six weeks	Biggleswade town centre strategy and masterplan	Cllr Ken C Matthews, Cllr Tom Nicols Comments by 12/06/11 to Contact Officer: Liz Wade, Assistant Director Economic Growth and Regeneration Email: liz.wade@centralbedfordshire.gov.uk Tel: 0300 300 6288
17.	Transforming learning and our relationship with schools - Review of school places in Leighton & Linslade -	To consider the responses to the consultation on the preferred option(s) and to authorise the publication of statutory notices.	4 October 2011		Education Vision, Children and Young People's Plan, Learning Transformation Dunstable and Houghton Regis Review Protocol	Cllr Mrs Anita M Lewis Comments by 04/09/11 to Contact Officer: Sylvia Gibson, Interim Assistant Director, Learning and Strategic Commissioning Email: sylvia.gibson@centralbedfordshire.gov.uk Tel: 0300 300 5598

Ref No.	Issue for Key Decision by the Executive	Intended Decision	Indicative Meeting Date	Consultees and Date/Method	Documents which may be considered	Portfolio Holder and Contact officer (method of comment and closing date)
18.	Transforming learning and our relationship with schools - Review of school places in Leighton & Linslade -	To approve the statutory proposals and financial commitment to implement the chosen option.	15 November 2011		Education Vision, Children and Young People's Plan, Learning Transformation Dunstable and Houghton Regis Review Protocol	Cllr Mrs Anita M Lewis Comments by 15/10/11 to Contact Officer: Sylvia Gibson, Interim Assistant Director, Learning and Strategic Commissioning Email: sylvia.gibson@centralbedfordshire.gov.uk Tel: 0300 300 5598

NON KEY DECISIONS

19.	Quarter 3 Performance Report -	To highlight the key Quarter 3 performance for Central Bedfordshire Council.	5 April 2011		Report	Cllr Richard Stay Comments by 05/03/11 to Contact Officer: Ian Porter, Assistant Director Policy, Partnerships & Performance Email: ian.porter@centralbedfordshire.gov.uk Tel: 0300 300 6529
20.	Quarter 4 Performance Report -	To highlight key Quarter 4 performance for Central Bedfordshire Council.	31 May 2011		Report	Cllr Richard Stay Comments by 01/05/11 to Contact Officer: Ian Porter, Assistant Director Policy, Partnerships & Performance Email: ian.porter@centralbedfordshire.gov.uk Tel: 0300 300 6529

Postal address for Contact Officers: Central Bedfordshire Council, Priory House, Monks Walk, Chicksands, Shefford SG17 5TQ

**Central Bedfordshire Council
Forward Plan of Decisions on Key Issues**

For the Municipal Year 2010/11 the Forward Plan will be published on the fifteenth day of each month or, where the fifteenth day is not a working day, the working day immediately proceeding the fifteenth day, or in February 2011 when the plan will be published on the fourteenth day:

Date of Publication	Period of Plan
14.05.10	1 June 2010 – 31 May 2011
15.06.10	1 July 2010 – 30 June 2011
15.07.10	1 August 2010 – 31 July 2011
13.08.10	1 September 2010 – 31 August 2011
15.09.10	1 October 2010 – 30 September 2011
15.10.10	1 November 2010 – 31 October 2011
15.11.10	1 December 2010 – 30 November 2011
15.12.10	1 January 2011 – 31 December 2011
14.01.11	1 February 2011 – 31 January 2012
14.02.11	1 March 2011 – 29 February 2012
15.03.11	1 April 2011 – 31 March 2012
15.04.11	1 May 2011 – 30 April 2012

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