

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



**please ask for** Paula Everitt  
**direct line** 0300 300 4196  
**date** 10 October 2013

## **NOTICE OF MEETING**

### **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**

Date & Time

**Tuesday, 22 October 2013 10.00 a.m.**

Venue at

**Council Chamber, Priory House, Monks Walk, Shefford**

Richard Carr  
**Chief Executive**

To: The Chairman and Members of the CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE:

Cllrs P A Duckett (Chairman), Miss A Sparrow (Vice-Chairman), Mrs A Barker, L Birt, Mrs C F Chapman MBE, Dr R Egan, J Murray, B Saunders and T Woodward

[Named Substitutes:

Mrs R J Drinkwater, C C Gomm, R W Johnstone, Mrs M Mustoe and I Shingler]

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**

Apologies for absence and notification of substitute members.

2. **Minutes**

To approve as a correct record the Minutes of the meeting of the Corporate Resources Overview and Scrutiny Committee held on 10 September 2013 and to note actions taken since that meeting.

3. **Members' Interests**

To receive from Members any declarations of interest and of 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 this Committee for review in accordance with Procedure Rule 10.10 of Part D2.

The Committee will receive a call in on Central Bedfordshire Next Generation Network. Exempt papers will appear at item 19 pages 123 to 124.

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.

|                |
|----------------|
| <b>Reports</b> |
|----------------|

| <b>Item</b> | <b>Subject</b>   | <b>Page Nos.</b> |
|-------------|--|------------------|
| 9           | <b>Executive Member Update</b><br><br>To receive a brief verbal update from the Deputy Leader and Executive Member for Corporate Resources.  | *                |
| 10          | <b>Farms Estate Strategy 2013-2023</b><br><br>To consider the developing Farms Estate Strategy 2013-2023.  | * 35 - 44        |
| 11          | <b>Budget and Medium Term Financial Plan Update</b><br><br>To receive a presentation updating Members on the Budget and Medium Term Financial Plan.  | * 45 - 54        |
| 12          | <b>Q1 Capital Report 2013/14</b><br><br>To receive the Q1 capital budget monitoring report for 2013/14.  | * 55 - 62        |
| 13          | <b>Q1 Revenue Report 2013/14</b><br><br>To receive the Q1 revenue budget report 2013/14.   | * 63 - 86        |
| 14          | <b>Q1 Capital Report 2013/14 - Corporate Resources</b><br><br>To receive the Q1 capital budget report 2013/14 for Corporate Resources.   | * 87 - 92        |
| 15          | <b>Q1 Revenue Report 2013/14 - Corporate Resources</b><br><br>To receive the Q1 revenue report 2013/14 for Corporate Resources.  | * 93 - 106       |
| 16          | <b>Q1 Housing Revenue Account 2013/14</b><br><br>To consider the Housing Revenue Account 2013/14 report.   | * 107 - 116      |
| 17          | <b>Work Programme 2013 - 2014 &amp; Executive Forward Plan</b><br><br>To consider the currently drafted Committee work programme for 2013/14 and the Executive Forward Plan.                                       | * 117 - 122      |
| 18          | <b>Exclusion of Public and Press</b><br><br>To consider whether to pass a resolution under section 100A of the Local Government Act, 1972 to exclude the Press and Public from the meeting in order to receive the | *                |

Exempt information relating to Item 7 on the grounds that the consideration of the information is likely to involve the disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

19

**Call-in**

To receive the exempt information containing the financial details.

\* 123 - 124

**CENTRAL BEDFORDSHIRE COUNCIL**

At a meeting of the **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE** held in Council Chamber, Priory House, Monks Walk, Shefford on Tuesday, 10 September 2013.

**PRESENT**

Cllr P A Duckett (Chairman)

|       |                     |       |            |
|-------|---------------------|-------|------------|
| Cllrs | Mrs A Barker        | Cllrs | J Murray   |
|       | L Birt              |       | B Saunders |
|       | Mrs C F Chapman MBE |       | T Woodward |
|       | Dr R Egan           |       |            |

Apologies for Absence: Cllrs Miss A Sparrow

Substitutes: Cllrs R W Johnstone (In place of Miss A Sparrow)

|                        |       |            |  |
|------------------------|-------|------------|--|
| Members in Attendance: | Cllrs | D Bowater  | Vice-Chairman of the Council                               |
|                        |       | D J Hopkin | Deputy Executive Member for Corporate Resources            |
|                        |       | M R Jones  | Deputy Leader and Executive Member for Corporate Resources |
|                        |       | R D Wenham | Deputy Executive Member for Corporate Resources            |

|                         |               |   |  |
|-------------------------|---------------|---|--|
| Officers in Attendance: | Ms D Clarke   | – | Director of Improvement and Corporate Services |
|                         | Mrs P Everitt | – | Research and Business Support Officer          |
|                         | Mr A Fleming  | – | Service Director - Business Services           |
|                         | Mr M Scott    | – | Head of Information Assets                     |
|                         | Mr C Warboys  | – | Chief Finance Officer                          |

CR/13/45 **Minutes**

The Committee queried whether a letter of thanks had been sent from the Chairman to Revenue & Benefits staff to thank them for their outstanding achievement in dealing with the large increase in workload, caused by changes in Government legislation. The Chairman agreed to follow up this action with officers.

**RESOLVED**

**That the minutes of the meeting of the Corporate Resources Overview and Scrutiny Committee held on 30 July be confirmed and signed by the Chairman as a correct record.**

**CR/13/46 Members' Interests**

There were no declarations of interest or political whip in relation to any agenda items.

**CR/13/47 Petitions**

No petitions were received.

**CR/13/48 Questions, Statements or Deputations**

No questions, statements or deputations were received.

**CR/13/49 Call-In**

The Panel was advised that no decisions of the Executive had been referred to the Panel under the Call-in Procedures.

**CR/13/50 Requested Items**

No items were referred to the Committee for consideration at the request of a Member.

**CR/13/51 Chairman's Announcements and Communications**

The Chairman informed the Committee that he had added this urgent item, which had been omitted from the agenda in error.

The Chairman offered his condolences to a Member on the loss of a relative.

The Chairman reminded the Committee that Treasury Management Training had been arranged for Tuesday 22 October, to commence at the conclusion of the Corporate Resources Overview and Scrutiny Committee meeting. The Chief Finance Officer commented that the training would give an overview of the role of Members and a guide to the treasury function.

**CR/13/52 Executive Member Update**

The Deputy Leader and Executive Member for Corporate Resources provided the Committee with an update regarding the following:-

- The Council's computer system would be unavailable on Saturday 14 September. The Information Assets team would be conducting a shutdown and restart test in preparation for the planned move to the data centre.
- That the first quarter accounts due to be considered by the Executive at their next meeting were below budget, however, the forecast suggested an overspend of £2.1m.

- The appointment of Melanie Clay as Head of Legal and Democratic Services.

Members of the Committee raised several issues during the presentation, which were addressed by the Executive Member and officers present as follows:-

- The level of reserves had been checked and was currently considered to be adequate and they were not under threat of being taken away by Central Government.
- The Looked after Children service was expected to exceed their budget.
- A review of salaries would be undertaken and overseen by the General Purposes Committee.

### **NOTED the update**

CR/13/53

### **Central Bedfordshire Next Generation Network**

The Deputy Executive Member for Corporate Services introduced a presentation on the Central Bedfordshire Next Generation Network that outlined the proposal to consolidate the provision of all corporate and school data network, mobile and fixed telephony services into a single supply contract. The Head of Information Assets added that these services were either out of contract or nearing the end of contract and that this contract would assist in achieving the MTFP savings for Information Assets, it was proposed the Executive adopt Essex County Council Next Generation Network contract.

The Head of Information Assets outlined the benefits of the Next Generation Network contract, which provided a mechanism to support the upgrade and refresh the data routing technologies. The Council would be able to access a catalogue of technology services and benefit from advancements in innovation and technology driven by Essex and the partnership group.

Members of the Committee discussed the contents of the presentation and raised a number of specific queries, all of which were addressed by the Executive Member, Deputy Executive Member and officers present relating to the following:-

- Concern regarding the level of influence the Council would be able to exert over the contract due to the nature of the partnership arrangement.
- Concerns that a 10 year contract was considered to be too long, a three-year contract period was considered to be more suitable.
- Whether sufficient diligence would be following by the Council in signing such a significant contract.
- Concerns regarding the proposed supplier and whether they were fit for purpose.

In addition the Committee commented that they did not feel they had a sufficient level of detail on which to scrutinise the proposals for the Next

Generation Network and expressed a preference to review the proposals again. The Committee also requested that a briefing for Members of the Committee be arranged to provide further details of the proposal.

### **RECOMMENDED**

**That the Executive be made aware of the concerns of the Committee in relation to the following:-**

- **Concerns that the Council would not be able to exert a sufficient level of control over the contract due to the nature of the partnership arrangements;**
- **Concerns that a 10-year contract period was considered to be too long, the Council should consider a three -year contract period;**
- **Whether sufficient diligence would be followed by the Council in signing such a significant contract.**

#### **CR/13/54 Budget Strategy and Medium Term Financial Plan**

The Deputy Leader and Executive Member for Corporate Resources presented a report that set out the medium term financial planning framework for 2014-15 through to 2017-18. The report considered the impact of changes in Local Government financing and how these might be addressed.

The Chief Finance Officer expanded on the areas expected to impact on the plan, which were discussed in detail by the Committee, including:-

- The Chancellors Autumn Statement and the financial settlement announcement.
- The reduction in Education Services Grant in addition to the Departmental Expenditure Limit for DCLG which had been cut by 10%. It was expected the cut would be passed onto Local Government.
- The affect of a Single Local Growth Fund in 2015/16 with significant funding being taken from the New Homes Bonus previously allocated to the Council but now how this is spent would be determined by the Local Enterprise Partnership.

Members of the Committee discussed the content of the report in further detail and raised a number of queries, all of which were addressed by the Executive Member and Officers in attendance.

**NOTED the report.**

#### **CR/13/55 Work Programme 2013 - 2014 & Executive Forward Plan**

The Committee consider the current Work Programme and the latest Executive Forward Plan. A Member requested the following changes in procedure for meetings:-



- presentations to be provided at meetings should be circulated in advance of meetings where possible; and
- the Committee were notified of any delay or changes to work programme items.

**NOTED the Corporate Resources OSC Work Programme.**

(Note: The meeting commenced at 10.00 a.m. and concluded at 11.45 a.m.)

Chairman.....

Date.....

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**Meeting:** Corporate Resources Overview & Scrutiny Committee  
**Date:** 22 October 2013  
**Subject:** Call-in of Executive Decision  
**Summary:** The report provides Members with details of a call-in of an Executive Decision relating to the Central Bedfordshire Next Generation Network.

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**Contact Officer:** Jonathon Partridge, Corporate Policy and Scrutiny Manager  
**Public/Exempt:** Public, although Appendix A to the Executive report contains exempt information under category number 3 "information relating to the financial or business affairs of any particular person (including the authority holding that information)".  
**Wards Affected:** All  
**Function of:** Executive

#### **CORPORATE IMPLICATIONS**

The implications of signing up to the Central Bedfordshire Next Generation Network are set out in detail in the Executive report appended including the implications of choosing not to implement the recommended approach.

#### **RECOMMENDATION(S):**

1. **that the sustainable Communities Overview & Scrutiny Committee receives the call-in and having considered the reasons given either:-**
  - (a) **refer the matter back to the Executive for reconsideration, normally in time for its next scheduled meeting, setting out in writing the nature of its concerns and any alternative recommendations;**
  - or**
  - (b) **decide to take no further action, in which case the original Executive decision will be effective immediately.**

#### **Background**

1. At their meeting on 10 September 2013 the Corporate Resources Overview and Scrutiny Committee received a presentation on the proposed Central Bedfordshire Next Generation Network. The Committee discussed in detail several concerns, which were brought to the attention of the Executive on 24 September 2013 (detailed in Appendix A):-
2. At their meeting on 24 September the Executive resolved "that the award of the contract for the supply of Network and Telephony services to Central Bedfordshire Council through the Essex County Council NGN (Next Generation Network) contract be approved."

3. The decision of the Executive has been called in by two Members of the Corporate Resources Overview and Scrutiny Committee for determination. The call in form (Appendix B) sets out the reasons for the call in and the alternative course of action and recommendations proposed.

### **Conclusion**

4. Members are requested to consider whether the matter should be referred back to the Executive or to decide to take no further action. The decision relates to an Executive function on which only the Executive can ultimately decide the matter, therefore having sought the advice of the Monitoring Officer the matter may not be referred to full Council.

### **Appendices**

Appendix A: Report to the Executive dated 24 September 2013

Appendix B: Call-in form

### **Background reports:**

Minutes of the Corporate Resources OSC dated 24 September 2013 (can be viewed at any time on the Council's website) at the following address:-

<http://www.centralbedfordshire.gov.uk/modgov/ieListDocuments.aspx?CId=779&MId=4438&Ver=4>

## Appendix **A**

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**Meeting:** Executive  
**Date:** 24 September 2013  
**Subject:** Central Bedfordshire Next Generation Network  
**Report of:** Cllr Maurice Jones, Executive Member for Corporate Resources  
**Summary:** The report recommends the use of the Essex Next Generation Network (NGN) contract by Central Bedfordshire Council as the vehicle to procure a range of data network and telephony services in order to achieve MFTP savings and benefit from a set of non-financial business benefits.

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**Advising Officer:** Deb Clarke, Director of Improvement and Corporate Services  
**Contact Officer:** Matt Scott, Chief Information Officer  
**Public/Exempt:** Public but with an exempt appendix under category number 3 "information relating to the financial or business affairs of any particular person (including the authority holding that information)".  
**Wards Affected:** All  
**Function of:** Executive  
**Key Decision** Yes  
**Reason for urgency/ exemption from call-in (if appropriate)** N/A

### **CORPORATE IMPLICATIONS**

#### **Council Priorities:**

The action supports the following Priorities:

- Better infrastructure – improved roads, broadband reach and transport:
  - This proposal is concerned with the contract for the supply of data and telephony services for the Council and schools in Central Bedfordshire.
- Value for money – freezing council tax:
  - The proposal will be a key mechanism to reduce operating costs and would contribute to the delivery of Medium Term Financial Plan. Performance review, monitoring, information and value for money reviews have been built into the contract. Service Levels would be agreed with Central Bedfordshire and services would be reviewed on a monthly basis. At least every 12 months there shall be a strategic annual review meeting with the strategic board.

**Financial:**

1. The award of this contract would provide a long term means of contributing to the successful delivery of the Medium Term Financial Plan without incurring service reductions.

**Legal:**

2. The value of this contract means that it is subject to the European Procurement Directive and the Public Contract Regulations. In this instance, those requirements are met by means of the procurement process undertaken by Essex County Council. The annual value of the contract exceeds £500K and therefore the expenditure must be approved by the Executive before Central Bedfordshire Council can enter into the proposed arrangements with Essex County Council.

**Risk Management:**

3. The risks associated with not awarding the Essex NGN contract:
  - the medium term Financial Plan targets for Information Assets will not be achieved;
  - insufficient time will be available to undertake an alternative procurement for the Corporate Wide Area network resulting in the need to extend the existing Virgin Media contract and defer potential savings;
  - a procurement undertaken by Central Bedfordshire Council would not offer the level of scope or scale to attract the level of cost reduction needed.

The risks associated with the use of the NGN contract include;

- Contract governance risks
- Contract Management risks, including performance management
- Reputational risks associated with potential non delivery of service or poor performance
- Financial risk of not realising anticipated savings.
- Lack of engagement with relevant stakeholders

Effective management of the project implementation and contract will be critical to mitigating these risks.

**Staffing (including Trades Unions):**

4. Not Applicable.

**Equalities/Human Rights:**

5. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
6. Consideration is always given to the requirements of equality legislation as part of local authorities' procurement practices. There are no adverse equalities impacts associated with the Essex NGN services that Central Bedfordshire Council would consume.

**Public Health**

7. This contract will provide the corporate wide area network that would be used by the public health service at Central Bedfordshire Council.

**Community Safety:**

8. Not Applicable.

**Sustainability:**

9. Not Applicable.

**Procurement:**

10. The contract was awarded by Essex County Council following an OJEU tender listing other interested parties. The contract has been tendered in accordance with the Council's Corporate Procurement Rules. Central Bedfordshire Council qualifies on two counts: being a Unitary Authority within the East of England; a member of the Central Buying Consortium.

**Overview and Scrutiny:**

11. At their meeting on 10 September 2013 the Corporate Resources OSC received a presentation on the proposed Central Bedfordshire Next Generation Network. The Committee discussed in detail the following concerns, which it requested be brought to the attention of the Executive at their next meeting:-

- whether the Council would be able to exert a sufficient level of control over the contract due to the nature of the partnership arrangements;
- a 10-year contract period was considered to be too long, the Council should consider a three -year contract period;
- whether sufficient diligence would be followed by the Council in signing such a significant contract

**RECOMMENDATION(S):**

**The Executive is asked to:**

- 1. Approve the award of the contract for the supply of Network and Telephony services to Central Bedfordshire Council through the Essex County Council NGN (Next Generation Network) contract.**

*Reason for Recommendation(s): So that Central Bedfordshire Council can enter into a long term and EU compliant contractual framework for the provision of data network and telephony services. This catalogue of services will contribute to the delivery of Medium Term Financial Plan and provide access to enabling technology to support business change projects requiring access to these facilities.*

**Executive Summary**

12. There is a requirement for Central Bedfordshire Council to re-procure the contracts for the data and telephony services that provide the Corporate wide area network and are used to underpin the Schools Network.

13. The drivers for this change are as follows: the existing contractual arrangements for these services are either out of contract or nearing the end of contract; entering into a new contract opens the way to review and renegotiate costs with the aim of achieving sustainable cost savings; a new contract provides the opportunity to access technological innovation.
14. A range of procurement options were explored including the use of EU compliant contracts awarded by other local authorities and now available to other qualifying councils; the Essex NGN (Next Generation Network) is this type of contract.
15. The catalogue of services offered through the Essex NGN contract meets Central Bedfordshire Council's requirements in terms of the scope of services and from an affordability and value for money perspective. The Essex NGN contract is the recommended route for the procurement and provision of data network and telephony services to Central Bedfordshire Council.

### **Background**

16. The current suppliers have been in place since the formation of Central Bedfordshire Council. The Council has procured separate contracts for each type of data and telephony service. This has restricted opportunities for joined up working, innovation and the potential for efficiencies arising from economies of scale and scope.
17. When Central Bedfordshire was formed in 2009 a contract was put in place to provide a wide area network service including the provision of the 0300 telephone number range. This contract was renewed in 2012 and will expire in August 2014.
18. The Schools wide area network provides connectivity for 119 schools and academies in Central Bedfordshire. The contract for the Schools wide network was awarded by Bedfordshire County. In 2009 Bedford Borough Council was named as the contract owner and managed the supplier on behalf of Central Bedfordshire Council. From 2011 Central Bedfordshire Council assumed responsibility for the operational management of the contract. The contract has now expired and a replacement contract is required.
19. Central Bedfordshire Council and Bedford Borough Council conducted a joint re-procurement exercise for the supply of schools network connectivity. However, this procurement was protracted and Central Bedfordshire Council did not award as the available options would have incurred significant investment of officer time for minimal return over the primary contract term.
20. The Corporate mobile phone contract expires on 29 September 2013. This contract is let through the Government Procurement Service and can be renewed on an annual basis.
21. There is now an opportunity to re-procure these services in an innovative way in order to make a significant contribution to the Medium Term Financial Plan savings targets for Information Assets.



22. The business requirements of the Council have changed and will continue to change. A replacement contract would need to offer a broad scope and scale of technology services that are sufficient to meet the immediate and near future plans for business change initiatives such as Your Space 2.

### **Procurement Options**

23. Individual EU compliant tender

This route is not recommended for the following reasons:

- A Central Bedfordshire Council tender was unlikely to attract the level of saving possible from joining a much larger contract as evidenced by the price difference of the current Schools and Corporate WANs and the Essex NGN calculations
- Timescales to undertake the procurement would defer the realisation of the savings
- Availability and cost of the time required from officers and members to specify, evaluate and approve the contract

24. Framework Contracts

A number of framework contracts for specialist services have been made available through entities such as Government Procurement Services, Eastern Shires Procurement Organisation and Central Buying Consortium. Typically a specification is defined and a mini-competition is run under the framework and the contract is awarded under a pre-determined set of terms and conditions.

This route is not recommended as the frameworks are rigidly defined in terms of the type of services offered e.g. hardware, software and professional services. There was not an obvious match with the blend of services being sought for a corporate and school WAN and telephony package.

25. Joint Procurement with other Local Authorities

Central Bedfordshire Council and Bedford Borough Council undertook an unsuccessful a joint procurement exercise earlier in 2013 for School WAN services. A contract was not awarded due to limited supplier choice and insufficient cost saving opportunity. This route is not therefore recommended.

26. Join an existing EU compliant contract let by another local authority

During recent years it has become common practice for local authorities to name other councils in their tenders for ICT services. This approach attracts a better deal and opens the way for other authorities to take advantage of the awarded contract.

The Essex NGN contract is an example of a contract that was awarded by a much larger organisation and could command a significant level of discount due to the size and scope of the services being sought. In addition to the Essex NGN contract, the Buckinghamshire County Council PSN (Public Service Network) contract was investigated. However, Central Bedfordshire Council was not listed amongst the eligible councils to join the contract.

This is the recommended procurement route.

### **The Essex NGN Contract**

27. The Next Generation Network Services contract between Essex County Council and Daisy Updata Communications Limited (DUCL) was awarded on 11 December 2012 for a ten year period. There are contract break points at year 4 (2016), year 6 (2018) and year 8 (2020) with 6 months written notice required.
28. The contract comprises a range of service offerings including, but is not limited to, communication services, broadband, conferencing, contact centre services, wireless, video, mobile voice and data services, local area network and gateway services. There is no obligation for Central Bedfordshire Council to sign-up for the full service list.
29. The Essex NGN was initially established to provide a network for Essex with connectivity to schools and council sites and for members of the Essex On-Line Partnership (EOLP), a group of organisations already working together on ICT projects including district, borough and unitary councils, Essex Police and Essex County Fire & Rescue.
30. In addition to the Essex based entities the contract was advertised and awarded, in accordance with EU procurement regulations, to enable any of the following organisations in the East of England to join the contract:
- NHS bodies, including Primary Care Trusts;
  - Unitary, District, Borough and Parish Councils;
  - Fire and Rescue Authorities;
  - Police Authorities;
  - Educational Establishments (private and public);
  - Voluntary Sector Charities
31. A Strategic Management Board (SMB) has been established with responsibility for overall service and delivery strategies. A strategic annual review meeting with the strategic board will take place at least every 12 months.

32. The SMB comprises a senior representative for each customer or groups of customers (where a consortium approach is used), a representative from Essex County Council along with the Head of NGN Services who fulfils the chairman role for the Board. As customers enter into the Essex contract they gain a seat on the SMB from the start date of their contractual agreement. Each and every member of the SMB has one equal vote. This governance provides a mechanism for the management of the master contract by Essex County Council and to provide a level of autonomy for customers joining the contract.
33. Current members of the SMB include Essex County Council (the lead authority), Essex Education Authority, the Essex On-Line Partnership (representing the Essex District Councils), Essex Fire & Rescue and Daisy Udata Communications Limited (DUCL).
34. Performance review, monitoring, information and value for money reviews have been built into the contract. There is a formally agreed benchmarking schedule in the contract that the SMB can choose to invoke annually if desired. This is carried out by an independent body based on like for like services.

### **The Suppliers**

35. Daisy Udata Communications Limited (DUCL) was formed as a Joint Venture company in order for Udata Communications Limited and Daisy Group PLC to deliver the breadth of services sought by Essex NGN contract. The two entities have equal shares in the business and the board is comprised of four directors, two from each entity. DUCL sub-contracts to Daisy and Udata as the main sub-contractors to deliver the catalogue of services as follows: WAN services delivered by Udata; Telephony and communications services delivered by Daisy.
36. Udata only supplies the public sector market and the vast majority of contracts are with Local Authorities and Local Education Authorities. Customers include: Hertfordshire County Council, Central Bedfordshire Council, Bedford Borough Council, Buckinghamshire District Council, Herefordshire County Council, Fife County Council, Peterborough City Council and the Welsh Assembly.
37. Daisy provides services to both the private and public sector market and has contracts in some form of another with over 50% of UK Local Authorities. Particular examples include London Borough of Newham, Kent County Council, Rochford District Council and Hertfordshire County Council.

### **Arrangements for Central Bedfordshire Council**

38. Central Bedfordshire Council is eligible to become a customer of the NGN contract.
39. Central Bedfordshire Council would contract with Daisy Udata Communications Limited (DUCL). The Essex NGN contract would be used purely as an EU compliant procurement vehicle.
40. There is no fee or contribution paid to Essex County Council from the CBC contract.

41. DUCL would provide flexible terms to accommodate the uncertainty over schools commitment. This can take the form of an agreed minimum contract value over the term. The contract break clauses are available to Central Bedfordshire Council as per the terms of the Essex NGN contract. DUCL has the right to claim breakage and unrecovered costs but these are capped and these can be agreed with individual customers depending on contracted services.
42. Central Bedfordshire Council would be expected to establish a Contract Management Board to manage the operational relationship between Daisy Udata Communications Limited and the Council. Service Levels would be agreed with Central Bedfordshire Council and services would be reviewed on a monthly basis.

For further information concerning governance a copy of the contract schedule for governance is provided in Appendix B.

43. The intention is to make use the Essex NGN contract during the next 18 months to access the following services: wide area network for the Schools Network and corporate network, fixed line telecoms, voice calls and broadband (public and partner sites).
44. During this period the following service offerings would be investigated and considered for feasibility within the Central Bedfordshire context: mobile telephony fixed to mobile integration and unified communications technology.

### **Benefits**

45. The following benefits are anticipated from the award of the contract and Central Bedfordshire becoming a customer of the Essex NGN:
  - i. MTFP savings associated with the resupply of wide area network connectivity services – as set out in appendix A.
  - ii. The use of a contract with a single supplier for all data and telephony services would make the contract and supplier management activities more efficient.
  - iii. The Essex NGN has 9 years to run. The length of this contract enables the supplier to make significant investment in the technologies which will provide Central Bedfordshire with resilient, secure and high available network services.
  - iv. DUCL would invest in the core infrastructure and exchanges to ensure that all equipment is maintained at current software levels and new technologies (e.g. Next Generation Access) will be provided as they become available.
  - v. The contract makes available a broad catalogue of technology services to support the Place and Making it Happen e.g. broadband services, unified communications.
  - vi. Benefit from innovation and technology advancements driven by Essex and the partnership group
  - vii. Support towards the localism agenda and extending the reach of affordable broadband services to parish and town councils.

### **Conclusion and Next Steps**

46. In summary, the Essex NGN contract will enable the Council to leverage the scale and scope of the wider contract to deliver savings and provide the Council with secure, resilient and up-to-date data and telephony services.
47. The next step is to award the contract and plan the transfer of links and services to the new provider for the schools and corporate network as well as investigate the other service catalogue items to identify suitability and fit with Central Bedfordshire.

**Appendices:**

Appendix A – Financial Calculations (Exempt)

Appendix B – Governance Schedule

**Background Papers:** (open to public inspection) None

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## **APPENDIX B**

### **GOVERNANCE (SCHEDULE 7.1)**

#### **1. INTRODUCTION**

- 1.1 This schedule describes the procedures that will be used to manage the relationship between the Authority, the Provider and Customers under the Agreement and any Customer Agreements.
- 1.2 The Essex NGN governance model is intended to provide a fit-for-purpose structure for the management of the Agreement and any Customer Agreements. Overall control of the Agreement is kept within the Authority, however this governance model and particularly the role of the Strategic Management Board (SMB) allows for autonomy in the management of Customer Agreements where this is appropriate.

#### **2. THE STRATEGIC MANAGEMENT BOARD**

- 2.1 The Strategic Management Board (SMB) manages the overall service and delivery strategies for the Essex NGN.
- 2.2 The Board comprises a senior representative for each Customer (or groups of Customers, by agreement), plus the Authority's Head of NGN Services and the Authority's Representative. The Board will be chaired by the Head of NGN Services.
- 2.3 The Provider shall attend SMB meetings for which it has received a request (where possible ten (10) Days in advance, such request may be in writing or otherwise) from the Head of NGN Services or other SMB Representative (when necessary). The Provider's Representative in attendance at any SMB meeting must be empowered by the Provider to make decisions within the scope of the Essex NGN relationship.
- 2.4 For the purposes of every SMB meeting, the SMB shall be in quorate if a representative from each of the following bodies is in attendance:

- i. the Authority;
  - ii. Essex Local Education Authority & Independent Schools as a group
  - iii. EOLP as a group throughout the first Transformation Year (in accordance with R006 of Schedule 1.1 (Technical Specification))
- 2.5 Each and every member of the SMB has one equal vote. For approval of proposals subject to the agenda of an SMB meeting, the SMB must have the support of the Authority's Representative and at least two other Board Members.
- 2.6 In a deadlock situation, the Authority's Representative shall have the casting vote.
- 2.7 As Customers enter into Customer Agreements with the Provider, they shall gain a seat on the SMB from its relevant Customer Agreement Commencement Date.
- 2.8 Individuals nominated to sit on the Board to represent Customers, must be empowered by their organisation to make decisions within the scope of the Essex NGN relationship.
- 2.9 The members represented on the SMB are:
- The Authority
  - Essex Local Education Authority & Independent Schools as a group
  - EOLP as a group throughout the first Transformation Year (in accordance with R006 of Schedule 1.1 (Technical Specification)); and
  - any other Customers.



2.10 The SMB's roles and responsibilities are to:

- Oversee the relationship between the Authority, the Customers and the Provider;
- Oversee and, if required, assist with any contractual/legal issues which have failed to be resolved by the relevant parties using the Escalation Procedure in relation to the Agreement or relevant Customer Agreement(s);
- Set overall strategic policy and direction for Essex NGN;
- Carry out its obligations in relation to the Change Control Procedure for the Agreement and all Customer Agreements when applicable (namely Changes which have or are likely to have a material impact on the Services and or terms of the Agreement);
- Carry out its obligations in relation to Schedule 8.1 (Customer Agreement Procedure);
- Deal with any service implementation issues which have been referred to the SMB in relation to clause 4 of the Agreement, Schedule 5.1 (Roadmap) and Schedule 5.2 (Implementation Planning) and assist the relevant parties where necessary to resolve any issues so far as possible before a Dispute is created.
- Approve the Communications and Marketing Strategy for the Essex NGN and any proposed updates and amendments.
- Review and consider any other business presented to the SMB as an Agenda Item by any of the SMB members in advance of the next SMB meeting which may require the decision making process as set out in paragraphs 2.4 to 2.6 above, and agree any further actions, which shall be minuted by the Authority and distributed to all SMB members within a reasonable period.

- Agenda Items may include any of the points raised above in this paragraph 2.10, and also include (but not be limited to) issues in relation to performance, new business cases/project proposals, and statutory compliance.

### **3. THE NGN SERVICE MANAGEMENT TEAM**

- 3.1 The NGN Service Management Team is a team within the Authority, whose task is to manage the relationship with the Provider in relation to the fulfilment of the Authority's obligations under the Agreement and to act as an escalation channel in the management of Customer Agreements in line with paragraph 6 of this Schedule 7.1 (Governance).
- 3.2 The NGN Service Management Team is led by a full-time Head of NGN Services, supported by a full-time Network Operations Manager and two Service Performance Managers. The NGN Service Management team also includes expert members representing other functions from within the Authority's IS Department, including Technical Design Architecture, IT Strategy, IT Security and Information Assurance.
- 3.3 The Authority, as represented by the Service Management Team, retains the accountability and the legal right to RIPE and NOMINET. These services will be managed on behalf of the Authority by the Provider.
- 3.4 The NGN Service Management Team shall:
- Manage the overall contractual relationship with the Provider, i.e. the Agreement, including monthly contract review meetings.
  - Manage Changes once these have been signed off by the Strategic Management Board, as identified in Schedule 7.2 (Change Control Procedure).

- Work in collaboration with Customer Contract Management Boards to monitor and manage supplier performance across the Essex NGN, acting to resolve any performance issues or disputes where these impact the Authority or more than one Customer or facilitating the escalation of unresolved issues to the SMB.
- Oversee budget management, charging and service credits for the Authority's relationship with the Provider and for the Essex NGN overall.
- Support the Provider in exploring business development opportunities within the scope of the services detailed within the OJEU Notice with Essex NGN Customers and the wider market of Eligible Customers.
- In collaboration with the Provider, manage the implementation of the Marketing and Business Development Strategy.
- Oversee the implementation of the Authority's Milestones as set out in Schedule 5.1 (Roadmap) and of any further continuous service improvement programmes as agreed from time to time.
- Manage risks relating to the Agreement.
- Review customer satisfaction and manage resulting issues.

#### **4. CUSTOMER CONTRACT MANAGEMENT BOARDS**

- 4.1 Eligible Customers may receive Services under the Agreement in accordance with Schedule 8.1 (Customer Agreements).
- 4.2 Each Customer is expected to establish a Contract Management Board within their own organisation to manage the operational relationship between the Provider and the Customer.

- 4.3 Contract Management Boards will focus on the operational and performance management of the specific relationship, as governed by the relevant Customer Agreement.
- 4.4 Where the Contract Management Board has failed to resolve an operational or service performance issue, such issues must be referred to the Authority's Head of NGN Services, who may escalate the issue to the Strategic Management Board.
- 4.5 In any dispute, once the above escalation channels have been exhausted, the Authority retains the right to determine the required action to resolve the outstanding issues.

## **5. PROVIDER RESPONSIBILITIES**

- 5.1 As part of the on-going relationship, the Provider must carry out a number of activities and deliver and/or maintain a number of documents to support the governance of the Agreement. These are:
- Make provision for the effective management of the overall contractual relationship with the Authority and Customers
  - Attend all governance boards both at a strategic and individual Customer level and contract management meetings as required by the Authority and Customers.
  - Produce an Outline Implementation Plan, Detailed Implementation Plans and High Level Implementation Plans as defined in Schedule 5.2 (Implementation Planning). All these plans must lead to the achievement of the milestones specified in Schedule 5.1 (Roadmap) and those agreed in Customer Agreements.
  - Implement any Changes to the Services as instructed by the SMB in accordance with the agreed Change Control Procedure.

- Conduct regular service reviews with any third parties delivering services under this Agreement to secure the most cost effective method of providing the service required by the Authority and Customers.
- Provide operational service performance reporting against all agreed performance indicators, as defined in Schedule 1.2 (Service Management) and ad-hoc reporting for the SMB as required by the Authority and Customers.
- Manage budgets, charging and service credits and provide detailed financial reporting to the Authority, based on open-book principles.
- Proactively assess and prioritise improvements to operational processes or the design of the Essex NGN infrastructure and recommend service improvements to the Head of NGN Services or the SMB as appropriate.
- Handle the administration for meetings of the SMB, any Customer Contract Boards and other agreed groups tasked with the management of the Agreement or Customer Agreements. This includes the timely production of agendas, timetables, minutes and papers.
- Develop and drive a Marketing and Business Development Strategy focused on the expansion of the base of Essex NGN Customers within the scope of Eligible Customers. This Strategy must be presented to the Strategic Management Board for sign-off within three months of the Transformation Start Date. The strategy must contain an explicit plan for the implementation of Customer Agreements with the members of EOLP who are receiving the R006 Services as defined in Schedule 1.1 (Technical Specification).

- Develop and implement a continuous service improvement programme, taking advantage of economies of scale and emerging technology to drive down the charges for the Services and to enhance the quality of the Services in line with market developments.
  - Actively seek customer views and feedback and take action to improve customer perception of the quality and value of the Services.
  - Manage RIPE and NOMINET services on behalf of the Authority and report any activity to the Head of NGN Services at least quarterly.
  - Maintain an asset register of the entire Essex NGN Infrastructure in accordance with Clause 22 (Assets). This shall be kept updated with any changes available to the Authority at least on a quarterly basis.
  - Make financial and operational records available for audit purposes as required under the Agreement and or when requested by the SMB.
- 5.2 The Provider responsibilities identified in paragraph 5.1 above shall be managed by the Essex NGN Service Management Team.
- 5.3 Both parties will pro-actively manage risks attributed to them under the terms of this Agreement.

## **6. DISPUTE RESOLUTION**

- 6.1 Any Disputes shall be dealt with in accordance with Clause 35 (Dispute Resolution Procedure) of this Agreement.
- 6.2 The NGN Service Management Team shall act on behalf of the Authority in relation to Disputes being dealt with in accordance with Clause 35.2.

- 6.3 The Customer Contract Management Board shall act on behalf of the Customer in relation to Disputes being dealt with in accordance with Clause 35.2.
- 6.4 Where the relevant Management Boards referred to in paragraphs 6.2 and 6.3 of this Schedule 7.1 (Governance) fail to resolve the Dispute or where the Dispute impacts more than one Customer Agreement, such Dispute shall be referred to the Authority's Head of NGN Services followed by the SMB in accordance with Clauses 35.3 and 35.4 of this Agreement respectively.
- 6.5 Any Dispute which fails to be resolved in accordance the Escalation Process shall also be dealt with in accordance with the remainder of Clause 35 (Dispute Resolution Procedure).

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## Appendix B

**Please state:**

### **1. The reasons for call-in -**

The Overview and Scrutiny Committee were not given sufficient information about this proposal to make an informed decision. No detailed financial assessments were provided and the details of the contract were not available. No independent assessments were provided and officers were not prepared to give answers to the questions raised by members of the committee. Concerns raised by the Overview and Scrutiny Committee were ignored.

### **2. The alternative course of action or recommendations proposed -**

Alternative Courses of Action:

- 1) Provide the committee with a detailed financial analysis of why and how savings would be made through this contract.
- 2) Provide detailed information about the cancellation of this contract including the costs and implications involved.
- 3) Request the attendance of the Chief Procurement Office for Central Bedfordshire Council at the next Overview and Scrutiny Committee in order to be given an explanation for why this decision did not go through a normal tender process.
- 4) Request that Central Bedfordshire Council seek three separate quotes for the services being offered by Essex Council and that these be provided to the Overview and Scrutiny Committee.
- 5) Request that Central Bedfordshire Council sign a 3 year contract with a view to extension rather than a 10 year contract with an option to cancel
- 6) Request that this contract be subject to an independent review from experts in the field and these/this expert prepare and submit a report personally to the Overview and Scrutiny Committee.
- 7) Request that this contract be reviewed by full council and be subject to full council debate.

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**Meeting:** Corporate Resources Overview and Scrutiny Committee  
**Date:** 22 October 2013  
**Subject:** Developing a Farm Estate Strategy 2013-2023  
**Report of:** Cllr Maurice Jones, Executive Member for Corporate Resources  
**Summary:** The report proposes the process for developing the Farm Strategy

**Advising Officer:** Deb Clarke, Director of Improvement and Corporate Services  
**Contact Officer:** Neil Earp, Interim Head of Asset Management  
**Public/Exempt:** Public /Exempt appendix  
**Wards Affected:** All  
**Function of:** Council

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| <b>CORPORATE IMPLICATIONS</b> |
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| <b>Council Priorities:</b> |
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| <p><b>The emerging Farm Estate Strategy will set out the Council's view as to how it will manage and develop our farm estate over a 10 year period between 2013 and 2013. The scope of the Strategy will extend to all building and land assets owned or leased by the Council. It is proposed that the Strategy will be reviewed every 3 years to ensure alignment with corporate objectives and policies.</b></p> |
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- |   |
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| <p>1. The draft Farm Strategy will seek to ensure that the key strategic objectives support the Council's vision and priorities as set out below:</p> <ul style="list-style-type: none"> <li>• Enhancing Central Bedfordshire – creating jobs, managing growth, protecting our countryside and enabling businesses to grow.</li> <li>• Improved educational attainment.</li> <li>• Promote health and wellbeing and protecting the vulnerable.</li> <li>• Better infrastructure – improved roads, broadband reach and transport.</li> <li>• Great universal services – bins, leisure and libraries.</li> <li>• Value for money</li> </ul> |
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| <b>Financial:</b> |
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| <p>2. The following work arising from the recommendation will have cost implications:</p> <ol style="list-style-type: none"> <li>1. Procurement of the Policy Scoping Report - cost needs further investigation and quotes invited.</li> <li>2. Condition surveys - a budget estimate of £100,000 for 14/15 has been submitted.</li> <li>3. A field by field analysis and feasibility studies/option appraisals - a budget estimate of £50,000 for 14/15 has been submitted</li> </ol> |
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| <p>The financial benefits of the Farm Strategy will be developed as we gather evidence and data and refine our objectives.</p> |
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**Legal:**

3 Not applicable.

**Risk Management:**

4 Asset resources to manage the scope of work outlined in sections 4 & 5 of the report. Separate risks will be identified during the scoping of the strategy which may be applicable in the implementation of the plan.

**Staffing (including Trades Unions):**

5. Not Applicable.

**Equalities/Human Rights:**

6 No inequality or human rights issues are expected to arise from actioning the committee recommendation.

**Public Health**

7 The Farm Strategy could identify land that would be of benefit to the community for leisure related and recreational activities. Public access could also be facilitated or improved for walkers, riders and cyclists through the creation of formal access routes.

**Community Safety:**

8 Not Applicable.

**Sustainability:**

9 Potential opportunities for income generating uses for the Farm Estate from renewable energy, biomass crops, carbon trading.

**Procurement:**

10 The procurement of third party suppliers to support investigations and gathering of evidence.

**RECOMMENDATION(S):**

**The Committee is asked to:-**

- 1. Approve the approach and process for developing the Farm Strategy and the next steps in gathering the evidence set out in Chapter 4.**

Appendices

Appendix A – Farms Estate Strategy

## Appendix **A**

# Central Farms Estate

## Developing a Farm Estate Strategy

## Introduction

- 1.1 The Council's Farm Estate has a current asset value of around £65 million. It comprises 2500 ha (6200 acres) of land and supports 67 full time farm tenancies and a further 50 tenancies for minerals/grazing/sporting/allotment and so on activities. It produces an annual rent roll of £470k gross. A plan showing the approximate location of the farm estate landblocks is attached at Appendix A.
- 1.2 The Council has adopted a vision for its property assets which can be summarised as follows:

***“The Council will only use property that supports and sustains delivery of our services”***
- 1.3 In its Medium Term Plan the Council is committed to six key priorities which are:
  - 1.3.1 Enhancing Central Bedfordshire – creating jobs, managing growth, protecting our countryside and enabling businesses to grow.
  - 1.3.2 Improved educational attainment.
  - 1.3.3 Promoting health and wellbeing and protecting the vulnerable.
  - 1.3.4 Better infrastructure – improved roads, broadband reach and transport.
  - 1.3.5 Great universal services – bins, leisure and libraries.
  - 1.3.6. Value for money.
- 1.4 The draft Farm Estate Strategy will seek to ensure that the key strategic objectives support

## Towards a Farm Estate Strategy

- 2.1 Farms owned and managed by Local Authorities are an important, strategic and national asset. These farms can assist Local Authorities in meeting wider regional economic, countryside and environmental objectives and provide an essential route into farming for new entrants. A wide range of benefits could be provided including renewable energy, waste utilisation, and local food production, access to the countryside, learning outside the classroom, greenbelt management and assisting in the management of flood risk.
  - 2.2 The approach to managing the Farm Estate will be determined through the process of creating a farm strategy including making some strategic decisions such as:
    - Whether we wish to provide farms to enable new entrants into agriculture and amalgamate holdings, creating more viable farm lettings
    - Statutory requirements.
    - The degree to which we wish to use the farms as a source of revenue income.
    - The degree to which we want to secure capital receipts.
    - The extent of the requirement for a landbank to meet the Council's regeneration ambitions.
    - The provision of leisure/community facilities for the people of Central Bedfordshire at large.
-

- How we can best meet our environmental responsibilities.
- 2.3 The emerging Farm Estate Strategy will set out the Council's view as to how it will effectively and efficiently manage and develop our Farm Estate over a 10 year period between 2013 and 2023. The scope of the Strategy will extend to all the building and land assets owned or leased by the Council. It will be proposed that the Strategy will be reviewed every 3 years to ensure alignment with corporate objectives and policies.

## **Detailed considerations for the Farm Strategy**

### **3.1 Obligations to the agricultural community.**

Historically there has been a requirement to provide opportunities for new entrants into agriculture. More recently few new opportunities have been created due to the requirement to amalgamate land available to existing tenants in order to maintain farm viability. Some existing tenants may not be retiring due to insufficient funds to provide their own residential accommodation, thus not releasing farms for further letting to new entrants.

### **3.2 Supporting the agricultural economy**

- 3.2.1 The agriculture, forestry and fishing industry in Central Bedfordshire generates an annual turnover of circa £153 million and employs around 400 people. As a sector, skills shortages are commonly reported. (Central Bedfordshire Local Economic Assessment 2013).
- 3.2.2 The improved prospects for the agricultural industry have given rise to an increase in people seeking employment in agriculture. As routes of entry remain constrained there is demand for opportunities. The council farms portfolios have remained an important first step for people to start on the farming ladder.
- 3.2.3 A detailed programme of condition surveys needs to be undertaken to determine the actual level of investment needed both to farm houses and buildings to meet current legislation in relation to fixed equipment and storage.
- 3.2.4 Growing rental and land values have resulted in agricultural property becoming an attractive and serious asset class in its own right. Land values have doubled in five years and with supply and strong demand the immediate prospects are for the current record values to be sustained or possibly increased. Rural property as an asset class has out-performed other asset classes in recent years. Agricultural land is therefore sought not only by farmers but also by investors attracted by the potential income and capital growth opportunities. These opportunities are available to the Council as an owner of an agricultural portfolio and it is in a unique position to generate other advantages in meeting Council policies or community benefits.

### **3.3 Statutory Requirement**

3.3.1 The Smallholdings and Allotments Acts 1907 and 1908 required all Councils to meet the demand of applications by young persons to enter into farming. Later, the Agriculture Acts had a similar effect and landholdings have been amalgamated to form the larger farms we have today.

3.3.2 The Tenancy Reform Industry Group (TRIG) submitted a report to Government in 2003, stating that local authorities should be reminded of their obligations under the Agriculture Act 1970. The Government's response was to

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write to Local Authorities reminding them that under s.39 of the Agriculture Act 1970 they were required: 'to make it their general aim to provide opportunities for persons to be farmers on their own account, having regard to the general interests of agriculture and good estate management, by letting holdings to them'.

3.3.3 Notwithstanding this response, with the economic difficulties of 2009 onwards, a number of local authorities have decided to sell off significant numbers of their farms.

3.3.5 The most recent authority that has adopted a disposal policy is Somerset County Council in October 2010. Somerset have advised that they have not had any legal challenges following the adoption of their disposal policy, albeit they did not dispose of the whole of their county farm estate.

3.3.6 In conclusion whilst CBC is not barred from disposing of our farms per se, we should take account of the 'general aim' under s.39 of the 1970 Act and as a rural authority if there is a call for a farm estate we could be in line for significant criticism if we do not do so. However, this needs to be balanced with the needs of the wider community.

3.3.7 The Council will need to decide whether to dispose of its farm estate, and if so, to which degree.

### **3.4 Income Generation**

3.4.1 The Estate does provide a substantial income via its agricultural rental and mineral royalty (circa £470k per annum). Following a period of reduction in farm rents in the early 2000s the agricultural rental market is now very robust and, with a realistic investment in farm buildings the return on capital is predicted to increase. It should be noted that farm estate revenue income is subject to the disaggregation agreement with Bedford Borough Council on a reducing basis until 2050.

3.4.2 Capital receipts have always provided a justification for retaining parts of the Farm Estate. Allocation of CBC farm estate land for development has been made in Local Development Plans and with a Corporate and Community approach it can continue to provide capital receipts in the future. It should be noted that there is an ongoing dispute with Bedford Borough Council regarding the potential disaggregation of capital receipts from the County Farm Estate which could effect the level of net receipts from sales.

### **3.5 Corporate need**

Land could be available to enable service delivery objectives to be fulfilled e.g. for relocation of services to more appropriate locations.

### **3.6 Leisure/ Community Facilities**

Land that is not identified for other uses could be of benefit to the community for leisure related activities. Even if the land is retained as part of the farm estate it can still provide recreational benefits; public access could also be facilitated and improved for walkers, riders and cyclist through the creation of formal and informal access routes.

### **3.7 Environmental Responsibilities**

The Farm Estate could be leveraged to implement our environmental policies and statutory obligations covering both the natural and built environment. Agricultural land

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is a key factor in terms of local distinctiveness and it is important that the council promotes management sympathetic to landscape character. Appropriate land management of the farmed estate can also help manage environmental risks and mitigate climate change causes and effects, including managing water quality and runoff, to reduce flood risk, and soil and carbon conservation.

## **Suggested Objectives for the Farm Strategy**

The Farm Strategy, when developed, will set out a series of objectives. These are some suggested draft objectives for discussion;

### **4.1 Objective 1: Commercial Farm Enterprises**

To promote and encourage commercial farm enterprises by providing full time opportunities for the creation of fixed term commercial farms;

To identify part time new young entrant and retirement opportunities and ensure a steady turnover making the best use of land held pending longer term development / sale

To promote rental growth, both agricultural and non-agricultural derived from conversion from secure to modern tenancies, improvement of holdings, amalgamation of units and promotion of non-agricultural opportunities such as farm retail, liveries and other diversifications. A target for growth year on year will be set.

To minimise rent debt.

### **4.2 Objective 2: Buildings**

To realise (at vacant possession, or by negotiation, or bringing forward surplus and redundant buildings), the sale of identified surplus property on the Estate taking proactive steps to support the capital receipt programme.

To continue to reduce overall maintenance and management costs.

### **4.3 Objective 3: Environmental and Service Delivery**

To deliver a range of environmental enhancements and promote environmental initiatives and to link with schools and colleges to provide a wide educational experience of farming and the countryside.

### **4.4 Objective 4: Development**

To support economic regeneration by identifying a land bank of suitable sites for future LDF allocation, social housing, care opportunities and so on.

To promote asset release for example for infill sites

### **4.5 Objective 5: Effective Management**

To establish effective commercial management of the farm estate, achieving a yield of 2% per annum.

## **The process for developing the Farm Strategy**

- 5.1 In order to develop a strategy to refine and meet the draft objectives, the council needs to establish an evidence base and data regarding our current assets.
-

- 5.2 This evidence base needs to be able to establish a view of the farm estate to assist in policy decisions to be taken on retention, maximisation of income and disposal over a period of up to 10 years, to include:
- A field by field appraisal with a view to identifying 'Core' and 'Non Core' estate, as described in Chapter 6 and identified as below
    - Commercial - commercial farm enterprises to encourage capital investment, enhance rent levels and provide opportunities for new lettings
    - Environmental and Service Areas – land and buildings to enable the corporate, environmental, leisure, or community requirements of the Council to be fulfilled.
      - § Buildings – land and buildings that can be used to maximise income from the estate during the required timeframe, for example barn conversions to start-up business units
      - § Development – land and buildings that should be used to achieve the maximum capital receipt.
  - A programme of condition surveys on the farm estate to identify the level of investment required across the estate and to inform decisions on retention or disposal.
  - A detailed Policy Scoping Report to examine all aspects of policy (national, regional/sub-regional and local) and market trends affecting the future of the CBC area. Existing CBC assessments and strategies will be key in producing this report:
  - CBC Annual Local Economic Assessment
  - Central Bedfordshire's Development Strategy
  - Economic Development Plan 2012
  - Employment land supply studies
  - An analysis of any known major or unique requirements for development land in the CBC area and consideration of how the Farm Estate might satisfy those requirements
  - Consideration of other income generating uses for the Farm Estate (e.g. renewable energy; biomass crops; carbon trading; equestrian & sport / recreation facilities etc)
  - Consultation with farm tenants, the NFU, local land groups eg Marston Forest Centre, County Landowners Association on the direction for the farm estate (potentially via Working Group)

## **Beginning to 'segment' the farm and land holdings**

- 6.1 Alongside the evidence and data collection described above, we need to begin the process of segmenting the asset base into 'core' and 'non-core' categories, with 'core' holdings being basically those which we wish to retain and 'non-core' being those which we may wish to dispose of.
- 6.2 The physical criteria for the 'core' holdings may include:
- Compact blocks of land with good internal access between fields;
-

- Modern dwellings with basic accommodation and amenities or possibility to provide these at reasonable cost;
- Conveniently located in relation to the dwelling with good access and yard;
- Modern farm buildings of a general purpose type with good eaves height and easy entry for the highest and widest vehicles.

6.3 The economic criteria for the retention of holdings will reflect the profitability of the enterprises most likely to be undertaken. It is likely that full time commercial arable farms will be in the region of 500 acres. The economic criteria for the retention of land and property could be as follows:

- Land which has long term development value and which might otherwise be sold be not sold prematurely;
- Property will not be identified for sale where it would have a serious adverse effect on the value or management of retained land;
- Good and reasonable quality land in compact or closely related blocks will be retained.
- Isolated and detached blocks or poor quality land or properties which are uneconomic to retain can be highlighted for sale with vacant possession subject to existing tenancy restrictions.
- Retirement holdings on the Estate will not be offered
- There will be a presumption against capital investment except where it is essential and where:
  - the Plans are being implemented and a long term holding is substantially complete and where the fixed equipment is inadequate or does not meet H&S standards; or
  - substantial refurbishment to specific farm buildings of traditional construction is required to save consequential repair costs and where long term development potential is to be safeguarded; or
  - substantial capital receipts can be achieved over and above the capital expenditure; or
  - revenue income generation can be maximised on both land and buildings

The reduced number of holdings should lead to a gradual reduction, in real terms, in maintenance costs by selling surplus farm houses and redundant buildings.

## Next steps

- 7.1 Over the coming months, the Council will invest in gathering the evidence set out in Chapter 4 and in consulting with farmers, tenants and customers on their vision for the farm estate. This will require some capital investment for stock and condition surveys and a bid has been made in the capital programme.
- 7.2 The aim will be to produce a strategy which has 'buy in' from customers and meets the broader regeneration objectives of the Council by the Summer of 2014.
-



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**Contact us...**

by telephone: 0300 300 300

by email: [customer.services@centralbedfordshire.gov.uk](mailto:customer.services@centralbedfordshire.gov.uk)

on the web: [www.centralbedfordshire.gov.uk](http://www.centralbedfordshire.gov.uk)

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

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# Budget and Medium Term Financial Plan Update

Charles Warboys  
Chief Finance Officer

# Background to this year's Budget process

- National economic situation remains challenging, though beginning to show signs of limited growth
- Government continued austerity programme
- No indication of any easing of this approach
- Chancellor's "Autumn" Statement and Formula Grant expected in December though timescales remain uncertain
- However, we have already been provided with a provisional Settlement for 2014/15, though have subsequently been notified of a further 1% cut in funding, which should be a reasonable basis for planning
- We will have to balance our expenditure to this reducing level of funding, so there are tough decisions ahead.
- MTFP will be for the first time making a detailed assessment of potential NNDR growth retention, which would go towards mitigating loss of Government funds.

# Spending Review 2013

- Covers the 2015/16 year only, planning up to the next General Election
- Headline cut of 10% to DCLG “Departmental Expenditure Limit” (DEL). Remains to be seen how this will be shared amongst Local Authorities.
- Extends previously awarded Council Tax Freeze Grants through to 2015/16 and provides for further Freeze Grants for those Authorities freezing Council Tax in 2014/15 and 2015/16. Worth £1.2m in 2014/15 and £5.7m in 2015/16 to CBC over and above previous MTFP.
- Outlines a cut of 20% to the Education Services Grant for 2015/16. Present forecast suggest that this will cost CBC around £1m.
- Introduces a pooled “Single Local Growth Fund” for 2015/16, comprising funds drawn from various sources including the New Homes Bonus. The stated National topslice of NHB of £400m equates to around 35%. For CBC this would mean approx. £3m of revenue funding being substituted for ring-fenced capital funds.
- Sets out a 1% cap on Public Sector pay rises, in line with MTFP forecasts.
- Various other items which are currently being assessed for impact on MTFP.

# Business Rates (NNDR)

- Local retention of NNDR commenced in 2013/14
- System allows CBC to keep a portion of NNDR growth above a given baseline, instead of passing whole amount over to Government.
- The 2013/14 MTFP used Government forecasts of NNDR growth for 2013/14 and 2014/15, with no further growth for subsequent periods.
- Current MTFP for the first time includes our own detailed forecasts of NNDR growth
- This has allowed the recognition of some upside to mitigate against loss of Government funding, particularly in respect of Centre Parcs.
- Forecast model is updated as we gather more data.
- Care taken to ensure a prudent approach to this volatile income stream.



# Approach to budgeting

- Continuation of the Head of Service Reviews
- An opportunity:
  - For each HoS to explain the issues they are facing
  - To demonstrate accountability and ownership of budgets
  - For Executive Members and CMT to get to a level of detail and understanding not previously possible
  - To review progress against existing targets and discuss new pressures and opportunities for efficiencies
- Process is now completed and summary of position is being established
- A detailed review of capital schemes with project managers has been undertaken

# Lessons learned

- There is enthusiasm and commitment across the Council to serving our customers
- There are few easy, painless savings to be made
- We are now better placed to understand the consequences of savings proposals
- Some themes cut across the Council:
  - Moving from institutional investment to personal solutions
  - Early intervention and enabling independence (prevention not cure)
  - Ensuring we deliver best value from all our contracts
  - Income generation – potential for investment that generates a return
  - Self -service through digital channels
- We still have to take difficult decisions to balance the budget

# MTFP – Resource Summary

| MTFP – Resources              | 2013/14<br>£m | 2014/15<br>£m | 2015/16<br>£m | 2016/17<br>£m | 2017/18<br>£m | (Reduction)<br>/ Growth<br>% |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|------------------------------|
| Formula Grant                 | 38.5          | 31.7          | 29.8          | 28.3          | 28.3          | (26.5)%                      |
| Retained NNDR                 | 28.2          | 29.0          | 30.5          | 31.3          | 33.3          | 18.5%                        |
| Council Tax Freeze Grant 2010 | 3.2           | 3.2           | 3.2           | -             | -             | (100)%                       |
| Council Tax Freeze Grant 2012 | 1.3           | 1.3           | 1.3           | -             | -             | (100)%                       |
| Council Tax Freeze Grant 2013 | -             | 1.3           | 1.3           | -             | -             | 0%                           |
| Council Tax Freeze Grant 2014 | -             | -             | 1.3           | 1.3           | -             | 0%                           |
| Council Tax                   | 117.8         | 118.6         | 119.4         | 120.7         | 120.7         | 2.5%                         |
|                               |               |               |               |               |               |                              |
| <b>TOTAL</b>                  | <b>189.0</b>  | <b>185.1</b>  | <b>186.8</b>  | <b>181.6</b>  | <b>182.3</b>  | <b>(3.5)%</b>                |
| (Reduction) / Growth (%)      | -             | (2.0)%        | 0.9%          | (2.8)%        | 0.4%          |                              |

# MTFP – Movement on Prior Year

| MTFP – Changes from 2013 / 14           |  | 2014/15<br>£m | 2015/16<br>£m | 2016/17<br>£m | 2017/18<br>£m |
|---|--|---------------|---------------|---------------|---------------|
| <b>Funding as per 2013 / 14 MTFP</b>    |  | <b>183.8</b>  | <b>178.2</b>  | <b>178.0</b>  | <b>N/a</b>    |
|   |  |               |               |               |               |
| Extend MTFP to 2017 /18                 |  | -             | -             | -             | 178.0         |
| Council Tax Freeze Grant 2010 extension |  | -             | 3.2           | -             | -             |
| Council Tax Freeze Grant 2012 extension |  | -             | 1.3           | -             | -             |
| Council Tax Freeze Grant 2013           |  | 1.3           | 1.3           | -             | -             |
| Council Tax Freeze Grant 2014           |  | -             | 1.3           | 1.3           | -             |
| Additional NNDR                         |  | -             | 1.5           | 2.3           | 4.3           |
| <b>Total adjustments</b>                |  | <b>1.3</b>    | <b>8.6</b>    | <b>3.6</b>    | <b>182.3</b>  |
|   |  |               |               |               |               |
| <b>Revised MTFP 2014 / 15</b>           |  | <b>185.1</b>  | <b>186.8</b>  | <b>181.6</b>  | <b>182.3</b>  |

# Next steps for Budget and MTFP

- Identify any further areas for savings and efficiencies required to balance the Budget 2014/15 and establish a credible MTFP
- 22 October presentation to Corporate Services O&S Committee (all Members invited)
- 10 December Draft Budget report to Executive
- Scrutiny of Draft Budget proposals 21 – 28 January 2014
- 4 February Final Budget to Executive
- 20 February Council approves Budget and MTFP

# Questions?

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**Meeting:** Corporate Resources Overview and Scrutiny Committee  
**Date:** 22 October 2013  
**Subject:** Q1 Capital Budget Monitoring Report 2013/14  
**Report of:** Councillor Maurice Jones, Deputy Leader and Executive Member for Corporate Resources  
**Summary:** The report provides information on the Q1 revenue projected outturn position for 2013/14.

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**Advising Officer:** Charles Warboys, Chief Finance Officer  
**Public/Exempt:** Public  
**Wards Affected:** All  
**Function of:** Council

#### **CORPORATE IMPLICATIONS**

**Council Priorities:**

1. 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:**

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

**Legal:**

3. None.

**Risk Management:**

4. None.

**Staffing (including Trades Unions):**

5. Any staffing reductions will be carried out in accordance with the Council's Managing Change Policy and in consultation with the Trades Unions.

**Equalities/Human Rights:**

6. Equality Impact Assessments were undertaken prior to the allocation of the 2013/14 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

**Public Health:**

7. None.

**Community Safety:**

8. None.

**Sustainability:**

9. None.

**Procurement:**

10. None.

**RECOMMENDATIONS:**

**The Committee is asked to:-**

- 1. Consider and comment on the attached Executive report and associated appendices which was reviewed by the Executive on the 24<sup>th</sup> September 2013.**

**Executive Summary**

11. The report sets out the projected financial outturn capital position for 2013/14 as at Quarter 1.

Explanations for the variances are set out in the report below. This report enables the Committee to consider the overall financial position of the Council and agree any further actions to deliver as a minimum a balanced financial year end.

**KEY HIGHLIGHTS (Appendices A1, A2)**

- 12 The capital budget for 2013/14 excluding HRA is £94.4m (£45.0m net). The main issues to note are:-
  - i) Gross forecast is to spend £87.5m an underspend of £1.5m and £5.4m proposed deferred spend to 2014/15.
  - ii) Gross spend to date is £10.8m, marginally above budget.
  - iii) The average monthly gross spend for the past three months is £3.6m. Rest of year spend rate needs to run at an average of £8.5m to achieve forecast.
  - iv) £64.2m of the gross budget relates to 20 of the top value schemes. £56.0m (87%) of the gross spend forecast relates to these schemes.

**DIRECTORATE COMMENTARY**

Social Care Health and Housing

13. The year end forecast outturn position is an under spend of £0.534m. The major area of under spend is the Disabled Facilities Grant (DFG) programme which is demand led.



14. The year-to-date position for other schemes is an under spend of £0.106m.
15. The following table indicates the type of major adaptations completed to June in the DFG programme.

| Type of adaptation                 | Total No complete to June 2013 |
|------------------------------------|--------------------------------|
| Level access shower/wet room       | 38                             |
| Straight stair lift                | 9                              |
| Curved stair lift                  | 2                              |
| Toilet alterations                 | 2                              |
| Access ramps                       | 9                              |
| Dropped kerb and hard standing     | 0                              |
| Wheelchair/step lift               | 0                              |
| Through floor lift                 | 0                              |
| Major extension                    | 5                              |
| Kitchen alterations                | 3                              |
| Access alterations (doors etc)     | 9                              |
| Heating improvements               | 1                              |
| Garage conversions/minor additions | 1                              |
| Safety repairs/improvements        | 5                              |
| Other                              | 5                              |
| <b>Total</b>                       | <b>89</b>                      |

16. The grants provided to residents through the DFG programme assist some of the poorer and most vulnerable members of the community. Without these grants in many cases the properties involved would be unsuitable for the needs of the occupiers who may then be unable to remain in their own homes. This also reduces pressure on health service resources and residential care, as without these improvements more residents would require emergency or longer term care solutions.
17. Although the Council's waiting list for assessments is being tackled with additional Occupational Therapist (OT) resource, OTs are undertaking a more robust approach to assessments, with a higher proportion of recommendations for equipment and minor works than previously, resulting in a lower proportion of referrals for DFG. This more robust approach provides better value for money for the Council.
18. Approx £0.2m of payments were made in June, double that of April and May. The slow start to the year was primarily due to a focused effort to complete works in March 2013.

19. Requests for OT Assessment provide a further prediction of demand for 2013/14. In June, 62 assessments resulted in 40 referrals for DFG. If the current rate of referrals continued for the rest of the year this would result in a total of 396.
20. Having regard to all matters considered above, it is forecast that the outturn will not exceed the budget of £2.5m for 2013/14. Further monitoring may alter the forecast after assessing the value of new referrals over the following few months.
21. The HRA Capital programme is now monitored as part of the HRA's budget report.

Children's Services

22. Children's Services annual capital expenditure budget is £27.395m (including slippage from 2012/13) The income budget is £26.691m which leaves a net expenditure capital budget of £0.704m.
23. The full year reported outturn position for 2013/14 is currently inline with the budget allocation. There is no expenditure deadline to the spending of the grant receipts.

|                   | <b>Gross Expenditure Budget</b> | <b>Profiled Gross Expenditure Budget YTD</b> | <b>Gross Spend to Date</b> | <b>Gross Expenditure Variance to date</b> |
|-------------------|---------------------------------|--|----------------------------|---|
|                   | <b>£000</b>                     | <b>£000</b>                                  | <b>£000</b>                | <b>£000</b>                               |
| Children Services | 27,195                          | 2,626  | 2,627                      | 1   |
| Partnerships      | 200                             | 0  | 0                          | 0   |
| <b>Total</b>      | <b>27,395</b>                   | <b>2,626</b>                                 | <b>2,627</b>               | <b>1</b>                                  |

25. All but two projects, Schools Access and Temporary Accommodation, are funded wholly by grant receipts that have no expenditure deadline.
26. New School Places /Basic Need  
This grant funding is to enable management of pressures related to population growth and capacity within our schools. The outline programme to commission new school places over the next five years will drive the expenditure of basic need grant and will also align S106 contributions that are being collected for major projects.
27. In March 2013 the DfE announced the Basic Need allocations for 13/14 and 14/15 which has allocated £18.281m over the two years. An update to the New School Places Programme was reported to Executive in March 2013
28. The budget for 2013/14 has therefore been reviewed to take account of the actual grant funding received for 2013/14, which was not known at the time the programme was originally approved by Executive. The forecast spend

for 2013/14 is £15.77m with £21.77m planned expenditure in 2014/15.

Community Services

29. The Community Services capital programme in 2013/14 is made up of 43 schemes which includes large groupings of projects that relate to Environmental services, Libraries, Leisure and Transport.
30. The directorate forecasts to spend £25.023m below gross budget by £4.5m which includes £4.0m of proposed deferred spend to 2014/15 on the BEaR project (within Environmental Services).
31. The table below shows the Directorate's net budget and forecast by scheme categories for 2013/14. The scheme categories are broadly related to the type of asset being created or enhanced.

| Scheme Categories           | Net Expenditure Budget | Net Expenditure Forecast | Net Expenditure Forecast Variance |
|-----------------------------|------------------------|--------------------------|-----------------------------------|
|                             | £'000                  | £'000                    | £'000                             |
| Environmental Services      | 4,950                  | 437                      | (4,513)                           |
| Libraries                   | 202                    | 245                      | 43                                |
| Leisure                     | 4,379                  | 5,041                    | 662                               |
| Transport                   | 11,654                 | 12,865                   | 1,211                             |
| <b>Community Services</b>   | <b>21,185</b>          | <b>18,588</b>            | <b>(2,597)</b>                    |
| <b>Percentage of budget</b> |                        | <b>87.7%</b>             | <b>12.3%</b>                      |

Regeneration & Business Support

32. The Regeneration and Business support capital programme in 2013/14 is made up of 22 schemes which include large groupings of projects that were the result of developer funds to deliver planning requirements, associated with new developments.
33. The directorate expects to spend £8.246m below gross budget by £0.89m. The majority of this delay is due to external factors beyond the control of the Council.
34. The forecast variance is the acquisition of the final property on the Dunstable regeneration scheme. There is also the potential rule 6 compensation claims in respect of all the acquired properties which may take up to six years to finalise.

The table below shows the Directorate's net budget and forecast for 2013/14.

Improvement & Corporate Services

35. The current capital programme for Improvement & Corporate Services is £4.202m. This includes £2.043m of funding for 13/14 schemes and deferred spend of £2.159m from previous years.  
There is £2.066m of budget allocated to Information Assets (IA) projects with

£2.136m for other schemes. Some of the major ones include SAP Optimisation (£0.373m), Customer First (£0.581m) & Health & Safety Rolling Programme (£0.852m).

36. For Improvement & Corporate Services projects there is a forecast outturn of £3.881m against budget, an under spend of £0.321m. This is as a result of the duplicated slippage budget on Customer First (£0.3m) and to the Health & Safety Rolling programme expecting a small surplus of funding within the year.
37. In IA the forecast outturn position is £2.070m. There are not currently any major variances expected against IA projects. The major schemes in this area are Your Space Two (IA Infrastructure) (£0.466m), IA Infrastructure Rolling Programme (£0.5m) & Data Centre Development (£0.375m).

#### Corporate Resources

38. The current capital programme for Corporate Resources is £12.401m. These projects are all within Assets and some of the major schemes are 13/14 Corporate Property Rolling Programme (£4.649m), A1 South Roundabout - Biggleswade (£2.2m), Ivel Medical Centre (£1.0m) & Acquisition of land south of High St Leighton Buzzard (£1.0m).
39. The forecast outturn position on for Corporate Resources is an underspend of £0.777m which is expected to be deferred to 2014/15. This is due to an expected delay on the start of the Ivel Medical Centre project. Following changes to the way the NHS runs its commissioning process the project has been delayed and expected to slip a large amount to 2014/15.

#### **CONCLUSION**

40. The forecast spend of £87.5m is c£20m more than has been spent in each of the past two years.

A review of Capital spend is currently underway and due to report back to CMT in August followed by the Executive in September.

The forecast outturn position that will be reported in with August results should reflect the outcome of that review and paint a realistic picture of the likely outturn.

Appendices:

Appendix A1 – Council Capital Summary

Appendix A2 – Top 20 Scheme

## Appendix A1 Council Capital Summary

| Directorate                                 | 2012/ 13 Capital Programme Budget |                  |                 | Full year forecast as at month 3 |                  |                 | Full Year Variance |                  |                 | Proposed Deferred Capital to 2014/15 and future years |                  |                 | (Under) / Over Spend |                  |                 |
|---|-----------------------------------|------------------|-----------------|----------------------------------|------------------|-----------------|--------------------|------------------|-----------------|---|------------------|-----------------|----------------------|------------------|-----------------|
|   | 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           |
| <b>Children's Services</b>                  | <b>27,395</b>                     | <b>-26,691</b>   | <b>704</b>      | <b>27,395</b>                    | <b>-26,691</b>   | <b>704</b>      | <b>0</b>           | <b>0</b>         | <b>0</b>        | <b>0</b>  | <b>-2</b>        | <b>-2</b>       | <b>0</b>             | <b>-2</b>        | <b>-2</b>       |
| Environmental Services                      | 5,367                             | -417             | 4,950           | 806                              | -369             | 437             | -4,561             | 48               | -4,513          | 4,000   | 0                | 4,000           | -561                 | 48               | -513            |
| Libraries                                   | 202                               | 0                | 202             | 245                              | 0                | 245             | 43                 | 0                | 43              | 0   | 0                | 0               | 43                   | 0                | 43              |
| Leisure                                     | 6,287                             | -1,908           | 4,379           | 5,041                            | 0                | 5,041           | -1,246             | 1,908            | 662             | 0   | 0                | 0               | -1,246               | 1,908            | 662             |
| Transport                                   | 17,639                            | -5,985           | 11,654          | 18,931                           | -6,066           | 12,865          | 1,292              | -81              | 1,211           | 0   | 0                | 0               | 1,292                | -81              | 1,211           |
| <b>Community Services</b>                   | <b>29,495</b>                     | <b>-8,310</b>    | <b>21,185</b>   | <b>25,023</b>                    | <b>-6,435</b>    | <b>18,588</b>   | <b>-4,472</b>      | <b>1,875</b>     | <b>-2,597</b>   | <b>4,000</b>  | <b>0</b>         | <b>4,000</b>    | <b>-472</b>          | <b>1,875</b>     | <b>1,403</b>    |
| <b>Corporate Resources</b>                  | <b>13,901</b>                     | <b>-1,500</b>    | <b>12,401</b>   | <b>13,124</b>                    | <b>-1,500</b>    | <b>11,624</b>   | <b>-777</b>        | <b>0</b>         | <b>-777</b>     | <b>800</b>  | <b>0</b>         | <b>800</b>      | <b>23</b>            | <b>0</b>         | <b>23</b>       |
| <b>Improvement &amp; Corporate Services</b> | <b>4,202</b>                      | <b>0</b>         | <b>4,202</b>    | <b>3,881</b>                     | <b>0</b>         | <b>3,881</b>    | <b>-321</b>        | <b>0</b>         | <b>-321</b>     | <b>0</b>  | <b>0</b>         | <b>0</b>        | <b>-321</b>          | <b>0</b>         | <b>-321</b>     |
| <b>Regeneration</b>                         | <b>9,136</b>                      | <b>-5,604</b>    | <b>3,532</b>    | <b>8,246</b>                     | <b>-5,480</b>    | <b>2,766</b>    | <b>-890</b>        | <b>124</b>       | <b>-766</b>     | <b>-245</b>   | <b>599</b>       | <b>354</b>      | <b>-1,135</b>        | <b>723</b>       | <b>-412</b>     |
| <b>Social Care, Health &amp; Housing</b>    | <b>10,278</b>                     | <b>-7,269</b>    | <b>3,009</b>    | <b>9,865</b>                     | <b>-7,390</b>    | <b>2,475</b>    | <b>-413</b>        | <b>-121</b>      | <b>-534</b>     | <b>0</b>  | <b>0</b>         | <b>0</b>        | <b>-413</b>          | <b>-121</b>      | <b>-534</b>     |
| <b>Total Excluding HRA</b>                  | <b>94,407</b>                     | <b>-49,374</b>   | <b>45,033</b>   | <b>87,534</b>                    | <b>-47,496</b>   | <b>40,038</b>   | <b>-6,873</b>      | <b>1,878</b>     | <b>-4,995</b>   | <b>4,555</b>  | <b>597</b>       | <b>5,152</b>    | <b>-2,318</b>        | <b>2,475</b>     | <b>157</b>      |

## Appendix A2 Top 20 Schemes

| Directorate                   | Scheme Title   | Total 2013/14 Budget |                  |                 | Full Year Forecast as at Month 3 |                  |                 | Variance          |                  |                 |
|-------------------------------|--|----------------------|------------------|-----------------|----------------------------------|------------------|-----------------|-------------------|------------------|-----------------|
|                               |  | Gross Expenditure    | External Funding | Net Expenditure | Gross Expenditure                | External Funding | Net Expenditure | Gross Expenditure | External Funding | Net Expenditure |
|                               |  | £'000                | £'000            | £'000           | £'000                            | £'000            | £'000           | £'000             | £'000            | £'000           |
| Children's Services           | New School Places  | 15,776               | -15,776          | 0               | 15,776                           | -15,776          | 0               | 0                 | 0                | 0               |
| Children's Services           | Schools Capital Maintenance  | 4,515                | -4,515           | 0               | 4,515                            | -4,515           | 0               | 0                 | 0                | 0               |
| Children's Services           | Alternative Secondary Provision (Free School)                                      | 3,477                | -3,477           | 0               | 3,477                            | -3,477           | 0               | 0                 | 0                | 0               |
| HRA                           | Sheltered Housing Reprovision  | 4,125                | 0                | 4,125           | 3,200                            | 0                | 3,200           | -925              | 0                | -925            |
| HRA                           | Kitchens and Bathrooms   | 1,122                | 0                | 1,122           | 1,078                            | 0                | 1,078           | -44               | 0                | -44             |
| Corporate Resources           | CBC Corporate Property Rolling Programme   | 4,649                | 0                | 4,649           | 4,881                            | 0                | 4,881           | 232               | 0                | 232             |
| Corporate Resources           | A1 South Roundabout (Biggleswade)  | 3,700                | -1,500           | 2,200           | 3,700                            | -1,500           | 2,200           | 0                 | 0                | 0               |
| Social Care, Health & Housing | NHS Campus Closure   | 5,297                | -5,297           | 0               | 5,297                            | -5,297           | 0               | 0                 | 0                | 0               |
| Social Care, Health & Housing | Disabled Facilities Grants Scheme  | 3,000                | -588             | 2,412           | 2,500                            | -659             | 1,841           | -500              | -71              | -571            |
| Community Services            | Highways Structural Maintenance Block  | 4,004                | -4,004           | 0               | 4,004                            | -4,004           | 0               | 0                 | 0                | 0               |
| Community Services            | BEaR Project   | 4,000                | 0                | 4,000           | 0                                | 0                | 0               | -4,000            | 0                | -4,000          |
| Community Services            | Highways Integrated Schemes<br>Essential capital investment - Tiddenfoot and Saxon | 1,960                | -1,338           | 622             | 2,558                            | -1,338           | 1,220           | 598               | 0                | 598             |
| Community Services            | Pool & Leisure Centre Extension  | 1,558                | -600             | 958             | 0                                | 0                | 0               | -1,558            | 600              | -958            |
| Community Services            | Highways Fixed Cost Services (Lump Sums)   | 1,790                | 0                | 1,790           | 1,867                            | 0                | 1,867           | 77                | 0                | 77              |
| Community Services            | Leisure Strategy Implementation Invest to Save Project                             | 1,203                | 0                | 1,203           | 830                              | 0                | 830             | -373              | 0                | -373            |
| Regeneration                  | Dunstable Town Centre Regeneration Phase 2   | 1,389                | 0                | 1,389           | 656                              | 0                | 656             | -733              | 0                | -733            |
| Community Services            | Highways Structural Maintenance Additional Expenditure                             | 3,160                | 0                | 3,160           | 3,550                            | 0                | 3,550           | 390               | 0                | 390             |
| Community Services            | Astral Park Leighton Buzzard   | 1,092                | -1,100           | -8              | 1,100                            | 0                | 1,100           | 8                 | 1,100            | 1,108           |
| Regeneration                  | Dunstable A5/M1 Link Road Strategic Infrastructure                                 | 1,073                | -1,053           | 20              | 1,000                            | -1,053           | -53             | -73               | 0                | -73             |
| Regeneration                  | Local Broadband Infrastructure   | 2,593                | -2,120           | 473             | 300                              | -300             | 0               | -2,293            | 1,820            | -473            |
|                               | <b>Children's Services</b>   | <b>23,768</b>        | <b>-23,768</b>   | <b>0</b>        | <b>23,768</b>                    | <b>-23,768</b>   | <b>0</b>        | <b>£0</b>         | <b>£0</b>        | <b>£0</b>       |
|                               | <b>Community Services</b>  | <b>18,767</b>        | <b>-7,042</b>    | <b>11,725</b>   | <b>13,909</b>                    | <b>-5,342</b>    | <b>8,567</b>    | <b>-£4,858</b>    | <b>£1,700</b>    | <b>-£3,158</b>  |
|                               | <b>Corporate Resources</b>   | <b>8,349</b>         | <b>-1,500</b>    | <b>6,849</b>    | <b>8,581</b>                     | <b>-1,500</b>    | <b>7,081</b>    | <b>£232</b>       | <b>£0</b>        | <b>£232</b>     |
|                               | <b>Improvement &amp; Corporate Services</b>  | <b>0</b>             | <b>0</b>         | <b>0</b>        | <b>0</b>                         | <b>0</b>         | <b>0</b>        | <b>£0</b>         | <b>£0</b>        | <b>£0</b>       |
|                               | <b>Regeneration</b>  | <b>5,055</b>         | <b>-3,173</b>    | <b>1,882</b>    | <b>1,956</b>                     | <b>-1,353</b>    | <b>603</b>      | <b>-£3,099</b>    | <b>£1,820</b>    | <b>-£1,279</b>  |
|                               | <b>Social Care, Health &amp; Housing</b>   | <b>£8,297</b>        | <b>-£5,885</b>   | <b>£2,412</b>   | <b>£7,797</b>                    | <b>-£5,956</b>   | <b>£1,841</b>   | <b>-£500</b>      | <b>-£71</b>      | <b>-£571</b>    |
|                               | <b>CBC 2012/13 Capital Programme</b>   | <b>£64,236</b>       | <b>-£41,368</b>  | <b>£22,868</b>  | <b>£56,011</b>                   | <b>-£37,919</b>  | <b>£18,092</b>  | <b>-£8,225</b>    | <b>£3,449</b>    | <b>-£4,776</b>  |

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**Meeting:** Corporate Resources Overview and Scrutiny Committee  
**Date:** 22 October 2013  
**Subject:** Q1 Revenue Budget Monitoring Report 2013/14  
**Report of:** Councillor Maurice Jones, Deputy Leader and Executive Member for Corporate Resources  
**Summary:** The report provides information on the Q1 revenue projected outturn position for 2013/14.

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**Advising Officer:** Charles Warboys, Chief Finance Officer  
**Public/Exempt:** Public  
**Wards Affected:** All  
**Function of:** Council

#### **CORPORATE IMPLICATIONS**

##### **Council Priorities:**

1. 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:**

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

##### **Legal:**

3. None.

##### **Risk Management:**

4. None.

##### **Staffing (including Trades Unions):**

5. Any staffing reductions will be carried out in accordance with the Council's Managing Change Policy and in consultation with the Trades Unions.

##### **Equalities/Human Rights:**

6. Equality Impact Assessments were undertaken prior to the allocation of the 2013/14 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

##### **Public Health:**

7. None.

##### **Community Safety:**

8. None.

**Sustainability:**

9. None.

**Procurement:**

10. None.

**RECOMMENDATIONS:**

**The Committee is asked to:-**

1. **Consider and comment on the attached Executive report and associated appendices which was reviewed by the Executive on the 24<sup>th</sup> September 2013.**

**Executive Summary**

11. The report sets out the projected financial revenue (General Fund) outturn position for 2013/14 as at Quarter 1.

Explanations for the variances are set out in the report below. This report enables the Committee to consider the overall financial position of the Council and agree any further actions to deliver as a minimum a balanced financial year end.

**Overview and Scrutiny:**

10. The P3 Revenue Budget Monitoring report will be considered by the Corporate Resources Overview and Scrutiny Committee on 22 October 2013.

**Executive Summary**

11. The report sets out the projected financial position for 2013/14 based at the end of June 2013. Explanations for the variances are set out below under the Directorate Commentary. This report enables the Executive to review the overall financial outturn position of the Council as projected at the end of June 2013.

**KEY HIGHLIGHTS (Appendices A1, A2, A3, A4)**

12. In Summary

- The 2013/14 forecast outturn is to overspend by £2.1m.
- The budget includes £2.1m of contingency costs which are forecast to be used at present. If this contingency is released, it fully offsets the forecast overspend.



- To date no specific uses of this contingency have been agreed,
- The Year to Date (YTD) spend is £0.3m below budget.
- Risks and opportunities indicate a further risk to forecast outturn of £1.5m.
- June non current debt excluding House sales and Grants (i.e. debt that is more than 14 days from date of invoice) is £6.1m, which is in line with May.

13. Directorate forecast outturn variances

The full year forecast outturn as at June for directorates after proposed use of and new reserves is a £2.1m overspend. The following are the key areas:

- Social Care Health and Housing £0.4m above budget.
- Children's Services (inc Schools) £2.2m above budget.
- Community Services £0.1m under budget
- Regeneration £0.2m over budget
- Public Health £0.7m below budget
- Improvement & Corporate Services £0.6m over budget.
- Corporate Resources £0.2m below budget
- Corporate Costs and Contingency £0.2m below budget.

14. Directorate risks & opportunities

Risks and Opportunities indicate a further risk to the full year forecast of £1.5m, this is split as follows:

- Children's Services (inc Schools) risk of £0.7m
- Community Services £0.15m risk
- Improvement & Corporate Services £0.36m risk
- Corporate Resources risk of £0.25m

15. Directorate Year to Date (YTD) variances

YTD spend for 3 months (exc HRA) at £45.5m after proposed use of reserves is below budget by £0.4m. The following are the key areas:

- Social Care Health and Housing £0.3m below budget.
- Children's Services inc Schools £0.4m above budget.
- Community Services £0.2m below budget
- Regeneration on budget.
- Public Health £0.2m below budget
- Improvement & Corporate Services £0.1m above budget
- Corporate Resources £0.1m above budget.
- Corporate Costs and Contingency £0.3m below budget.

## **DIRECTORATE COMMENTARY**

### Social Care, Health and Housing

16 The General Fund outturn for the directorate is a projected over spend of £0.4m.

17 The Housing (GF) service is under spent by £0.020m with a full year forecast under spend of £0.040m. Savings are mainly due to staff vacancies within the Prevention, Options and Inclusion service. At this early stage the Local

Welfare provision budget is under spent, with lower than anticipated demand for this service, however it is anticipated that expenditure will increase significantly as the year progresses.

- 18 The Adult Social Care service is over spent by £0.3m or 1% of the budget. The key reasons for this are a projected overspend in older people care packages of £1.094m due to efficiency shortfalls, a projected overspend of £0.440m in under 65 mental health packages due to volume increases which are offset by projected under spends of £0.580m on reablement, £0.124 m on in-house learning disability services and £0.396m on under 65 physical disability packages.

The quarter one spend extrapolated indicates a full year forecast outturn after reserves of £57.3m - £1.6m lower than the current forecast. This difference is accounted for by the following items:

- New NHS grant not yet spent £0.660m
  - New under 65 mental health placements starting from Qtr 2 £0.190m
  - Residential block contract uplift subject to negotiation £0.130m
  - Reablement – phasing of pay enhancements £0.100m
  - Direct Payments – increased costs in Qtrs 2,3 and 4 £0.200m
  - Direct services – unaccrued small value items £0.100m
19. Older People care package costs are over spent by £1.094m which is equivalent to 4% of the budget allocation of £26.5m. Within this, there are over spends in Residential, Nursing and Home care partially offset by under spends in Respite care and Direct Payments. The 13/14 efficiency targets for older people and physical disabilities stands at £3.3m and includes reducing the number of admissions to residential care, using reablement and reviewing to ensure the 'right sizing' of care packages and increased funding from continuing health care. This is against a background of increasing demography, people living longer with more complex needs and with increasing numbers of self funders requiring the Council's support.
- Residential placement activity is much higher than for the equivalent period last year – 27 additional placements approved - and customer choice is having an adverse impact on the use of block contract beds. Rates of attrition are also lower for the equivalent period.
20. For Learning Disabilities, the service area is over spending by £0.080m on care packages. There are unachieved care package efficiencies of £0.357m overall but this is offset by projected under spends on Supported Living schemes.
21. Within the Older People client service group, the impact of former self funders continues to be tracked. In the first quarter of 2013/14 5 service users in this category have required council support at an estimated full year cost of £0.091m. The customer numbers are less than the equivalent for 2012/13 but, given the current financial climate, this trend is unlikely to diminish and will continue to put pressure on the Council's budget. Work is also underway to try and estimate the likely financial implications to the Council of the changes to the funding of Adult Social Care following the recommendations contained in the Adult Social Care Bill.
22. The Commissioning service is under spending by £0.052m after contributions from reserves. This is due to small over and under spends on contracts and

- under spends on pay. Full use of the £0.200m set aside for the residential dementia fee uplift is assumed in the forecast.
23. Customer income is under budget by £0.091m against budget within the Business & Performance service area. This relates to a shortfall in telecare income.
  24. HRA is subject to a separate report.

#### Children's Services

25. The full year projected outturn position for 2013/14 as at June 2013 is over budget by £2.162m due to pressures in Fostering and Adoption (£783k), Transport (£497k) and Dedicated Schools Grant (DSG) contributions to central overheads (£848k).
26. There have been 23 new placements in Independent Fostering, 4 Special Guardianship orders and 2 In-house fostering placements, since the beginning of the financial year. This is in line with the increase in Looked After Children.
27. The forecasted average cost in 2013/14 for admissions in Independent Fostering Agencies is £33k, Only one of these admissions has not been forecast to end of the financial year and most are part sibling groups. Three of these admissions are children or babies with disabilities who have higher than average annual costs.

The existing pressure is based on the number of current placements, although it is recognised that this may reduce/increase should families move out or into the area. However the number of children being adopted in Central Bedfordshire is below statistical neighbours and national averages. The rate of adoptions is set to increase as the effect of the adoption grant and other measures to speed up cases coming to Court start to take effect from September.

28. Central Bedfordshire Council has been allocated £555k of The Adoption Reform Grant for 2013-14, and received the first quarter payment of £139k. The purpose of the grant is to provide support to Local Authorities with the implementation of the reforms. The main proposals for the use of the grant are as follows:-
  - Pilot a 'fostering for adoption' project.
  - Increase legal capacity
  - Increase Social Work capacity by 2fte to assess adopters
  - Support for Children's life story work.
29. The overspend in Transport is a combination of mainstream transport (£297k) and SEN transport (£200k). This is due to an increase in demand in targeted transport, including travellers and managed moves. The Chiltern School in particular has seen an increase in pupil numbers, which may increase further during the new academic year.
30. The Dedicated Schools Grant (DSG) has in previous years contributed to corporate overheads £1.567m, however, due to the reduction in central School support services, it is not possible to apply DSG at the same level. The guidance on use of DSG is also now more robust and clear as to its use, in

particular to overheads. The process of allocating overheads for the 2013/14 budget has now taken place and has reduced the allowable DSG contribution to £719k, resulting in a £848k pressure for the authority.

31. Not currently forecast are a number of possible risks that could see the budget variance rise over the forthcoming months:-

- £400k Threshold Review, £900k was identified as required and requested at the year end as an Earmarked reserves. However, only £500k was approved, leaving a potential risk for the remaining £400k. The potential risk has been reviewed for June and still exists, however it may be released later in the year.
- £298k Education Services Grant, due to Academy conversions, as the Department reduces the grant receipt each quarter based on the number of pupils in the converting Academy. The rate is set at £116.46 per pupil for mainstream schools and £494.96 special schools. The risk has been calculated based on the expected conversion date for the schools transferring during 2013/14.

32. The Early Intervention Grant which funded £9.77M of core services in 12/13 has now been subsumed into the Revenue Support Grant and is not separately identifiable for 2013/14. The main core services that this funded are as follows:

- Children with Disabilities Short Breaks
- Early Years Workforce Development
- Learning & School Support including Education Psychology, Access & Inclusion and Music Service
- Commissioning for Youth Service
- Early Intervention & Prevention

However, the Children's Services budget did not increase by the full 9.77M in 13/14 due to the national reduction, and for Central Bedfordshire this was reduced by £1.193m. This has been managed in year by a Earmarked reserve but will be a pressure for the MTFP.

### Community Services

33. Community Services directorate manages a gross expenditure budget of £40,679k and income budget of £5,083k leaving a net expenditure budget of £35,596k.

34. Community Services overall financial position is projected £117k under budget after the use of earmarked reserves of £829k for one-off specific projects.

35. The Director's Group has projected a break even position.

36. Highways & Transport Division has forecast an overspend of £30k. This largely relates to April winter maintenance payments.

37. Environmental Services Division forecasts to be £147k under spent. This is due to small salary savings in each of the individual services

Regeneration and Business Support

38. Regeneration and Business Support directorate manages a gross expenditure budget of £15,749k and income budget of £6,413k leaving a net expenditure budget of £9,336k.

The overall financial position was £182k over budget after the use of earmarked reserves of £578k for one-off specific projects.

39. Economic Growth Skills & Regeneration has projected an outturn of £138k overspend.

The ASCL service is currently showing a full year overspend of £40k. This service is under going major changes to become an entirely externally funded service, this includes a significant reduction in the overall number of posts and move to a commissioning based model. These changes will over the course of the financial year reduce the over spend.

Customer First is showing £111k overspend.

41. The Planning Division is forecasting an overspend of £57k. This is due to flood defence grant income being distributed differently (Central government change to allocation) and also Customer First.

Public Health

42. The full year projected outturn position for 2013/14 as at June 2013 is a balanced budget. The position for the directorate at outturn is a balanced budget. The forecast is dependent on the receipt of financial information from Bedford Borough Council (BBC) which hosts major demand led budgets on behalf of Central Bedfordshire (CBC).

This is managed through Service Level Agreements and settled on a quarterly basis.

43. The spend in the first quarter is a £181k under spend. The majority of which relates to the unspent reserve that is forecast to be fully utilised.

Corporate Services & Corporate Costs

44. The full year budget for the directorate of £38.951m is made up of:

Corporate Resources £11.879m

Improvement & Corporate Services £16.839m

Corporate Costs £14.729m

Contingency & Reserves (£4.496m)

45. The key outturn variances identified are:

£49k pressure in Improvement & Corporate Services Director due to revenue costs for SAP Optimisation project expected to be higher than the reserve in place to fund it.

46. £589k pressure within Legal Services, due to unbudgeted posts as a result of restructure (£229k), unachievable vacancy factor (£51k), increase Children's Services cases (£247k) and unbudgeted Copyright Licence (£60k).
47. £35k saving in Cross Cutting Efficiencies. There was a £380k saving due to unused superannuation increase budget provision, the benefit of which has been reduced by an unachievable Channel Shift efficiency of £345k from the previous year.
48. £200k underspend on interest payable.
49. £221k underspend within Assets, largely resulting from additional income of £692k from the farms estate, £133k from offices and £97k from the investment portfolio. This is partly offset by pressures of £320k within consultancy costs, £171k within day to day maintenance costs, £100k within property rental costs and £100k pressure against an efficiency within the Capital Team operation.

## RESERVES POSITION

### Earmarked Reserves (Appendix B)

50. The opening balance (subject to audit) of Earmarked Reserves is £21,434m (Excluding HRA and Schools). The current reported position proposes the planned use of £4.2m Earmarked reserves and proposed transfer to Earmarked reserves of £0.15m (budgeted). This would result in a forecast closing position of £17.35m Earmarked reserves at year end (see Appendix B for details of which reserves have been used).

### General Reserves

51. The opening position for 2013/14 is still subject to audit, but expected to be £14.2m. There are no further contributions planned for 2013/14.

## RISKS AND UPSIDES (Appendix C)

52. Risks and issues indicate a net risk of £1.5m.

## DEBTORS (Appendix D)

53. Total general CBC sales debtors (excluding house sales and grants) for June amounted to £6.1m a reduction of £1.8m on May. Of this £3.5m was over 60 days; all of which is actively being managed.

Of the Over 60 days - £3.1m is actively being chased, work to resolve these is ongoing. £0.2m have instalment arrangements in place. £0.2m is being dealt with through legal channels. A further £1.4m is in respect of house Sales for which we have charges over those assets.

54. The largest items of note within the total debt are:

- i) Adult Social Care debt at the end of Quarter 1 stood at £4.3m (£4.8m end of 2012/13) of which £2.1m was house sales debt and £0.8m Health Service debt. Of the remaining general debt of £1.4m, £0.8m (77%) is more than 60 days old. This includes legacy debt of £0.6m as well as Central Bedfordshire debt. There are 30 debtors whose outstanding balance is greater than £0.010m which are all under active management.
- ii) Community Services total debt at the end of June was £308k. About 68% of debt is less than three months old. All debt recovery is in accordance with Council policy
- iii) Regeneration total debt at the end of June was £1,806k. Invoices relating to developers legal contributions to deliver planning requirements associated with new developments account for 79% of debt. About 38% of debt is less than three months old. All debt recovery is in accordance with Council policy.
- iv) Total debt for Children's Services is £858k of which £121k is debt over 61 days. The debt over £10k totals £740k , of which £338k of relates to Bedford Borough. All debt is under active management.
- v) Overall debt has reduced by £232k in the month to £716k. Of this there is £318k which is not yet due representing 44% of the overall debt. There is currently £347k that is over 90 days old; this represents 48% of the current total debt.

55. Debt Write Offs

| <b>Q1 Write Offs (Apr - June 2013)</b> |               |                  |                    |
|--|---------------|------------------|--------------------|
| <b>Write Off</b>                       | <b>Number</b> | <b>Value £</b>   | <b>Ave Value £</b> |
| 0 - £5k                                | 68            | £ 51,706         | £ 760              |
| £5k - £10k                             | 1             | £ 6,990          | £ 6,990            |
| £10k - £50k                            | 5             | £ 90,314         | £ 18,063           |
| > £50k                                 | 0             | £ -              | 0                  |
| <b>Total</b>                           | <b>74</b>     | <b>£ 149,010</b> | <b>£ 2,014</b>     |
| <b>Legacy</b>                          | <b>40</b>     | <b>£ 56,042</b>  | <b>£ 1,401</b>     |
| <b>CBC Write Offs</b>                  | <b>34</b>     | <b>£ 92,968</b>  | <b>£ 2,734</b>     |

Legacy debts are covered by provisions so no impact on CBC financial results in 2013/14.

56. Borrowing

57. The Councils total borrowing was reduced by £4.4m over the first quarter, which resulted from the repayment of a naturally maturing fixed term loan.

As at 30th June 2013 the Council total borrowing was £311.1m. Of this amount, £297.6m was with the Public Works Loan Board (PWLB) and £13.5m was Market Debt. The table below shows the split between the General fund and HRA.

|                 | PWLB<br>Fixed<br>£m | PWLB<br>Variable<br>£m | Market<br>(LOBO)<br>£m | Total<br>£m |
|-----------------|---------------------|------------------------|------------------------|-------------|
| General<br>Fund | 97.0                | 35.6                   | 13.5                   | 146.1       |
| HRA             | 120.0               | 45.0                   | 0.0                    | 165.0       |
| 58. TOTAL       | 217.0               | 80.6                   | 13.5                   | 311.2       |

59. The profile of debt is split so that overall the authority has 70% Fixed PWLB debt, 25%, Variable PWLB debt and 4% Fixed Market debt; this is shown in A1 on the Treasury Management Performance Dashboard.

60. Investments and Deposits

61. When investing, the Council's main priorities remain security and liquidity, before yield. To diversify its Investment portfolio the Council is investing in a range of funds such as fixed deposits, call accounts and Money Market Funds as well as using a number of different institutions. B1 of the Treasury management Performance dashboard shows the breakdown of investment by institutions as at 30th June 2013.

62. The Council continues to keep its investment liquid, the two main reasons for this is that firstly it has the option to withdraw funds fairly quickly at times of stress, and secondly so it can use its cash balances to fund the capital expenditure programme.

63. B3 of the dashboard shows the maturity portfolio of the Councils investments.

As at the 30th June 2013, the Council had only £6m of its internal investments, in call accounts and Money Market Funds (MMF) which equates to 9%, (compared to 36% this time last year), the main reason for the reduction is that the actual return payable in these accounts has fallen dramatically (in some cases by more than half) so the Council has made the decision to hold money in notice accounts and varying fixed term deposits so that it has access to money throughout the year, acknowledging the fact that potentially it will have to fund any short term dips in the cashflow by short term borrowing from our brokers. Currently the Council has deposits placed on varying interest rate between 0.58% and 0.9%. and short term money for a couple of weeks is available to the council at around 0.27%, at the time of



writing this report.

64. The Council average rate of return on investments to the 30th June 2013 was 1.05% (includes long term investment in the Lime Fund).

Although at the time of writing this report comparable results for quarter 1 benchmark average were not available. B2 of the dashboard shows how the authority favourably compares to other benchmarked authorities between April 2012 and March 2013.

65. Cash Management

66. Daily cash movements have ranged between net payments of £12.5m and net income of £13m, over the first quarter. The monthly gross cash movement of the Council, both inflows and outflows, has varied between £45.5m and £89.6m.

67. Although the amount of cash held by the Council seems high this is typical for all councils, and in fact the average balance the council holds is considerably lower than other benchmarked authorities. The benchmarked average for the Council was £74.5m compared to a benchmark average of £128.9. The Council was internally borrowed by £68m at 31st March 2013

68. The Council's deposits and investments represents cash held for both the HRA and general fund cash, and a large amount of the receipts relate to income/grants which are collected earlier in the year and expenditure follows in later months and in some cases years to follow (e.g. S106 monies may take several years to spend).

69. Outlook

70. The UK Bank Base Rate is not expected to rise until 2015/2016 and the short-term rate of return on investments and deposits will remain at very low levels.

The Council plans to continue to use cashflow balances in lieu of borrowing to fund capital expenditure this, with the decision to keep investments short term, will have an adverse impact on investment income, but this is being outweighed by the positive impact of keeping the cost of borrowing down.

## **Appendices**

Appendix A1 – Council Revenue Summary

Appendix A2 – Directorate Summary

Appendix A3 – Subjective Analysis

Appendix B – Earmarked Reserves

Appendix C- Risks and Upsides

Appendix D – Debtors

Appendix E – Treasury Management

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## Appendix A1

### Council Revenue Summary

| Month: June 2013                     | Year to date  |               |                 |             | Full Year       |                  |                   |                                    |  |
|--------------------------------------|---------------|---------------|-----------------|-------------|-----------------|------------------|-------------------|------------------------------------|--|
| Director                             | Budget        | Actual        | Use of Reserves | Variance    | Approved Budget | Forecast Outturn | Forecast Variance | Proposed use of Earmarked reserves | Forecast Variance after use of earmarked reserves. |
|                                      | £000          | £000          | £000            | £000        | £000            | £000             | £000              | £000                               | £000   |
| Social Care Health and Housing       | 16,514        | 16,382        | -148            | -280        | 65,901          | 67,044           | 1,143             | -722                               | 421  |
| Children's Services                  | 9,657         | 10,645        | -630            | 358         | 39,178          | 43,241           | 4,063             | -1,901                             | 2,162  |
| Community Services                   | 8,577         | 8,584         | -170            | -163        | 35,596          | 36,308           | 712               | -829                               | -117   |
| Regeneration and Business Support    | 1,937         | 1,960         | -45             | -22         | 9,339           | 10,099           | 760               | -578                               | 182  |
| Public Health                        | 0             | -180          | 0               | -180        | 0               | -668             | -668              | 0                                  | -668   |
| Improvement and Corporate Services   | 4,139         | 4,271         | -44             | 88          | 16,839          | 17,503           | 664               | -54                                | 610  |
| Corporate Resources                  | 2,970         | 3,021         | 0               | 51          | 11,880          | 11,659           | -221              | 0                                  | -221   |
| Corporate Costs                      | 2,147         | 1,868         | 0               | -279        | 10,231          | 9,996            | -235              | 0                                  | -235   |
| <b>Total (Excl Schools &amp;HRA)</b> | <b>45,941</b> | <b>46,551</b> | <b>-1,037</b>   | <b>-427</b> | <b>188,964</b>  | <b>195,182</b>   | <b>6,218</b>      | <b>-4,084</b>                      | <b>2,134</b>                                       |
| Schools                              | 0             | 0             | 0               | 0           | 0               | 0                | 0                 | 0                                  | 0  |
| HRA                                  | 0             | 99            | 0               | 99          | 0               | 0                | 0                 | 0                                  | 0  |
| <b>Total</b>                         | <b>45,941</b> | <b>46,650</b> | <b>-1,037</b>   | <b>-328</b> | <b>188,964</b>  | <b>195,182</b>   | <b>6,218</b>      | <b>-4,084</b>                      | <b>2,134</b>                                       |

## Appendix A2

### Directorate Summary

| Month: June 2013  | Year to date  |               |                |                 | Year           |                 |                  |                   |                                    |   |
|---|---------------|---------------|----------------|-----------------|----------------|-----------------|------------------|-------------------|------------------------------------|---|
|   | Director      | Budget        | Actual         | Use of Reserves | Variance       | Approved Budget | Forecast Outturn | Forecast Variance | Proposed use of Earmarked reserves | Forecast Variance after use of earmarked reserves |
|   | £000          | £000          | £000           | £000            | £000           | £000            | £000             | £000              | £000                               | £000  |
| <b>Social Care Health and Housing</b>                     |               |               |                |                 |                |                 |                  |                   |                                    |   |
| Director of Social Care, Health, Housing                  | 47            | 65            | -              | 18              | 190            | 220             | 30               | -                 | 30                                 |   |
| Housing Management (GF)                                   | 379           | 359           | -              | (20)            | 1,516          | 1,477           | (39)             | -                 | (39)                               |   |
| Adult Social Care   | 14,681        | 14,378        | (58)           | (361)           | 58,620         | 59,277          | 657              | (233)             | 424                                |   |
| Commissioning   | 3,268         | 3,454         | (11)           | 175             | 13,073         | 13,251          | 178              | (139)             | 39                                 |   |
| Business and Performance                                  | (1,861)       | (1,874)       | (79)           | (92)            | (7,498)        | (7,181)         | 317              | (350)             | (33)                               |   |
| <b>Total Social Care and Health</b>                       | <b>16,514</b> | <b>16,382</b> | <b>(148)</b>   | <b>(280)</b>    | <b>65,901</b>  | <b>67,044</b>   | <b>1,143</b>     | <b>(722)</b>      | <b>421</b>                         |   |
| <b>Children's Services</b>                                |               |               |                |                 |                |                 |                  |                   |                                    |   |
| Director of Children's Services                           | 28            | 22            | -              | (6)             | 111            | 287             | 176              | (180)             | (4)                                |   |
| Children's Services Operations                            | 6,718         | 7,532         | (618)          | 196             | 29,002         | 31,419          | 2,417            | (1,624)           | 793                                |   |
| Learning, Commissioning & Partnerships                    | 1,644         | 1,539         | -              | (105)           | 5,575          | 5,591           | 16               | -                 | 16                                 |   |
| Joint School Commissioning Service (Transport)            | 1,817         | 1,905         | -              | 88              | 7,005          | 7,502           | 497              | -                 | 497                                |   |
| Partnerships  | 232           | 249           | (12)           | 5               | 610            | 707             | 97               | (97)              | -                                  |   |
| <b>Total Children's Services (ex Schools / Overheads)</b> | <b>10,439</b> | <b>11,247</b> | <b>(630)</b>   | <b>178</b>      | <b>42,303</b>  | <b>45,506</b>   | <b>3,203</b>     | <b>(1,901)</b>    | <b>1,302</b>                       |   |
| DSG Contribution to Central Support                       | (392)         | (212)         | -              | 180             | (1,567)        | (719)           | 848              | -                 | 848                                |   |
| ESG Contribution to Central Support                       | (390)         | (390)         | -              | -               | (1,558)        | (1,546)         | 12               | -                 | 12                                 |   |
| <b>Total Children's Services (excluding Schools)</b>      | <b>9,657</b>  | <b>10,645</b> | <b>(630)</b>   | <b>358</b>      | <b>39,178</b>  | <b>43,241</b>   | <b>4,063</b>     | <b>(1,901)</b>    | <b>2,162</b>                       |   |
| <b>Community Services</b>                                 |               |               |                |                 |                |                 |                  |                   |                                    |   |
| Community Services Director                               | 63            | 44            | -              | (19)            | 251            | 251             | -                | -                 | -                                  |   |
| Highways Transportation                                   | 2,423         | 2,584         | -              | 161             | 10,328         | 10,358          | 30               | -                 | 30                                 |   |
| Environmental Services                                    | 5,362         | 5,432         | (170)          | (100)           | 22,100         | 22,772          | 672              | (819)             | (147)                              |   |
| Libraries   | 729           | 524           | -              | (205)           | 2,917          | 2,927           | 10               | (10)              | -                                  |   |
| <b>Total Community Services</b>                           | <b>8,577</b>  | <b>8,584</b>  | <b>(170)</b>   | <b>(163)</b>    | <b>35,596</b>  | <b>36,308</b>   | <b>712</b>       | <b>(829)</b>      | <b>(117)</b>                       |   |
| <b>Regeneration and Business Support</b>                  |               |               |                |                 |                |                 |                  |                   |                                    |   |
| Service Development                                       | 134           | 102           | -              | (32)            | 536            | 523             | (13)             | -                 | (13)                               |   |
| Planning  | 1,262         | 1,313         | (16)           | 35              | 6,447          | 6,907           | 460              | (403)             | 57                                 |   |
| Economic Growth, Skills & Regeneration                    | 541           | 545           | (29)           | (25)            | 2,356          | 2,669           | 313              | (175)             | 138                                |   |
| <b>Total Regeneration and Business Support</b>            | <b>1,937</b>  | <b>1,960</b>  | <b>(45)</b>    | <b>(22)</b>     | <b>9,339</b>   | <b>10,099</b>   | <b>760</b>       | <b>(578)</b>      | <b>182</b>                         |   |
| <b>Public Health</b>                                      |               |               |                |                 |                |                 |                  |                   |                                    |   |
| Director of Public Health                                 | (2,146)       | (2,276)       | -              | (130)           | (8,583)        | (8,583)         | -                | -                 | -                                  |   |
| Assistant Director of Public Health                       | 2,146         | 2,096         | -              | (50)            | 8,583          | 8,583           | -                | -                 | -                                  |   |
| <b>Total Public Health (Excl overheads)</b>               | <b>-</b>      | <b>(180)</b>  | <b>-</b>       | <b>(180)</b>    | <b>-</b>       | <b>-</b>        | <b>-</b>         | <b>-</b>          | <b>-</b>                           |   |
| Contribution to Central Support                           | -             | -             | -              | -               | -              | (668)           | (668)            | -                 | (668)                              |   |
| <b>Total Public Health</b>                                | <b>-</b>      | <b>(180)</b>  | <b>-</b>       | <b>(180)</b>    | <b>-</b>       | <b>(668)</b>    | <b>(668)</b>     | <b>-</b>          | <b>(668)</b>                       |   |
| <b>Improvement and Corporate Services</b>                 |               |               |                |                 |                |                 |                  |                   |                                    |   |
| Improvement and Corporate Services Leadership             | -             | 100           | (41)           | 59              | -              | 122             | 122              | (73)              | 49                                 |   |
| Communications  | 169           | 176           | -              | 7               | 676            | 688             | 12               | -                 | 12                                 |   |
| Customer Services   | 420           | 495           | -              | 75              | 1,680          | 1,680           | -                | -                 | -                                  |   |
| Programme and Performance                                 | 133           | 129           | (3)            | (7)             | 532            | 633             | 101              | (76)              | 25                                 |   |
| Policy & strategy   | 73            | 66            | -              | (7)             | 292            | 292             | -                | -                 | -                                  |   |
| Customer & Community Insight                              | 32            | 31            | -              | (1)             | 127            | 127             | -                | -                 | -                                  |   |
| Procurement   | 93            | 65            | -              | (28)            | 371            | 389             | 18               | -                 | 18                                 |   |
| People  | 683           | 657           | -              | (26)            | 2,732          | 2,730           | (2)              | -                 | (2)                                |   |
| Information Assets  | 1,660         | 1,660         | -              | -               | 6,638          | 6,637           | (1)              | -                 | (1)                                |   |
| Legal & Democratic Services                               | 876           | 892           | -              | 16              | 3,791          | 4,205           | 414              | 95                | 509                                |   |
| <b>Total Improvement and Corporate Services</b>           | <b>4,139</b>  | <b>4,271</b>  | <b>(44)</b>    | <b>88</b>       | <b>16,839</b>  | <b>17,503</b>   | <b>664</b>       | <b>(54)</b>       | <b>610</b>                         |   |
| <b>Corporate Resources</b>                                |               |               |                |                 |                |                 |                  |                   |                                    |   |
| Chief Executive   | 123           | 76            | -              | (47)            | 493            | 493             | -                | -                 | -                                  |   |
| Finance   | 1,308         | 1,148         | -              | (160)           | 5,232          | 5,232           | -                | -                 | -                                  |   |
| Housing Benefit Subsidy                                   | (103)         | 136           | -              | 239             | (412)          | (412)           | -                | -                 | -                                  |   |
| Assets  | 1,642         | 1,661         | -              | 19              | 6,567          | 6,346           | (221)            | -                 | (221)                              |   |
| <b>Total Corporate Resources</b>                          | <b>2,970</b>  | <b>3,021</b>  | <b>-</b>       | <b>51</b>       | <b>11,880</b>  | <b>11,659</b>   | <b>(221)</b>     | <b>-</b>          | <b>(221)</b>                       |   |
| <b>Corporate Costs</b>                                    |               |               |                |                 |                |                 |                  |                   |                                    |   |
| Debt Management   | 2,928         | 2,773         | -              | (155)           | 11,710         | 11,510          | (200)            | -                 | (200)                              |   |
| Premature Retirement Costs                                | 739           | 715           | -              | (24)            | 2,954          | 2,954           | -                | -                 | -                                  |   |
| Corporate HRA Recharges                                   | (23)          | (23)          | -              | -               | (90)           | (90)            | -                | -                 | -                                  |   |
| Efficiencies  | 75            | (25)          | -              | (100)           | 156            | 121             | (35)             | -                 | (35)                               |   |
| Contingency and Reserves*                                 | (1,572)       | (1,572)       | -              | -               | (4,499)        | (4,499)         | -                | -                 | -                                  |   |
| <b>Total Corporate Costs</b>                              | <b>2,147</b>  | <b>1,868</b>  | <b>-</b>       | <b>(279)</b>    | <b>10,231</b>  | <b>9,996</b>    | <b>(235)</b>     | <b>-</b>          | <b>(235)</b>                       |   |
| <b>TOTAL Excluding Schools</b>                            | <b>45,941</b> | <b>46,551</b> | <b>(1,037)</b> | <b>(427)</b>    | <b>188,964</b> | <b>195,182</b>  | <b>6,218</b>     | <b>(4,084)</b>    | <b>2,134</b>                       |   |

### Appendix A3 – Monthly forecast variance

| Director   | May FYF Variance | June FYF Variance | FYF Difference | COMMENTARY  |
|--|------------------|-------------------|----------------|---|
|  | £000             | £000              | £000           |   |
| <b>Social Care Health and Housing</b>                    |                  |                   |                |   |
| Director of Social Care, Health, Housing                 | -                | 30                | 30             | Due to MVF (with no vacancies) and additional admin support   |
| Housing Management (GF)                                  | -                | (39)              | (39)           | Projected underspend on Housing Needs pay £30k  |
| Adult Social Care  | -                | 424               | 424            | Projected underspend on reablement of £0.6m due to vacancies offsetting pressures of £0.4m on Mental Health placements (5 new agreed in 13/14), efficiency shortfalls re LD care packages £0.357m and within 65+ packages of £0.411m.   |
| Commissioning  | -                | 39                | 39             | Projected efficiency shortfalls of £0.458m offset by pay underspends of £0.191m and other contract savings of £228k   |
| Business and Performance                                 | -                | (33)              | (33)           | Shortfall in customer income for Telecare services £0.1m  |
| <b>Sub Total Social Care and Health</b>                  | -                | <b>421</b>        | <b>421</b>     |   |
| <b>Children's Services</b>                               |                  |                   |                |   |
| Director of Children's Services                          | (4)              | (4)               | -              |   |
| Children's Services Operations                           | 538              | 793               | 255            | additional 13 new placements in Independent Fostering in June on top of 10 during April/May. 4 new Guardianship Orders and 2 new in-house fostering placements in June  |
| Learning, Commissioning & Partnerships                   | 5                | 16                | 11             |   |
| Joint School Commissioning Service (Transport)           | 352              | 497               | 145            | Increase in targeted transport due to increased demand (including travellers and managed moves). The Chiltern School in particular has seen an increase in pupil numbers which may increase further during the new academic year  |
| Partnerships   | -                | -                 | -              |   |
| <b>Sub Total Children's Services (excluding Schools)</b> | <b>891</b>       | <b>1,302</b>      | <b>411</b>     |   |
| DSG contribution to central support                      | -                | 848               | 848            |   |
| ESG contribution to central support                      | -                | 12                | 12             |   |
| <b>Sub Total Children's Services (excluding Schools)</b> | <b>891</b>       | <b>2,162</b>      | <b>1,271</b>   |   |
| <b>Community Services</b>                                |                  |                   |                |   |
| Community Services Director                              | (4)              | -                 | 4              |   |
| Highways Transportation                                  | 30               | 30                | -              | extra gritting in April   |
| Environmental Services                                   | (94)             | (147)             | (53)           | forecast under on emergency planning £28K, under on community safety due to low uptake of superannuation and also IDAP programme delayed  |
| Libraries  | (28)             | -                 | 28             |   |
| <b>Total Community Services</b>                          | <b>(96)</b>      | <b>(117)</b>      | <b>(21)</b>    |   |
| <b>Regeneration and Business Support</b>                 |                  |                   |                |   |
| Service Development                                      | (8)              | (13)              | (5)            |   |
| Planning   | 84               | 57                | (27)           | development management forecast under due to examination hearing into development strategy likely to take place in 2014/15  |
| Economic Growth, Skills & Regeneration                   | 27               | 138               | 111            | in year pressure on ACL (£85K) and customer first £111k plus small unders   |
| <b>Total Regeneration and Business Support</b>           | <b>103</b>       | <b>182</b>        | <b>79</b>      |   |
| <b>Public Health</b>                                     |                  |                   |                |   |
| Director of Public Health                                | -                | -                 | -              |   |
| Assistant Director of Public Health                      | -                | -                 | -              |   |
| <b>Total Public Health (Excl overheads)</b>              | -                | -                 | -              |   |
| Contribution to Central Support                          | -                | (668)             | (668)          |   |
| <b>Total Public Health</b>                               | -                | <b>(668)</b>      | <b>(668)</b>   |   |
| <b>Improvement and Corporate Services</b>                |                  |                   |                |   |
| Improvement and Corporate Services Leadership            | -                | 49                | 49             |   |
| Communications   | -                | 12                | 12             |   |
| Customer Services  | -                | -                 | -              |   |
| Programme and Performance                                | -                | 25                | 25             |   |
| Policy & strategy  | -                | -                 | -              |   |
| Customer & Community Insight                             | -                | -                 | -              |   |
| Procurement  | -                | 18                | 18             |   |
| People   | -                | (2)               | (2)            |   |
| Information Assets                                       | -                | (1)               | (1)            |   |
| Legal & Democratic Services                              | -                | 509               | 509            | Movement of £509k within Legal Services is made up of , £51k pressure due to unachievable vacancy factor, £229k pressure on staffing due to unbudgeted new restructure, £247k continued pressure due to external court fees for child protection cases & £60k pressure on Copyright licence fees which was not budgeted for, including prior years' costs. This was partly mitigated by reduced forecasts in Local Land Charges (additional income) and Members' costs. |
| <b>Total Improvement and Corporate Services</b>          | -                | <b>610</b>        | <b>610</b>     |   |
| <b>Corporate Resources</b>                               |                  |                   |                |   |
| Chief Executive  | -                | -                 | -              |   |
| Finance  | -                | -                 | -              |   |
| Housing Benefit Subsidy                                  | -                | -                 | -              |   |
| Assets   | -                | (221)             | (221)          | Additional disaggregated income from the Farms estate (-£692k) partly offset by additional consultancy costs (£200k), property rental costs (£100k) and day to day repairs pressures (£171k)  |
| <b>Total Corporate Resources</b>                         | -                | <b>(221)</b>      | <b>(221)</b>   |   |
| <b>Corporate Costs</b>                                   |                  |                   |                |   |
| Debt Management  | -                | (200)             | (200)          | Forecast reduction in interest payable costs  |
| Premature Retirement Costs                               | -                | -                 | -              |   |
| Corporate HRA Recharges                                  | -                | -                 | -              |   |
| Efficiencies   | -                | (35)              | (35)           | Movement due to unachievable Channel Shift efficiency, from prior years (£345k) and unused superannuation budget provision (-£380k)   |
| Contingency and Reserves                                 | -                | -                 | -              |   |
| <b>Total Corporate Costs</b>                             | -                | <b>(235)</b>      | <b>(235)</b>   |   |
| <b>TOTAL Excluding Schools</b>                           | <b>898</b>       | <b>2,134</b>      | <b>1,236</b>   |   |
| Schools ISB  | -                | -                 | -              |   |
| Housing Services (HRA)                                   | -                | -                 | -              |   |
| <b>Total</b>   | <b>898</b>       | <b>2,134</b>      | <b>1,236</b>   |   |

## Appendix B

### Earmarked Reserves

| Description  | Opening Balance<br>2013/14 | Spend<br>against<br>reserves | Release of<br>reserves | Proposed<br>transfer to<br>Reserves | Proposed Closing<br>Balance 2013/14 |
|--|----------------------------|------------------------------|------------------------|-------------------------------------|-------------------------------------|
|  | £000                       | £000                         | £000                   | £000                                | £000                                |
| <b>Social Care Health and Housing Reserves</b>   |                            |                              |                        |                                     |                                     |
| Social Care Reform Grant   | 187                        | (128)                        |                        |                                     | 59                                  |
| Deregistration of Care Homes   | 433                        | (133)                        |                        |                                     | 300                                 |
| LD Campus Closure  | 421                        | (139)                        |                        |                                     | 282                                 |
| Supporting People  | -                          |                              |                        |                                     | -                                   |
| Deprivation of Liberty   | 81                         | -                            |                        |                                     | 81                                  |
| Reablement   | 100                        | (100)                        |                        |                                     | -                                   |
| Ageing Well Programme  | -                          | -                            |                        |                                     | -                                   |
| Winter Pressure  | 152                        | -                            |                        |                                     | 152                                 |
| Disabled Facilities Grant revenue funding  | -                          | -                            |                        |                                     | -                                   |
| Mental Health Action Plan  | 138                        | -                            |                        |                                     | 138                                 |
| Outcome Based Commissioning  | 3,067                      | (222)                        |                        |                                     | 2,845                               |
| Step Up /Step Down   | 490                        | -                            |                        |                                     | 490                                 |
|  | <b>5,069</b>               | <b>(722)</b>                 | -                      | -                                   | <b>4,347</b>                        |
| <b>Children's Services Reserves</b>  |                            |                              |                        |                                     |                                     |
| DSG Schools Contingency Reserve  | 853                        |                              |                        |                                     | 853                                 |
| Performance Reward Grant   | 144                        | (57)                         |                        |                                     | 87                                  |
| LSP Sustainable Neighbourhoods   | 47                         |                              |                        |                                     | 47                                  |
| SEN Evaluation & positioning for additional duties when SEN Green paper becomes an Act | 75                         |                              |                        |                                     | 75                                  |
| "Working Together" - new National Guidance   | 50                         |                              |                        |                                     | 50                                  |
| OFSTED Action Plan   | 180                        | (180)                        |                        |                                     | -                                   |
| OFSTED Action Plan   | 70                         |                              |                        |                                     | 70                                  |
| Fostering & Adoption   | 300                        |                              |                        |                                     | 300                                 |
| Looked After Children / Safeguarding   | 1,200                      | (1,200)                      |                        |                                     | -                                   |
| CWD  | 143                        | (12)                         |                        |                                     | 131                                 |
| Impact of future funding cuts (CS - EIG)   | 1,193                      | (300)                        |                        |                                     | 893                                 |
| Threshold Review   | 500                        | (97)                         |                        |                                     | 403                                 |
|  | <b>4,755</b>               | <b>(1,846)</b>               | -                      | -                                   | <b>2,909</b>                        |
| <b>Community Services</b>  |                            |                              |                        |                                     |                                     |
| Leisure Centre Reinvestment Fund   | 89                         |                              |                        | 55                                  | 144                                 |
| Integrated consumer protection   | 140                        | -27                          |                        |                                     | 113                                 |
| Transport Fund   | 125                        |                              |                        |                                     | 125                                 |
| Community Safety partnership fund  | 159                        | -184                         |                        |                                     | (25)                                |
| Bedford & Luton Resilience Forum   | 65                         |                              |                        |                                     | 65                                  |
| PTR2 Business Process Reengineering  | 11                         |                              |                        |                                     | 11                                  |
| Arts and theatre service reviews   | 10                         | -10                          |                        |                                     | -                                   |
| New waste  | 449                        | -449                         |                        |                                     | -                                   |
| DEFRA grant  | 53                         | -53                          |                        |                                     | -                                   |
| financial investigation unit   | 275                        | -161                         |                        |                                     | 114                                 |
| community safety grant   | 85                         |                              |                        |                                     | 85                                  |
|  | <b>1,461</b>               | <b>(884)</b>                 | -                      | <b>55</b>                           | <b>632</b>                          |

## Appendix B

### Earmarked Reserves (cont)

| Description                                       | Opening Balance<br>2013/14 | Spend<br>against<br>reserves | Release of<br>reserves | Proposed<br>transfer to<br>Reserves | Proposed Closing<br>Balance 2013/14 |
|---|----------------------------|------------------------------|------------------------|-------------------------------------|-------------------------------------|
| <b>Regeneration</b>                               |                            |                              |                        |                                     |                                     |
| Career Development Framework                      | 68                         | -32                          |                        |                                     | 36                                  |
| External Funded Regeneration reserve              | 434                        | -156                         |                        |                                     | 278                                 |
| Local Development Framework                       | 100                        |                              |                        |                                     | 100                                 |
| Physical Regeneration Projects                    | 31                         | -19                          |                        |                                     | 12                                  |
| Pre-application service development               | 288                        | -77                          |                        |                                     | 211                                 |
| Minerals and Waste partnership funds              | 104                        | -30                          |                        |                                     | 74                                  |
| NIRAH   | 50                         |                              |                        |                                     | 50                                  |
| Woodside Connection options appraisal             | 50                         |                              |                        |                                     | 50                                  |
| Business growth grants                            | 84                         |                              |                        |                                     | 84                                  |
| flood defence                                     | 264                        | -264                         |                        |                                     | -                                   |
| natural england                                   | 10                         |                              |                        |                                     | 10                                  |
| building control                                  | 76                         |                              |                        |                                     | 76                                  |
| Gypsy and traveller                               | 50                         |                              |                        |                                     | 50                                  |
|   | <b>1,609</b>               | <b>(578)</b>                 | -                      | -                                   | <b>1,031</b>                        |
| <b>Public Health</b>                              | <b>65</b>                  |                              |                        |                                     | <b>65</b>                           |
| <b>Corporate Services Reserves</b>                |                            |                              |                        |                                     |                                     |
| Pan Public Sector Funding                         | 43                         | (43)                         |                        |                                     | 0                                   |
| Customer First                                    | 33                         | (33)                         |                        |                                     | 0                                   |
| SAP Optimisation                                  | 73                         | (73)                         |                        | -                                   | -                                   |
| Housing Benefit Subsidy audit reserve (12/13 NEW) | 500                        | -                            |                        | -                                   | 500                                 |
| Elections Fund                                    | 12                         |                              |                        | 95                                  | 107                                 |
|   | <b>662</b>                 | <b>(149)</b>                 | -                      | <b>95</b>                           | <b>608</b>                          |
| <b>Corporate Reserves</b>                         |                            |                              |                        |                                     |                                     |
| Redundancy/Restructure Reserve                    | 3,168                      | (15)                         |                        |                                     | 3,153                               |
| Insurance reserve                                 | 3,338                      |                              |                        |                                     | 3,338                               |
| Welfare Reform (12/13 NEW)                        | 500                        | (40)                         |                        |                                     | 460                                 |
| Teachers' Pensions (12/13 NEW)                    | 186                        |                              |                        |                                     | 186                                 |
| Exceptional legal costs for planning decisions    | 300                        |                              |                        |                                     | 300                                 |
| Funding for Transition (12/13 new)                | 321                        |                              |                        |                                     | 321                                 |
|   | <b>7,813</b>               | <b>(55)</b>                  | -                      | -                                   | <b>7,758</b>                        |
| <b>Total Earmarked Reserves</b>                   | <b>21,434</b>              | <b>(4,234)</b>               | -                      | <b>150</b>                          | <b>17,350</b>                       |

## Appendix C – Risks and Upsides

| Risks (over £50k)  |   |                |   |  |                       | Jun-13                | May-13 |
|--|---|----------------|---|--|-----------------------|-----------------------|--------|
| Directorate/AD   | Description   | Directorate    | Ownership (Director, EIG, Finance, Corporate Measure etc) | Risk (certain, likely, possible, 3rd Party dependent etc.) | Estimated Value £000s | Estimated Value £000s |        |
| <b>Imp &amp; Corp Serv</b><br>Legal & Democratic                           | Legal Services- establishment pressures due to proposed funding from centralising external legal costs not materialising and continued pressures around Children's Services lawyers. The pressure is certain but there's a risk it may not be able to be mitigated. |                | Director  | In Forecast  | -                     | 355                   |        |
| Customer Services  | Pressure expected due to Customer First efficiencies not being realised until later in the year. The risk is that these may not be able to be mitigated by savings in other areas.  | Imp & Corp Se  | Director  | Possible   | 280                   | -                     |        |
| Customer Services  | Pressure expected due to changes within Customer Contact Centre as a result of Your Space 2 relocation. Costs associated with changes to the team and associated training.  | Imp & Corp Se  | Director  | Possible   | 75                    | -                     |        |
| <b>Corporate Resources</b><br>Insurance                                    | Reduction in income due to providing services to fewer schools as more become Academy. There is a risk that this pressure might not be mitigated by savings in other areas.   | Corp Resources | Charles Warboys   | Possible   | 252                   | 0                     |        |
| <b>Social Care, Health and Housing</b><br>Adult Social Care                | Unachieved care package efficiencies - Older People   |                | EIG   | Likely   |                       | 175                   |        |
| Adult Social Care  | Mental Health packages - volume increases   |                | Director  | Likely   |                       | 440                   |        |
| Adult Social Care  | Other local authority income and expenditure - overall net shortfall  |                | Director  | Likely   |                       | 146                   |        |
| Adult Social Care  | Unachieved care package efficiencies - Adults with Learning Disabilities  |                | EIG   | Likely   |                       | 330                   |        |
| <b>Community Services</b>  | Winter maintenance (figure based on average over last 5 years )   |                |   | Possible   | 155                   | 155                   |        |
| <b>Children's Services</b><br>DSG Contribution to Overheads                | Due to changes in legislation on what DSG can be used for in 13/14, this has created a risk of £848k  |                |   |  |                       | 848                   |        |
| Commission   | 2 Health Posts (1 funded from Troubled Families, 1 post pressure)   |                |   | Likely   |                       | 50                    |        |
| Youth  | Cost of remanding young people in youth detention accommodation from April 2013 (Ministry of Justice new funding framework)   |                |   | Likely   |                       | To be advised         |        |
| Education Services Grant   | Will reduce quarterly based on timing of Academy conversions at a rate of £116.46 per pupil Schools & £494.96 per pupil Special Schools pro rata for year   |                |   | Likely   | 298                   | 350                   |        |
| Threshold Reserve  | Review of thresholds before Children become LAC (requested £900k in 12/13 reserves, £500k approved)   |                |   | Likely   | 400                   | 400                   |        |
| <b>TOTAL service risks quantified to date</b>                              |   |                |   |  | <b>1,460</b>          | <b>3,249</b>          |        |
| <b>Corporate Costs</b><br>Potential Unachievable Customer First efficiency |   |                |   | In forecast  | -                     | 345                   |        |
| <b>TOTAL corporate risks quantified to date</b>                            |   |                |   |  | -                     | <b>345</b>            |        |
| <b>TOTAL risks quantified to date</b>                                      |   |                |   |  | <b>1,460</b>          | <b>3,594</b>          |        |

| Opportunities (over £50k)  |   |             |   |  |                       | May-13                | Apr-13 |
|--|---|-------------|---|--|-----------------------|-----------------------|--------|
| Directorate/AD   | Description   | Directorate | Ownership (Director, EIG, Finance, Corporate Measure etc) | Risk (certain, likely, possible, 3rd Party dependent etc.) | Estimated Value £000s | Estimated Value £000s |        |
| <b>Social Care, Health and Housing</b><br>Adult Social Care                      | Applications for Continuing Health Care Funding for all adult client groups                                       |             | Director  | 3rd Party dependent  |                       | -                     |        |
| <b>Public Health</b><br>Unbudgeted contribution to Overheads                     | Public Health grant includes allowable element of contribution to overheads which was not included in MTFP budget |             |   | Likely   |                       | 600                   |        |
| <b>Community Services</b>  | Waste - change in tonnage figures   |             |   | Possible   |                       | 100                   |        |
| <b>TOTAL service upsides quantified to date</b>                                  |   |             |   |  | -                     | <b>700</b>            |        |
| <b>Corporate Costs</b><br>Unused 2% superannuation 2% increased budget provision |   |             |   | In forecast  | -                     | 380                   |        |
| Interest payable   | Interest payable latest forecasts are under budget  |             |   | In forecast  | -                     | 200                   |        |
| <b>TOTAL corporate upsides quantified to date</b>                                |   |             |   |  | -                     | <b>580</b>            |        |
| <b>TOTAL upsides quantified to date</b>  |   |             |   |  | -                     | <b>1,280</b>          |        |

### Budget 2012/13 - Potential Risks and Opportunities

#### Summary Position

|  |  |  |  |  |                |                |
|--|--|--|--|--|----------------|----------------|
| <b>NET service quantified effect - upside / (downside)</b>   |  |  |  |  | <b>(1,460)</b> | <b>(2,549)</b> |
| <b>NET corporate quantified effect - upside / (downside)</b> |  |  |  |  | -              | <b>235</b>     |
| <b>NET quantified effect - upside / (downside)</b>           |  |  |  |  | <b>(1,460)</b> | <b>(2,314)</b> |



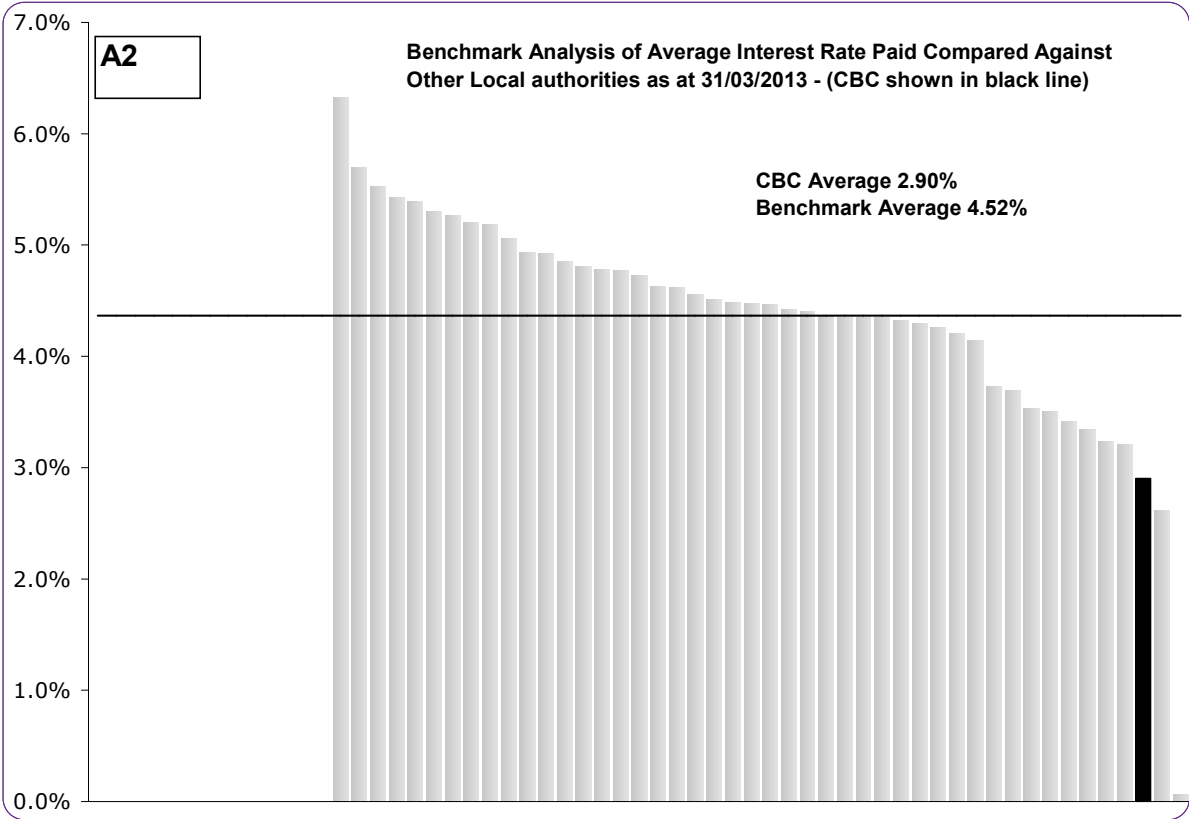
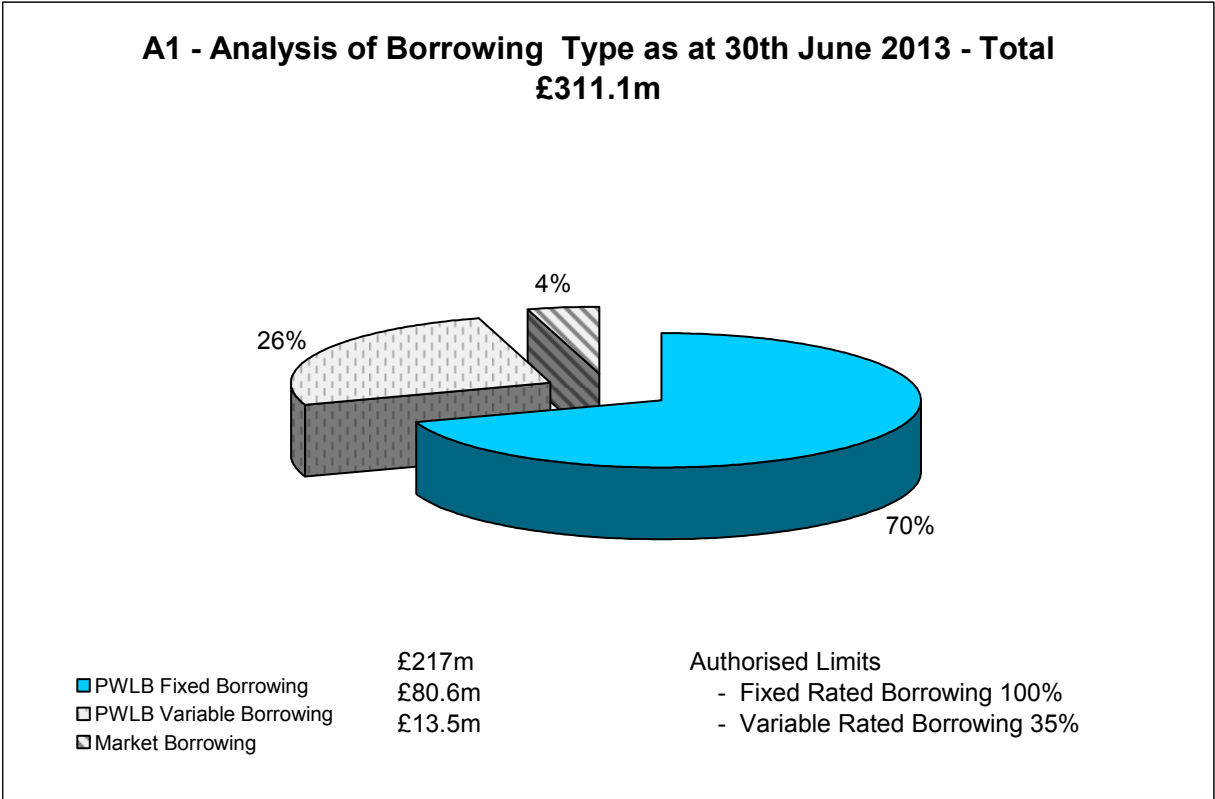
**Appendix D**  
**Debt**

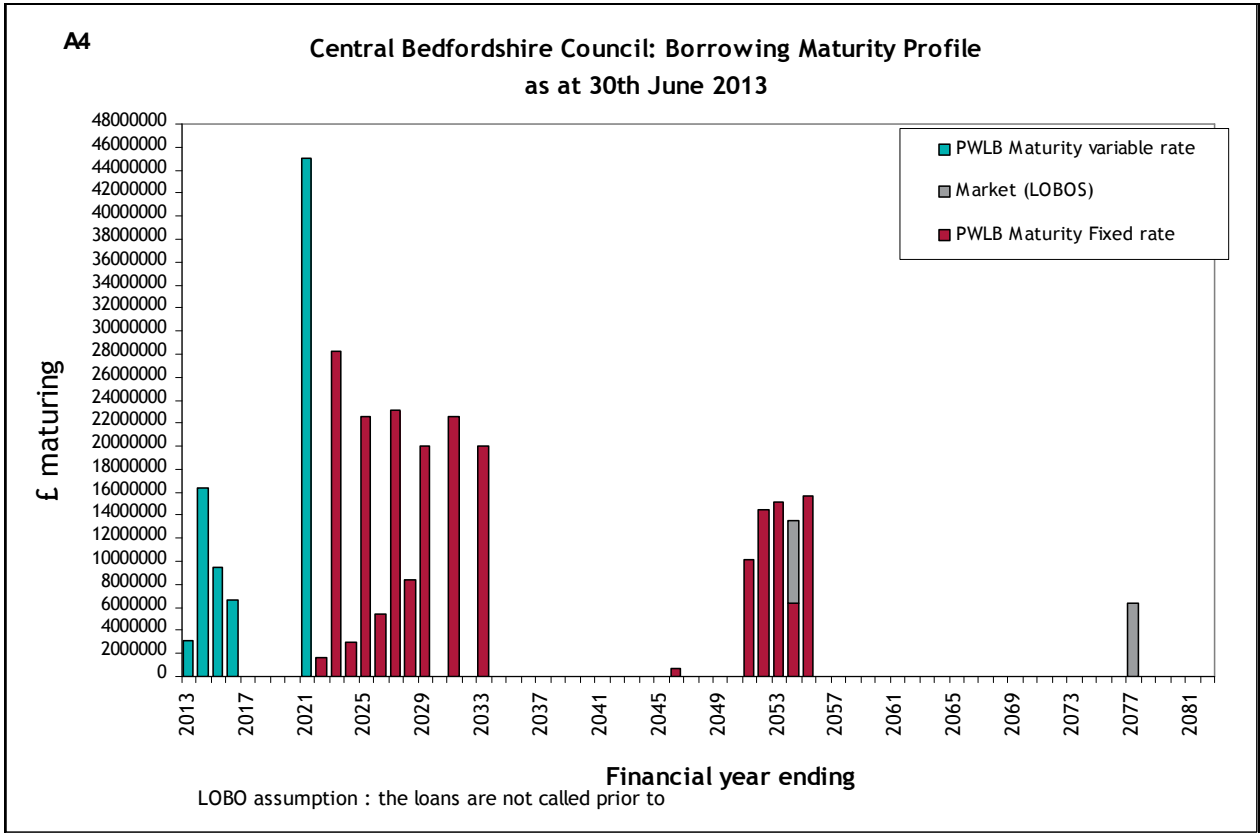
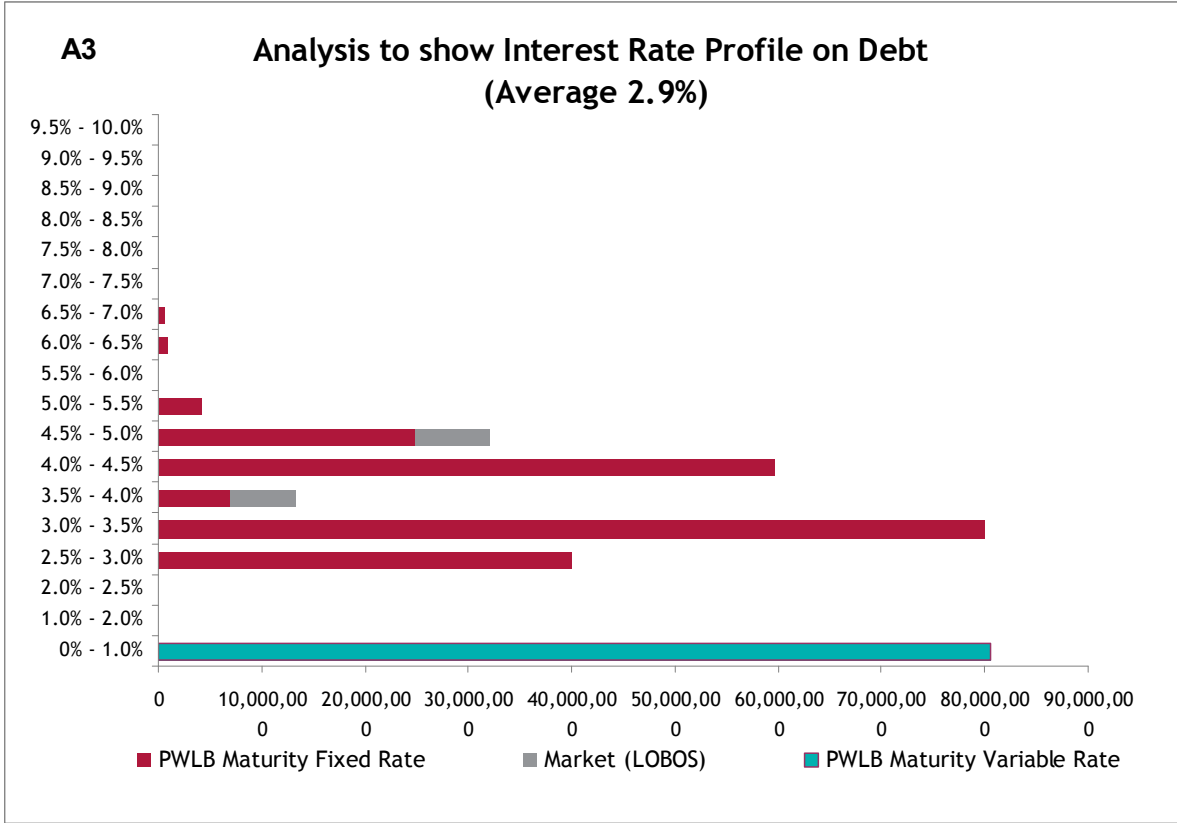
| <b>Debtors June 2013</b>                 |                     |            |                      |           |                      |            |                      |            |                       |            |                        |            |                   |             |
|--|---------------------|------------|----------------------|-----------|----------------------|------------|----------------------|------------|-----------------------|------------|------------------------|------------|-------------------|-------------|
| <b>DIRECTORATE</b>                       | <b>1 to 14 Days</b> |            | <b>15 to 30 Days</b> |           | <b>31 to 60 Days</b> |            | <b>61 to 90 Days</b> |            | <b>91 to 365 days</b> |            | <b>1 year and over</b> |            | <b>Total Debt</b> |             |
|  | £k                  | %          | £k                   | %         | £k                   | %          | £k                   | %          | £k                    | %          | £k                     | %          | £k                | %           |
| <b>Social Care Health &amp; Housing</b>  | 246                 | 16%        | 141                  | 9%        | 234                  | 15%        | 82                   | 5%         | 410                   | 27%        | 426                    | 28%        | 1,539             | 100%        |
| <b>Children's Services</b>               | 197                 | 23%        | 433                  | 50%       | 108                  | 13%        | 46                   | 5%         | 13                    | 2%         | 61                     | 7%         | 858               | 100%        |
| <b>Community Services</b>                | 118                 | 38%        | -27                  | -9%       | 99                   | 32%        | 20                   | 7%         | 35                    | 11%        | 62                     | 20%        | 307               | 100%        |
| <b>Regeneration</b>                      | 93                  | 5%         | 187                  | 10%       | 171                  | 9%         | 234                  | 13%        | 445                   | 25%        | 675                    | 37%        | 1,805             | 100%        |
| <b>ACE People</b>                        | 7                   | 10%        | 28                   | 39%       | 20                   | 28%        | 2                    | 3%         | 1                     | 1%         | 14                     | 19%        | 72                | 100%        |
| <b>ACE Resources</b>                     | 273                 | 42%        | 10                   | 2%        | -30                  | -5%        | 60                   | 9%         | 179                   | 28%        | 153                    | 24%        | 645               | 100%        |
| <b>NHS Bedfordshire</b>                  | 1                   | 0%         | 244                  | 27%       | 47                   | 5%         | 338                  | 37%        | 277                   | 30%        | 10                     | 1%         | 917               | 100%        |
| <b>Unallocated &amp; Non Directorate</b> | 0                   | 0%         | -13                  | 24%       | -3                   | 5%         | -20                  | 36%        | -10                   | 18%        | -9                     | 16%        | -55               | 100%        |
| <b>House Sales</b>                       | 65                  | 4%         | 25                   | 2%        | 44                   | 3%         | 40                   | 3%         | 367                   | 24%        | 994                    | 65%        | 1,535             | 100%        |
| <b>Grants</b>                            | 0                   | 0%         | -703                 | 108%      | 66                   | -10%       | -16                  | 2%         | 0                     | 0%         | 1                      | 0%         | -652              | 100%        |
| <b>GRAND TOTAL</b>                       | <b>1,000</b>        | <b>14%</b> | <b>325</b>           | <b>5%</b> | <b>756</b>           | <b>11%</b> | <b>786</b>           | <b>11%</b> | <b>1,717</b>          | <b>25%</b> | <b>2,387</b>           | <b>34%</b> | <b>6,971</b>      | <b>100%</b> |
| <b>PREVIOUS MONTH</b>                    | 4,205               | 36%        | 1,717                | 15%       | 1,836                | 16%        | 223                  | 2%         | 1,458                 | 12%        | 2,294                  | 20%        | 11,733            | 100%        |

The debt in relation to House Sales is subject to charges we have over those assets.

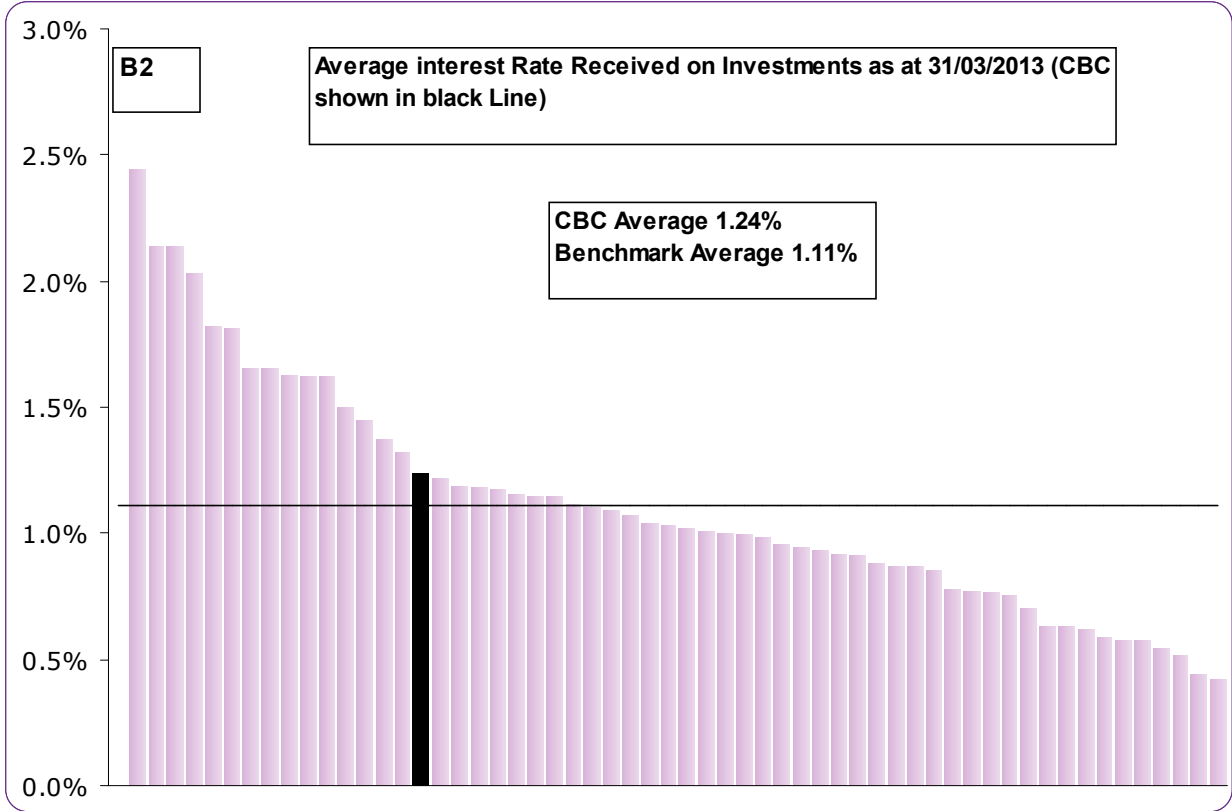
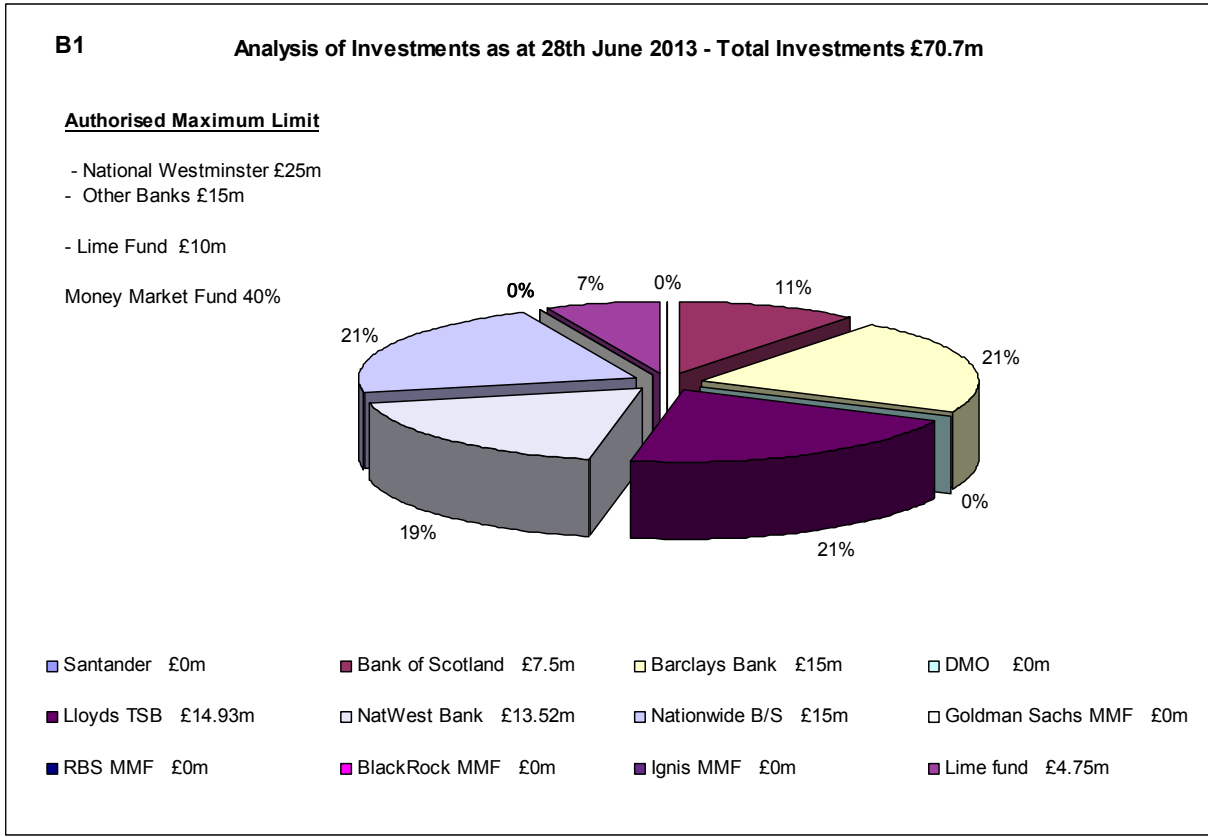
**Appendix E – Treasury Management**

Section A – Debt Information

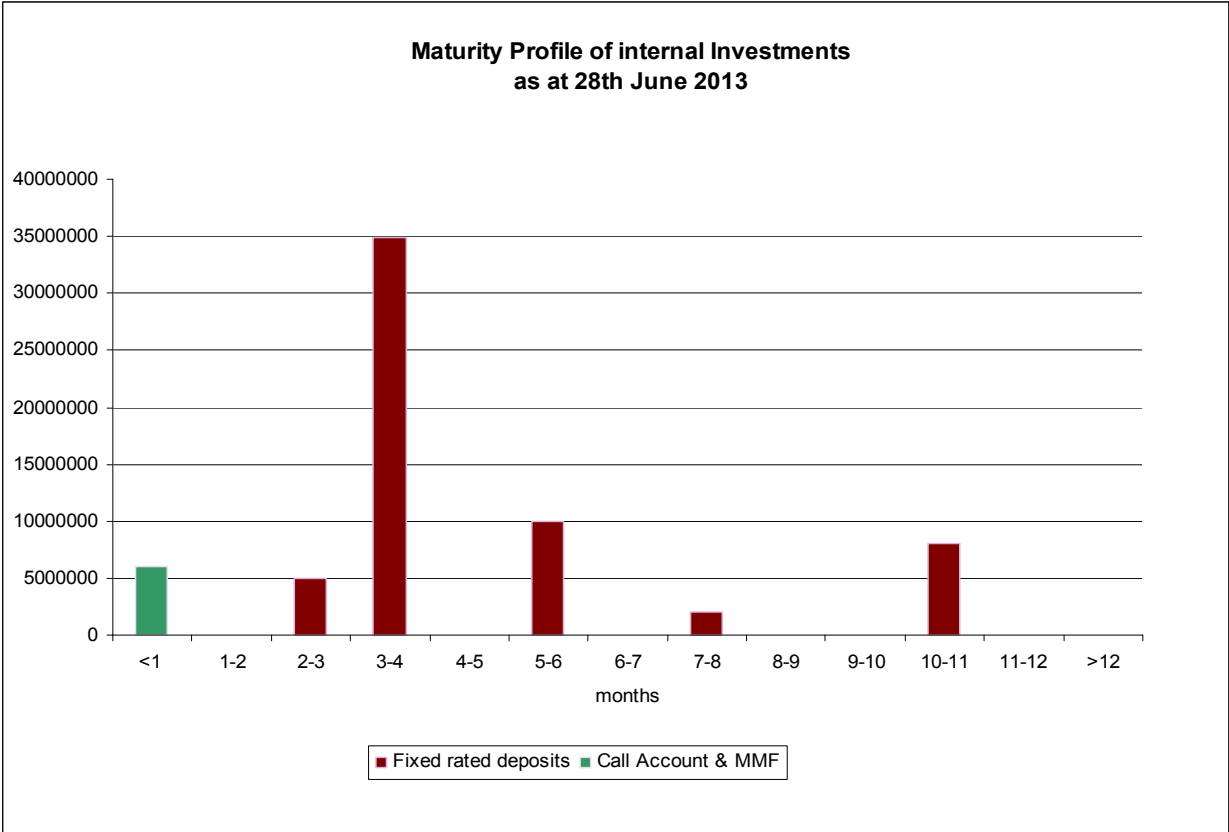




**Section B – Investment Information**



B3



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**Meeting:** Corporate Resources Overview and Scrutiny Committee  
**Date:** 22 October 2013  
**Subject:** Quarter 1, 2013/14 Capital Budget Monitoring Report -  
Corporate Resources Directorate  
**Report of:** Cllr M Jones, Executive Member for Corporate Resources  
**Summary:** The report sets out the capital outturn position at June 2013.

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**Advising Officer:** Charles Warboys, Chief Finance Officer  
**Contact Officer:** Phil Ball, Senior Finance Manager (Corporate Resources)  
**Public/Exempt:** Public  
**Wards Affected:** All  
**Function of:** Council

#### **CORPORATE IMPLICATIONS**

**Council Priorities:**

1. 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:**

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

**Legal:**

3. There are no direct legal implications arising from the report.

**Risk Management:**

4. Sound financial management and budget monitoring mitigates adverse financial risks.

**Staffing (including Trades Unions):**

5. Not Applicable.

**Equalities/Human Rights:**

6. Public Authorities must ensure that decisions are made in a way which minimises unfairness and without a disproportionately negative effect on people from different ethnic groups, disabled people, women and men. It is important that Councillors are aware of this duty before they take a decision.
7. Equality Impact Assessments were undertaken prior to the allocation of the budgets and each Directorate was advised of any significant equality implications relating to their budget proposals.

**Community Safety:**

8. Not Applicable.

**Sustainability:**

9. Not Applicable.

**Procurement:**

10. Not applicable.

**RECOMMENDATION(S):**

**The Committee is asked to:-**

11. **Note and Consider the report.**

**12. Executive Summary**

13. The report sets out the capital financial position for 2013/14 as at the end of period 3. It sets out the latest budget and the year end outturn. The 2013/14 net Capital Budget for Corporate Resources (including *proposed* Slippage from 2012-2013) is £16,603k.

**14. Net Capital Forecast Outturn**

| Service                  | Full Year Budget<br>£000's | Forecast<br>£000's | Expected Slippage to 14/15<br>£000's | Variance<br>£000's | Budget YTD<br>£000's | Actual<br>£000's | YTD Variance<br>£000's |
|--------------------------|----------------------------|--------------------|--------------------------------------|--------------------|----------------------|------------------|------------------------|
| Info Assets              | 2,066                      | 2,070              | 0                                    | 4                  | 410                  | 234              | -176                   |
| Others                   | 2,136                      | 1,811              | 0                                    | -325               | 0                    | 580              | 580                    |
| Imp & Corp Serv Subtotal | 4,202                      | 3,881              | 0                                    | -321               | 410                  | 814              | 404                    |
| Corp Res                 | 12,401                     | 11,624             | 800                                  | 23                 | 961                  | 1,057            | 96                     |
| <b>Totals</b>            | <b>16,603</b>              | <b>15,505</b>      | <b>800</b>                           | <b>-298</b>        | <b>1,371</b>         | <b>1,871</b>     | <b>500</b>             |

**15. KEY HIGHLIGHTS (Appendices A1 & A2)**

**16. Capital – Improvement & Corporate Services**

17. The current capital programme for Improvement & Corporate Services is £4,202k. This includes £2,043k of funding for 13/14 schemes and *proposed* slippage of £2,159k from previous years. There is £2,066k of budget allocated to Information Assets (IA) projects with £2,136k for other schemes. Some of the major ones include SAP Optimisation (£373k), Customer First (£581k) & Health & Safety Rolling Programme (£852k).

18. For Improvement & Corporate Services projects there is a forecast outturn of £3,881k against budget leaving an under spend of £321k. This is as a result of the duplicated slippage budget on Customer First (£300k) and to the Health & Safety Rolling programme expecting a small surplus of funding within the year.

19. In IA the forecast outturn position is £2,070k. There are not currently any major variances expected against IA projects. The major schemes in this



area are Your Space Two (IA Infrastructure) (£466k), IA Infrastructure Rolling Programme (£500k) & Data Centre Development (£375k).

**20. Capital – Corporate Resources**

21. The current capital programme for Corporate Resources is £12,401k. These projects are all within Assets and some of the major schemes are 13/14 Corporate Property Rolling Programme (£4,649k), A1 South Roundabout - Biggleswade (£2,200k), Ivel Medical Centre (£1,000k) & Acquisition of land south of High St Leighton Buzzard (£1,000k).
22. The forecast outturn position on for Corporate Resources is currently showing a £23k over spend. There are a number of projects expecting small variances at year end (see Appendix A2) and there is currently £800k expected to be slipped into 2014/15. This is due to an expected delay on the start of the Ivel Medical Centre project. Following changes to the way the NHS runs its commissioning process the project has been delayed and expected to slip a large amount to 14/15.

**Appendices:**

**Appendix A1 – Capital Summary- Improvement & Corporate Services**

**Appendix A2 – Capital Summary- Corporate Resources**

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Appendix A2  
Central Bedfordshire Capital Programme 2013-14: Monitoring  
Month 3

| Discretion          | Scheme Title  | Project Manager Contact | WBS Code | Approved 1314 Budget |       |                  | Draft Slippage from 2012/13 |                 |         | Total 2013/14 Budget |         |                  | Full Year Forecast as at Month 3 |                 |       |                   |       |                  | Variance |                 |        |                   |        |                  | Jun-13 |                 |        |                   |       |                  |       |                 |  |
|---------------------|---|-------------------------|----------|----------------------|-------|------------------|-----------------------------|-----------------|---------|----------------------|---------|------------------|----------------------------------|-----------------|-------|-------------------|-------|------------------|----------|-----------------|--------|-------------------|--------|------------------|--------|-----------------|--------|-------------------|-------|------------------|-------|-----------------|--|
|                     |   |                         |          | 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 |  |
|                     |   |                         |          | £'000                | £'000 | £'000            | £'000                       | £'000           | £'000   | £'000                | £'000   | £'000            | £'000                            | £'000           | £'000 | £'000             | £'000 | £'000            | £'000    | £'000           | £'000  | £'000             | £'000  | £'000            | £'000  | £'000           | £'000  | £'000             | £'000 | £'000            | £'000 | £'000           |  |
| Corporate Resources | CRC Corporate Property Rolling Programme  | EC Harris               | 3,430    | 0                    | 3,430 | 1,219            | 0                           | 1,219           | 4,649   | 0                    | 4,649   | 4,681            | 0                                | 4,681           | 232   | 0                 | 232   | 425              | 0        | 425             | 457    | 0                 | 457    | 425              | 0      | 425             | 457    | 0                 | 457   | 32               | 0     | 32              |  |
| Corporate Resources | A1 South Roundabout (Biggleswade)   | Jon Cliff Peter Bur     | 3,700    | -1,500               | 2,200 | 0                | 0                           | 0               | 3,700   | -1,500               | 2,200   | 3,700            | -1,500                           | 2,200           | 0     | 0                 | 0     | 143              | 0        | 143             | 0      | 0                 | 0      | 143              | 0      | 143             | 0      | 0                 | -143  | 0                | -143  |                 |  |
| Corporate Resources | Ivel Medical Centre (Biggleswade)   | Nick Kealey Jon Cliff   | 900      | 0                    | 900   | 100              | 0                           | 100             | 1,000   | 0                    | 1,000   | 200              | 0                                | 200             | -800  | 0                 | -800  | 50               | 0        | 50              | 0      | 0                 | 0      | 50               | 0      | 50              | 0      | 0                 | -50   | 0                | -50   |                 |  |
| Corporate Resources | Castle Market and Parking Land  | Jon Cliff               | 1,000    | 0                    | 1,000 | 0                | 0                           | 0               | 1,000   | 0                    | 1,000   | 1,000            | 0                                | 1,000           | 0     | 0                 | 0     | 0                | 0        | 0               | 0      | 0                 | 0      | 0                | 0      | 0               | 0      | 0                 | 0     | 0                | 0     |                 |  |
| Corporate Resources | LDF related costs for land in Ardesley, North of Houghton   | Nick Kealey             | 750      | 0                    | 750   | 108              | 0                           | 108             | 858     | 0                    | 858     | 858              | 0                                | 858             | 0     | 0                 | 0     | 186              | 0        | 186             | 138    | 0                 | 138    | 186              | 0      | 186             | 138    | 0                 | -48   | 0                | -48   |                 |  |
| Corporate Resources | Prison House - (Originally shown in the Corporate Property Block) including Car Parking at Prison House | EC Harris               | 340      | 0                    | 340   | 96               | 0                           | 96              | 436     | 0                    | 436     | 420              | 0                                | 420             | -16   | 0                 | -16   | 0                | 0        | 0               | 0      | 0                 | 0      | 0                | 0      | 0               | 0      | 0                 | 0     | 0                | 0     |                 |  |
| Corporate Resources | Carport Refurbishments  | Andrew Dutton           | 0        | 0                    | 0     | 410              | 0                           | 410             | 410     | 0                    | 410     | 410              | 0                                | 410             | 0     | 0                 | 0     | 0                | 0        | 0               | 0      | 0                 | 0      | 0                | 0      | 0               | 0      | 0                 | 0     | 0                | 0     |                 |  |
| Corporate Resources | Capital Refurbishment to Facilitate Moves (MFP) from Corporate Property Block                           | Alan Fleming            | 185      | 0                    | 185   | 180              | 0                           | 180             | 325     | 0                    | 325     | 480              | 0                                | 480             | 185   | 0                 | 185   | 62               | 0        | 62              | 9      | 0                 | 9      | 62               | 0      | 62              | 9      | 0                 | -53   | 0                | -53   |                 |  |
| Corporate Resources | Energy Efficiency Measures/ Carbon Reduction Improvements   | EC Harris               | 300      | 0                    | 300   | 0                | 0                           | 0               | 300     | 0                    | 300     | 300              | 0                                | 300             | 0     | 0                 | 0     | 0                | 0        | 0               | 0      | 0                 | 0      | 0                | 0      | 0               | 0      | 0                 | 0     | 0                | 0     |                 |  |
| Corporate Resources | Walling House Slippage from 2011/12 for replacement   | Andrew Dutton           | 0        | 0                    | 0     | 10               | 0                           | 10              | 10      | 0                    | 10      | 10               | 0                                | 10              | 0     | 0                 | 0     | 0                | 0        | 0               | 0      | 0                 | 0      | 0                | 0      | 0               | 0      | 0                 | 0     | 0                | 0     |                 |  |
| Corporate Resources | Libraries - (Originally shown in the Corporate Property Block)  | Andrew Dutton           | 233      | 0                    | 233   | 239              | 0                           | 239             | 239     | 0                    | 239     | 0                | 0                                | 0               | -239  | 0                 | -239  | 0                | 0        | 0               | 0      | 0                 | 0      | 0                | 0      | 0               | 0      | 0                 | 0     | 0                | 0     |                 |  |
| Corporate Resources | Megabus Asset Management System   | EC Harris               | 233      | 0                    | 233   | 0                | 0                           | 0               | 233     | 0                    | 233     | 300              | 0                                | 300             | 67    | 0                 | 67    | 45               | 0        | 45              | 48     | 0                 | 48     | 45               | 0      | 45              | 48     | 0                 | 3     | 0                | 3     |                 |  |
| Corporate Resources | Car Park Contingency  | Andrew Dutton           | 0        | 0                    | 0     | 154              | 0                           | 154             | 154     | 0                    | 154     | 154              | 0                                | 154             | 0     | 0                 | 0     | 0                | 0        | 0               | 0      | 0                 | 0      | 0                | 0      | 0               | 0      | 0                 | 0     | 0                | 0     |                 |  |
| Corporate Resources | Beeches Car Park Redevelopment  | David Lester            | 150      | 0                    | 150   | 0                | 0                           | 0               | 150     | 0                    | 150     | 0                | 0                                | 0               | -150  | 0                 | -150  | 0                | 0        | 0               | 0      | 0                 | 0      | 0                | 0      | 0               | 0      | 0                 | 0     | 0                | 0     |                 |  |
| Corporate Resources | Carport Refurbishment (Originally shown in the Corporate Property Block) - paths and car parking        | Andrew Dutton           | 0        | 0                    | 0     | 180              | 0                           | 180             | 180     | 0                    | 180     | 180              | 0                                | 180             | 0     | 0                 | 0     | 0                | 0        | 0               | 0      | 0                 | 0      | 0                | 0      | 0               | 0      | 0                 | 0     | 0                | 0     |                 |  |
| Corporate Resources | Amphill Court House   | Andrew Dutton           | 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                 | 0     | 0                | 0     |                 |  |
| Corporate Resources | Replacement of ex Incuba car park and upgrade of Corporate Property Block                               | David Lester            | 100      | 0                    | 100   | 0                | 0                           | 0               | 100     | 0                    | 100     | 0                | 0                                | 0               | -100  | 0                 | -100  | 0                | 0        | 0               | 0      | 0                 | 0      | 0                | 0      | 0               | 0      | 0                 | 0     | 0                | 0     |                 |  |
| Corporate Resources | Capital S1 Mary's Maintenance   | Andrew Dutton           | 0        | 0                    | 0     | 63               | 0                           | 63              | 63      | 0                    | 63      | 63               | 0                                | 63              | 0     | 0                 | 0     | 0                | 0        | 0               | 0      | 0                 | 0      | 0                | 0      | 0               | 0      | 0                 | 0     | 0                | 0     |                 |  |
| Corporate Resources | Stage Horticultural Centre  | Andrew Dutton           | 0        | 0                    | 0     | 54               | 0                           | 54              | 54      | 0                    | 54      | 110              | 0                                | 110             | 56    | 0                 | 56    | 0                | 0        | 0               | 0      | 0                 | 0      | 0                | 0      | 0               | 0      | 0                 | 0     | 0                | 0     |                 |  |
| Corporate Resources | CRC Corporate Property Rolling Programme Fees   | Deborah Hey             | 50       | 0                    | 50    | 0                | 0                           | 0               | 50      | 0                    | 50      | 50               | 0                                | 50              | 0     | 0                 | 0     | 0                | 0        | 0               | 0      | 0                 | 0      | 0                | 0      | 0               | 0      | 0                 | 0     | 0                | 0     |                 |  |
| Corporate Resources | Co-Location DWP former Community Hubs- Total  | Andrew Dutton           | 0        | 0                    | 0     | 0                | 0                           | 0               | 15      | 0                    | 15      | 15               | 0                                | 15              | 15    | 0                 | 15    | 0                | 0        | 0               | 0      | 0                 | 0      | 0                | 0      | 0               | 0      | 1                 | 0     | 1                |       |                 |  |
| Corporate Resources | Phase 1 Points of Presence  | Andrew Dutton           | 0        | 0                    | 0     | 10               | 0                           | 10              | 10      | 0                    | 10      | 0                | 0                                | 0               | -10   | 0                 | -10   | 0                | 0        | 0               | 0      | 0                 | 0      | 0                | 0      | 0               | 0      | 0                 | 0     | 0                | 0     |                 |  |
| Corporate Resources | Phase 2 Points of Presence  | Andrew Dutton           | 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                 | 0     | 0                | 0     |                 |  |
| Corporate Resources | Houghton Lodge  | Andrew Dutton           | 0        | 0                    | 0     | 0                | 0                           | 0               | 0       | 0                    | 0       | 3                | 0                                | 3               | 3     | 0                 | 3     | 0                | 0        | 0               | 0      | 0                 | 0      | 0                | 0      | 0               | 0      | 0                 | 0     | 0                | 0     |                 |  |
| Corporate Resources |   |                         | £1,118   | -£1,500              | £968  | £2,793           | £0                          | £2,793          | £13,901 | -£1,500              | £12,401 | £13,124          | -£1,500                          | £11,624         | £777  | £0                | £777  | £981             | £0       | £981            | £1,057 | £0                | £1,057 | £981             | £0     | £981            | £1,057 | £0                | £98   | £0               | £98   |                 |  |

As at Month 7

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**Meeting:** Corporate Resources Overview and Scrutiny Committee  
**Date:** 22 October 2013  
**Subject:** Quarter 1, 2013/14 Revenue Budget Monitoring Report - Corporate Resources Directorate  
**Report of:** Cllr M Jones, Executive Member for Corporate Resources  
**Summary:** The report sets out the revenue outturn position at June 2013.

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**Advising Officer:** Charles Warboys, Chief Finance Officer  
**Contact Officer:** Phil Ball, Senior Finance Manager (Corporate Resources)  
**Public/Exempt:** Public  
**Wards Affected:** All  
**Function of:** Council

#### **CORPORATE IMPLICATIONS**

##### **Council Priorities:**

1. 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:**

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

##### **Legal:**

3. There are no direct legal implications arising from the report.

##### **Risk Management:**

4. Sound financial management and budget monitoring mitigates adverse financial risks.

##### **Staffing (including Trades Unions):**

5. Not Applicable.

##### **Equalities/Human Rights:**

6. Public Authorities must ensure that decisions are made in a way which minimises unfairness and without a disproportionately negative effect on people from different ethnic groups, disabled people, women and men. It is important that Councillors are aware of this duty before they take a decision

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

**Community Safety:**

8. Not Applicable.

**Sustainability:**

9. Not Applicable.

**Procurement:**

10. Not applicable.

**RECOMMENDATION(S):**

**The Committee is asked to:-**

11. **Note and Consider the report.**

**Executive Summary**

12. The report sets out the Period 3 Forecast outturn position as at 30<sup>th</sup> June 2013.
13. **Introduction and Key Highlights (Appendix A2)**
14. The full year budget for the directorate of £38.952m is made up of:
- Corporate Resources £11.879m
  - Improvement & Corporate Services £16.839m
  - Corporate Costs £14.729m
  - Contingency & Reserves (£4.496m)
15. The directorate outturn position is a pressure of £154k after movement to and from earmarked reserves.
16. The key outturn variances identified are:
17. £49k pressure in Improvement & Corporate Services Director due to revenue costs for SAP Optimisation project expected to be higher than the reserve in place to fund it.
18. £509k pressure within Legal Services, due to unbudgeted posts as a result of restructure (£229k), unachievable vacancy factor (£51k), increase Children's Services cases (£247k) and unbudgeted Copyright Licence (£60k). These are partly mitigated by additional Local Land Charge income (£50k) and lower than budgeted members' allowances (£30k).
19. A £221k under spend within Assets, largely resulting from additional income of £692k from the farms estate, £133k from offices and £97k from the investment portfolio. This is partly offset by pressures of £320k within consultancy costs, £171k within day to day maintenance costs, £100k within property rental costs and £100k pressure against an efficiency within the Capital Team operation.

20. There is a forecast reduction within interest payable, of £200k, as a result of borrowing levels being lower than budgeted.
21. £35k saving in Cross Cutting Efficiencies. There was a £380k saving due to unused superannuation increase budget provision, the benefit of which has been reduced by an unachievable prior years' Channel Shift efficiency of £345k.
22. **Year To Date (YTD) Variance Position as at Period 3**
23. The YTD Department spend is currently £0.136m under the profiled YTD budget. Some of the material amounts that have been identified as contributing to this under spend are:
  24. There is a YTD under spend of £103k in Revs & Bens. This is due to receiving additional grants from Central Government for which the spend will happen later in the year (-£49k). There is also some staff savings due to vacant posts (-£29k) and other small under spends (-£25k).
  25. Within Housing Benefit Related Transactions there is a YTD pressure of £239k. This is due to the actual HB payments made so far this financial year being higher than the initial estimates used to create the 13/14 budget.
  26. There is a YTD under spend in Facilities & Maintenance of £173k. This is due to lower costs within facilities of £43k, repairs of £41k, additional income of £50k & lower salary costs of £39k. Some of these costs impact the forecast outturn and the figures have been adjusted accordingly.
  27. There is YTD pressure of £107k in Legal Services, this is mainly made up of pressures around unbudgeted posts as a result of the restructure and continued pressures around child care cases.
  28. There is a YTD under spend of £105k within Democratic Services. This is made up of higher than budgeted Local Land Charges income and staff saving totalling £60k, and within Registration of Electors there is £45k mainly due to Canvass fees and postage charges which is expected to spent later in the year.
  29. Within Debt Management there is a YTD under spend of £155k. This is due to Interest Payable for the first quarter being lower than budgeted (-£126k) and Interest Receivable being higher than budgeted (-£29k).
  30. There is a YTD under spend of £100k within Cross Cutting Efficiencies. This is due to surplus in the additional budget provided for the 2% increase in 13/14 Superannuation costs (-£95k). There has also been more savings generated from staff purchase of annual leave than budgeted (-£5k).
31. **Directorate Overall position**
32. The position by service is included in Appendix A2
33. **Narrative- Corporate Resources (note 35 to 53), forecast outturn**  
**£11.658m. (All forecasts are after use of Reserves)**
34. **Chief Executive**
35. Outturn forecast to be on budget of £493k. No material variances currently expected.

36. **Finance, forecast outturn £4.820m.**
37. **Revenues & Benefits, forecast outturn £1.219m.**
38. Revs & Bens Team Budgets - Forecast outturn to be on budget of £1.631m. No material variances currently expected.
39. Housing Benefit Related Transactions – Forecast outturn to be on budget of - £412k. No material variances currently expected.
40. **Chief Finance Officer, forecast outturn £0.054m**
41. Forecast outturn to be on budget of £0.054m. No material variances currently expected.
42. **Financial Control, forecast outturn £1.434m**
43. Forecast outturn expected to be on budget of £1.434m after the use of reserves.
44. £252k risk within Insurance Services due to unachievable income budget. This is mainly due to providing services to fewer schools as more become Academies. This has been included in the Risks and Opportunities schedule (Appendix D) as there is a risk that the pressure will not be able to be mitigated by savings in other areas.
45. **Financial Performance & Support forecast outturn £1.439m**
46. Forecast outturn to be on budget of £1.439m. No material variances currently expected.
47. **Audit forecast outturn £0.674m**
48. Forecast outturn to be on budget of £0.674m. No material variances are currently expected.
49. **Assets, forecast outturn £6.346m.**
50. Corporate Assets, forecast outturn expected to be £0.896m resulting in a forecast under spend of £489k. This is resulting from additional farms income of £692k and additional income from the Estates portfolio of £97k, with pressures around consultancy costs of £200k and an unachievable efficiency of £100k for Capital Team staffing.
51. Chief Asset Officer, forecast outturn expected to be £0.044m causing a pressure of £131k. The main variance being £120k for the E C Harris transformation costs & £11k other staff related costs.
52. Facilities & Maintenance, forecast outturn expected to be £5.406m causing a pressure of £138k. This is due to additional unbudgeted property rental costs (£100k), increased demand for day to day repairs and maintenance (£171k), partly offset by additional income from office lettings and increased recharges in the Facilities & Maintenance area (£133k).
53. **Narrative- Improvement and Corporate Services (notes 55 to 79), forecast outturn £17.449m (All forecasts are after use of Reserves)**
54. **Improvement & Corporate Services Dir, forecast outturn £0.049m.**



55. Forecast Outturn is currently a pressure of £49k after use of reserves. This is due to revenue costs for SAP Optimisation project expected to be higher than the reserve in place to fund it.
56. **Communications, forecast outturn £0.688m.**
57. Forecast pressure of £12k after the use of reserves, key variance being:
58. £12k pressure for unachievable vacancy factor.
59. **Customer Services, forecast outturn £1.680m.**
60. £280k risk within Customer Services due to unachievable staffing efficiencies. This has been included in the Risks and Opportunities schedule (Appendix D) as there is a risk that the pressure will not be able to be mitigated by savings in other areas.
61. **Programme and Performance, forecast outturn £0.556m.**
62. **Operational** - Forecast outturn to be £0.457m. Forecast pressure of £24k after the use of reserves, key variance being:
63. £24k pressure for unachievable vacancy factor.
64. **Non Operational** – Forecast outturn to be on budget of £0.098m. No material variances currently expected.
65. **Policy and Strategy, forecast outturn £0.292m.**
66. Forecast outturn to be on budget of £0.292m. No material variances currently expected.
67. **Customer Insight and Risk, forecast outturn £0.127m.**
68. Forecast outturn to be on budget of £0.127m. No material variances currently expected.
69. **Procurement, forecast outturn £0.389m.**
70. Forecast pressure of £19K, this is as a result of vacancy factor savings not expected to be achievable.
71. **People, forecast outturn £2.730m.**
72. Forecast under spend of £2k after the use of reserves, key variance being:
73. £24k pressure within Organisational Development due to Organisational Change Support provided by external consultants and a forecast under spend of £26k within staff costs in HR Strategy.
74. **Information Assets (IA), forecast outturn £6.637m.**
75. Forecast outturn to be of £6.637m. No material variances currently expected
76. **Legal & Democratic, forecast outturn £4.300m.**
77. Forecast pressure of £509k after the use of reserves, key variance being:
78. £593k pressure within Legal Services, of which £229k is due to unbudgeted posts as a result of restructure, £51k pressure for unachievable vacancy factor, £247k due to increase Children's Services workload including increase costs for court fees of up to 50% and £60k pressure for unbudgeted Copyright

Licence, £50k under spend in Democratic Services as a result of additional Land Charge income and lower members' costs of £30k.

79. **Narrative – Corporate Costs (notes 81 to 84), forecast outturn £14.495m. (All forecasts are after use of Reserves).**
80. **Corporate Costs, forecast outturn £14.495m.**
81. Forecast outturn to be £14.495m resulting in a £235k under spend. This is in Cross Cutting Efficiencies. There was a £380k saving due to unused superannuation increase budget provision, the benefit of which has been reduced by an unachievable prior year's Channel Shift efficiency of £345k. Additionally, there is a forecast under spend of £200k against interest payable as a result of borrowing being lower than budgeted.
82. **Contingency & Reserves, forecast outturn (£4.496m).**
83. Forecast outturn to be on budget of (£4.496m). No material variances currently expected.
84. **Reserves position (Appendix B)**
85. The proposed Year End Earmarked Reserves are detailed in Appendix B.
86. **Debt Management (Appendix C)**
87. Overall debt has reduced by £232k in the month to £716k. Of this there is £318k which is not yet due representing 44% of the overall debt. There is currently £347k that is over 90 days old; this represents 48% of the current total debt.
88. A summary of debt ageing is appended.
89. **Risks and Opportunities (Appendix D)**
90. The current net risk position is a pressure of £607k. There is a possible risk of £355k within Customer Services, £280k due to unachievable Customer First efficiencies and £75k in respect of the relocation of the Customer Contact Centre as part of the YourSpace 2 project. There is also a possible risk of £252k within the Insurance Service due to an expected reduction in income from schools due to more achieving Academy status. The risk for these pressures is that savings might not be able to be found in other areas to mitigate them. More detail is included in Appendix D.

**Appendices:**

**Appendix A1 Council Summary**

**Appendix A2 Directorate Position analysed by service**

**Appendix A3 First quarter variance**

**Appendix B Earmarked Reserves**

**Appendix C Debt Analysis**

Appendix A1

| Month: June 2013                      | Year to date  |               |                 |             | Full Year       |                  |                   |                                    |  |
|---------------------------------------|---------------|---------------|-----------------|-------------|-----------------|------------------|-------------------|------------------------------------|--|
|                                       | Budget        | Actual        | Use of Reserves | Variance    | Approved Budget | Forecast Outturn | Forecast Variance | Proposed use of Earmarked reserves | Forecast Variance after use of earmarked reserves. |
|                                       | £000          | £000          | £000            | £000        | £000            | £000             | £000              | £000                               | £000   |
| <b>Director</b>                       |               |               |                 |             |                 |                  |                   |                                    |  |
| Social Care Health and Housing        | 16,514        | 16,382        | -148            | -280        | 65,901          | 67,044           | 1,143             | -722                               | 421  |
| Children's Services                   | 9,657         | 10,645        | -630            | 358         | 39,178          | 43,241           | 4,063             | -1,901                             | 2,162  |
| Community Services                    | 8,577         | 8,584         | -170            | -163        | 35,596          | 36,308           | 712               | -829                               | -117   |
| Regeneration and Business Support     | 1,937         | 1,960         | -45             | -22         | 9,339           | 10,099           | 760               | -578                               | 182  |
| Public Health                         | 0             | -180          | 0               | -180        | 0               | -668             | -668              | 0                                  | -668   |
| Improvement and Corporate Services    | 4,139         | 4,271         | -44             | 88          | 16,839          | 17,503           | 664               | -54                                | 610  |
| Corporate Resources                   | 2,970         | 3,021         | 0               | 51          | 11,880          | 11,659           | -221              | 0                                  | -221   |
| Corporate Costs                       | 2,147         | 1,868         | 0               | -279        | 10,231          | 9,996            | -235              | 0                                  | -235   |
| <b>Total (Excl Schools &amp; HRA)</b> | <b>45,941</b> | <b>46,551</b> | <b>-1,037</b>   | <b>-427</b> | <b>188,964</b>  | <b>195,182</b>   | <b>6,218</b>      | <b>-4,084</b>                      | <b>2,134</b>                                       |
| Schools                               | 0             | 0             | 0               | 0           | 0               | 0                | 0                 | 0                                  | 0  |
| HRA                                   | 0             | 99            | 0               | 99          | 0               | 0                | 0                 | 0                                  | 0  |
| <b>Total</b>                          | <b>45,941</b> | <b>46,650</b> | <b>-1,037</b>   | <b>-328</b> | <b>188,964</b>  | <b>195,182</b>   | <b>6,218</b>      | <b>-4,084</b>                      | <b>2,134</b>                                       |

| Director                                     | Month: June 2013 |              | Cumulative to Date |                                     |            |                 | Year             |                   |   |                                    | Report Para Reference |                      |                 |                    |
|--|------------------|--------------|--------------------|-------------------------------------|------------|-----------------|------------------|-------------------|---|------------------------------------|-----------------------|----------------------|-----------------|--------------------|
|  | Budget           | Actual       | Trfs from Reserves | Actuals after transfers to reserves | Variance   | Approved Budget | Forecast Outturn | Forecast Variance | Proposed transfer to Earmarked reserves | Proposed use of Earmarked reserves |                       | Forecast % of Budget | RAG             |                    |
|  | £000             | £000         | £000               | £000                                | £000       | £000            | £000             | £000              | £000                                    | £000                               |                       |                      |                 |                    |
| <b>CORPORATE RESOURCES</b>                   |                  |              |                    |                                     |            |                 |                  |                   |   |                                    |                       |                      |                 |                    |
| Chief Executive                              | 123              | 76           | 0                  | 76                                  | -47        | 493             | 493              | 0                 | 0                                       | 0                                  | 0%                    | green                | 35 & 36         |                    |
| <b>Sub Total Chief Executive</b>             | <b>123</b>       | <b>76</b>    | <b>0</b>           | <b>76</b>                           | <b>-47</b> | <b>493</b>      | <b>493</b>       | <b>0</b>          | <b>0</b>                                | <b>0</b>                           | <b>0%</b>             | <b>green</b>         |                 |                    |
| <b>Chief Finance Officer</b>                 |                  |              |                    |                                     |            |                 |                  |                   |   |                                    |                       |                      |                 |                    |
| Revenues & Benefits                          | 408              | 305          | 0                  | 305                                 | -103       | 1,631           | 1,631            | 0                 | 0                                       | 0                                  | 0%                    | green                |                 |                    |
| Housing Benefit Subsidy                      | -103             | 136          | 0                  | 136                                 | 239        | -412            | -412             | 0                 | 0                                       | 0                                  | 0%                    | green                |                 |                    |
| Chief Finance Officer                        | 14               | -0           | 0                  | -0                                  | -14        | 54              | 54               | 0                 | 0                                       | 0                                  | 0%                    | green                |                 |                    |
| Financial Control                            | 358              | 308          | 0                  | 308                                 | -50        | 1,434           | 1,434            | 0                 | 0                                       | 0                                  | 0%                    | green                |                 |                    |
| Financial Performance & Support              | 360              | 358          | 0                  | 358                                 | -1         | 1,439           | 1,439            | 0                 | 0                                       | 0                                  | 0%                    | green                |                 |                    |
| Audit  | 168              | 177          | 0                  | 177                                 | 8          | 674             | 674              | 0                 | 0                                       | 0                                  | 0%                    | green                |                 |                    |
| <b>Sub Total Chief Finance Officer</b>       | <b>1,205</b>     | <b>1,285</b> | <b>0</b>           | <b>1,285</b>                        | <b>80</b>  | <b>4,820</b>    | <b>4,820</b>     | <b>0</b>          | <b>0</b>                                | <b>0</b>                           | <b>0%</b>             | <b>green</b>         | <b>37 to 49</b> |                    |
| <b>Chief Assets Officer</b>                  |                  |              |                    |                                     |            |                 |                  |                   |   |                                    |                       |                      |                 |                    |
| Corporate Assets                             | 371              | 467          | 0                  | 467                                 | 96         | 1,385           | 896              | -489              | 0                                       | 0                                  | -35%                  | amber                |                 |                    |
| Chief Assets Officer                         | -47              | 49           | 0                  | 49                                  | 96         | -86             | 44               | 131               | 0                                       | 0                                  | -152%                 | amber                |                 |                    |
| Facilities and Maintenance                   | 1,317            | 1,144        | 0                  | 1,144                               | -173       | 5,268           | 5,406            | 138               | 0                                       | 0                                  | 3%                    | amber                |                 |                    |
| <b>Sub Total Chief Assets Officer</b>        | <b>1,642</b>     | <b>1,660</b> | <b>0</b>           | <b>1,660</b>                        | <b>19</b>  | <b>6,567</b>    | <b>6,346</b>     | <b>-221</b>       | <b>0</b>                                | <b>0</b>                           | <b>-3%</b>            | <b>green</b>         | <b>50 to 53</b> |                    |
| <b>TOTAL - CORPORATE RESOURCES</b>           | <b>2,970</b>     | <b>3,021</b> | <b>0</b>           | <b>3,021</b>                        | <b>51</b>  | <b>11,879</b>   | <b>11,658</b>    | <b>-221</b>       | <b>0</b>                                | <b>0</b>                           | <b>-2%</b>            | <b>green</b>         |                 |                    |
| <b>IMPROVEMENT &amp; CORPORATE SERVICES</b>  |                  |              |                    |                                     |            |                 |                  |                   |   |                                    |                       |                      |                 |                    |
| Improvement & Corporate Services Director    | 0                | 100          | -41                | 59                                  | 59         | 0               | 122              | 122               | 0                                       | -73                                | 49                    | 0%                   | green           |                    |
| <b>Sub Total People &amp; Org Leadership</b> | <b>0</b>         | <b>100</b>   | <b>-41</b>         | <b>59</b>                           | <b>59</b>  | <b>0</b>        | <b>122</b>       | <b>122</b>        | <b>0</b>                                | <b>-73</b>                         | <b>49</b>             | <b>0%</b>            | <b>green</b>    | <b>55 &amp; 56</b> |
| <b>Communications</b>                        |                  |              |                    |                                     |            |                 |                  |                   |   |                                    |                       |                      |                 |                    |
| Chief Communications Officer                 | 23               | 25           | 0                  | 25                                  | 2          | 93              | 99               | 7                 | 0                                       | 0                                  | 7%                    | amber                |                 |                    |
| News Central Magazine                        | 11               | 11           | 0                  | 11                                  | 1          | 43              | 43               | 0                 | 0                                       | 0                                  | 0%                    | green                |                 |                    |
| Internal Communications                      | 39               | 40           | 0                  | 40                                  | 1          | 156             | 154              | -2                | 0                                       | 0                                  | -1%                   | green                |                 |                    |
| External Communications                      | 45               | 53           | 0                  | 53                                  | 8          | 180             | 185              | 5                 | 0                                       | 0                                  | 3%                    | amber                |                 |                    |
| Consultation                                 | 51               | 48           | 0                  | 48                                  | -3         | 205             | 207              | 2                 | 0                                       | 0                                  | 1%                    | amber                |                 |                    |
| <b>Sub Total Communications</b>              | <b>169</b>       | <b>176</b>   | <b>0</b>           | <b>176</b>                          | <b>7</b>   | <b>676</b>      | <b>688</b>       | <b>12</b>         | <b>0</b>                                | <b>0</b>                           | <b>2%</b>             | <b>amber</b>         | <b>57 to 59</b> |                    |
| <b>Customer Services</b>                     |                  |              |                    |                                     |            |                 |                  |                   |   |                                    |                       |                      |                 |                    |
| Customer Services                            | 420              | 495          | 0                  | 495                                 | 75         | 1,680           | 1,680            | 0                 | 0                                       | 0                                  | 0%                    | green                |                 |                    |

| Director  | Month: June 2013 |        | Cumulative to Date |                                     |          |                 | Year             |                   |   |                                    |  | Report Para Reference |                      |          |
|---|------------------|--------|--------------------|-------------------------------------|----------|-----------------|------------------|-------------------|---|------------------------------------|--|-----------------------|----------------------|----------|
|   | Budget           | Actual | Trfs from Reserves | Actuals after transfers to reserves | Variance | Approved Budget | Forecast Outturn | Forecast Variance | Proposed transfer to Earmarked reserves | Proposed use of Earmarked reserves | Forecast Variance after use of earmarked reserves. |                       | Forecast % of Budget | RAG      |
|   | £000             | £000   | £000               | £000                                | £000     | £000            | £000             | £000              | £000                                    | £000                               | £000   |                       |                      |          |
| <b>Sub Total Customer Services</b>              | 420              | 495    | 0                  | 495                                 | 75       | 1,680           | 1,680            | 0                 | 0                                       | 0                                  | 0  | 0%                    | green                | 60 & 61  |
| <b>Programme and Performance</b>                |                  |        |                    |                                     |          |                 |                  |                   |   |                                    |  |                       |                      |          |
| Programme and Performance Operations            | 108              | 104    | 0                  | 104                                 | -5       | 433             | 457              | 24                | 0                                       | 0                                  | 24   | 6%                    | amber                |          |
| Programme and Performance Non-Operational       | 25               | 25     | -3                 | 22                                  | -3       | 98              | 175              | 76                | 0                                       | -76                                | 0  | 0%                    | green                |          |
| <b>Sub Total of Programme and Performance</b>   | 133              | 128    | -3                 | 126                                 | -7       | 532             | 632              | 101               | 0                                       | -76                                | 24   | 5%                    | amber                | 62 to 65 |
| <b>Policy and Strategy</b>                      |                  |        |                    |                                     |          |                 |                  |                   |   |                                    |  |                       |                      |          |
| Corporate Policy                                | 73               | 66     | 0                  | 66                                  | -7       | 292             | 292              | 0                 | 0                                       | 0                                  | 0  | 0%                    | green                |          |
| <b>Sub Total Policy and Strategy</b>            | 73               | 66     | 0                  | 66                                  | -7       | 292             | 292              | 0                 | 0                                       | 0                                  | 0  | 0%                    | green                | 66 & 67  |
| <b>Customer and Community Insight</b>           |                  |        |                    |                                     |          |                 |                  |                   |   |                                    |  |                       |                      |          |
| Community Insight and Risk                      | 32               | 31     | 0                  | 31                                  | -1       | 127             | 127              | 0                 | 0                                       | 0                                  | 0  | 0%                    | green                |          |
| <b>Sub Total Customer and Community Insight</b> | 32               | 31     | 0                  | 31                                  | -1       | 127             | 127              | 0                 | 0                                       | 0                                  | 0  | 0%                    | green                | 68 & 69  |
| <b>Procurement</b>                              |                  |        |                    |                                     |          |                 |                  |                   |   |                                    |  |                       |                      |          |
| Procurement                                     | 93               | 65     | 0                  | 65                                  | -28      | 371             | 389              | 19                | 0                                       | 0                                  | 19   | 5%                    | amber                |          |
| <b>Sub Total Procurement</b>                    | 93               | 65     | 0                  | 65                                  | -28      | 371             | 389              | 19                | 0                                       | 0                                  | 19   | 5%                    | amber                | 70 & 71  |
| <b>AD People</b>                                |                  |        |                    |                                     |          |                 |                  |                   |   |                                    |  |                       |                      |          |
| HR Strategy                                     | 569              | 549    | 0                  | 549                                 | -20      | 2,274           | 2,248            | -26               | 0                                       | 0                                  | -26  | -1%                   | green                |          |
| HR Operations                                   | 36               | -6     | 0                  | -6                                  | -42      | 144             | 144              | 0                 | 0                                       | 0                                  | 0  | 0%                    | green                |          |
| Recruitment & Development                       | 78               | 114    | 0                  | 114                                 | 36       | 313             | 338              | 24                | 0                                       | 0                                  | 24   | 8%                    | amber                |          |
| <b>Sub Total AD People</b>                      | 683              | 657    | 0                  | 657                                 | -26      | 2,732           | 2,730            | -2                | 0                                       | 0                                  | -2   | 0%                    | green                | 72 to 74 |
| <b>Information Assets (IA)</b>                  |                  |        |                    |                                     |          |                 |                  |                   |   |                                    |  |                       |                      |          |
| IA Operations                                   | 1,632            | 1,632  | 0                  | 1,632                               | 0        | 6,528           | 6,528            | 0                 | 0                                       | 0                                  | 0  | 0%                    | green                |          |
| Chief IA Officer                                | 28               | 28     | 0                  | 28                                  | 0        | 111             | 109              | -2                | 0                                       | 0                                  | -2   | -2%                   | green                |          |
| IA Strategy & Assurance                         | 0                | 0      | 0                  | 0                                   | 0        | 0               | 0                | 0                 | 0                                       | 0                                  | 0  | 0%                    | green                |          |
| <b>Sub Total IA</b>                             | 1,660            | 1,660  | 0                  | 1,660                               | 0        | 6,638           | 6,637            | -2                | 0                                       | 0                                  | -2   | 0%                    | green                | 75 & 76  |
| <b>Legal and Democratic Services</b>            |                  |        |                    |                                     |          |                 |                  |                   |   |                                    |  |                       |                      |          |
| Legal Services                                  | 344              | 451    | 0                  | 451                                 | 107      | 1,378           | 1,971            | 593               | 0                                       | 0                                  | 593  | 43%                   | red                  |          |
| Democratic Services                             | 93               | -12    | 0                  | -12                                 | -105     | 469             | 324              | -145              | 95                                      | 0                                  | -50  | -11%                  | amber                |          |
| Members' Costs                                  | 329              | 301    | 0                  | 301                                 | -29      | 1,318           | 1,288            | -30               | 0                                       | 0                                  | -30  | -2%                   | green                |          |
| Committee Services                              | 62               | 55     | 0                  | 55                                  | -7       | 249             | 246              | -4                | 0                                       | 0                                  | -4   | -1%                   | green                |          |
| Registration and Coroner Service                | 46               | 98     | 0                  | 98                                  | 52       | 378             | 378              | 0                 | 0                                       | 0                                  | 0  | 0%                    | green                |          |
| <b>Sub Total Legal and Democratic Services</b>  | 876              | 893    | 0                  | 893                                 | 17       | 3,791           | 4,205            | 414               | 95                                      | 0                                  | 509  | 13%                   | red                  | 77 to 79 |

Appendix A2

| Director   | Cumulative to Date |               |            | Year               |                                     |               |                 |                  |                   |   | Report Para Reference |                                    |   |                      |
|--|--------------------|---------------|------------|--------------------|-------------------------------------|---------------|-----------------|------------------|-------------------|---|-----------------------|------------------------------------|---|----------------------|
|  | Month: June 2013   | Budget        | Actual     | Trfs from Reserves | Actuals after transfers to reserves | Variance      | Approved Budget | Forecast Outturn | Forecast Variance | Proposed transfer to Earmarked reserves |                       | Proposed use of Earmarked reserves | Variance after use of earmarked reserves. | Forecast % of Budget |
|  | £000               | £000          | £000       | £000               | £000                                | £000          | £000            | £000             | £000              | £000                                    | £000                  | £000                               |   |                      |
| <b>TOTAL- IMPROVEMENT &amp; CORPORATE SERVICES</b> | 4,138              | 4,272         | -44        | 4,228              | 91                                  | 16,839        | 17,503          | 664              | 95                | -149                                    | 610                   | 4%                                 | amber                                     |                      |
| <b>COPORATE COSTS</b>                              |                    |               |            |                    |                                     |               |                 |                  |                   |   |                       |                                    |   |                      |
| <b>Corporate Costs</b>                             |                    |               |            |                    |                                     |               |                 |                  |                   |   |                       |                                    |   |                      |
| Debt Management                                    | 2,928              | 2,773         | 0          | 2,773              | -155                                | 11,710        | 11,510          | -200             | 0                 | 0                                       | -200                  | -2%                                | green                                     |                      |
| Premature Retirement Costs                         | 739                | 715           | 0          | 715                | -23                                 | 2,954         | 2,954           | 0                | 0                 | 0                                       | 0                     | 0%                                 | green                                     |                      |
| Corporate HRA Recharges                            | -23                | -23           | 0          | -23                | 0                                   | -90           | -90             | 0                | 0                 | 0                                       | 0                     | 0%                                 | green                                     |                      |
| Cross Cutting Efficiencies                         | 75                 | -25           | 0          | -25                | -100                                | 156           | 121             | -35              | 0                 | 0                                       | -35                   | -22%                               | amber                                     |                      |
| <b>Sub Total Corporate Costs</b>                   | <b>3,719</b>       | <b>3,441</b>  | <b>0</b>   | <b>3,441</b>       | <b>-278</b>                         | <b>14,729</b> | <b>14,495</b>   | <b>-235</b>      | <b>0</b>          | <b>0</b>                                | <b>-235</b>           | <b>-2%</b>                         | <b>green</b>                              |                      |
| <b>Contingency &amp; Reserves *</b>                |                    |               |            |                    |                                     |               |                 |                  |                   |   |                       |                                    |   |                      |
| Contingency  | -1,569             | -1,569        | 0          | -1,569             | 0                                   | -4,496        | -4,496          | 0                | 0                 | 0                                       | 0                     | 0%                                 | green                                     |                      |
| <b>Sub Total Contingency &amp; Reserves</b>        | <b>-1,569</b>      | <b>-1,569</b> | <b>0</b>   | <b>-1,569</b>      | <b>0</b>                            | <b>-4,496</b> | <b>-4,496</b>   | <b>0</b>         | <b>0</b>          | <b>0</b>                                | <b>0</b>              | <b>0%</b>                          | <b>green</b>                              |                      |
| <b>Total</b>                                       | <b>9,257</b>       | <b>9,165</b>  | <b>-44</b> | <b>9,121</b>       | <b>-136</b>                         | <b>38,952</b> | <b>39,160</b>   | <b>208</b>       | <b>95</b>         | <b>-149</b>                             | <b>154</b>            | <b>0%</b>                          | <b>green</b>                              |                      |

Key:  
 Forecast variance favourable up to 10%  
 Forecast variance favourable greater than 10%  
 Forecast variance adverse up to 10%  
 Forecast variance adverse greater than 10%



| Contingency and reserves*      | FY Budget     | Actual        | Forecast      | Reserves | Balance  |
|--------------------------------|---------------|---------------|---------------|----------|----------|
| New Homes Bonus                | -4,985        | -1,246        | -4,985        | 0        | 0        |
| Adult Community Learning Grant | -1,291        | -323          | -1,291        | 0        | 0        |
| In year use of reserves        | -358          | 0             | -358          | 0        | 0        |
| Contingency                    | 2,138         | 0             | 2,138         | 0        | 0        |
|                                | <b>-4,496</b> | <b>-1,569</b> | <b>-4,496</b> | <b>0</b> | <b>0</b> |

### Appendix A3

#### Q1 forecast variance explanation

| Director   | Variance June | COMMENTARY  |
|--|---------------|---|
|  | £000          |   |
| Chief Executive                                      | 0             |   |
| <b>Sub Total Chief Executive</b>                     | <b>0</b>      |   |
| Revenues & Benefit                                   | 0             |   |
| Chief Finance Officer                                | 0             |   |
| Financial Control                                    | 0             |   |
| Financial Performance & Support                      | 0             |   |
| Audit  | 0             |   |
| <b>Sub Total Chief Finance Officer</b>               | <b>0</b>      |   |
| Corporate Assets                                     | -489          | Additional income of £692k within farms and £97k from the investment portfolio, partly offset by identified pressures of £200k for consultancy costs and £100k against the Capital Team efficiency. |
| Chief Assets Officer                                 | 131           | Predominantly due to £120k consultancy costs  |
| Facilities and Maintenance                           | 138           | Pressures against property rental costs of £100k and day to day repairs and maintenance costs of £171k, partly offset by higher than budgeted rental income from Office lettings of £133k           |
| <b>Sub Total Chief Assets Officer</b>                | <b>-221</b>   |   |
| <b>Sub Total Chief Executive</b>                     | <b>-221</b>   |   |
| <b>Improvement &amp; Corporate Services</b>          |               |   |
| <b>Improvement &amp; Corporate Services Director</b> | 49            | Revenue costs for SAP Optimisation project expected to be higher than the reserve in place to fund it.  |
| Chief Communications Officer                         | 7             |   |
| News Central Magazine                                | 0             |   |
| Internal Communications                              | -2            |   |
| External Communications                              | 5             |   |
| Consultation   | 2             |   |
| <b>Sub Total Communications</b>                      | <b>12</b>     |   |
| Customer Services                                    | 0             |   |
| <b>Sub Total Customer Services</b>                   | <b>0</b>      |   |
| Programme and Performance Operations                 | 24            | Unachievable vacancy factor.  |
| Programme and Performance Non- Operations            | 0             |   |
| <b>Sub Total Programme and Performance</b>           | <b>24</b>     |   |
| Corporate Policy                                     | 0             |   |
| <b>Sub Total Policy and Strategy</b>                 | <b>0</b>      |   |
| Community Insight and Risk                           | 0             |   |
| <b>Sub Total Customer and Community Insight</b>      | <b>0</b>      |   |
| Procurement  | 19            | Unachievable vacancy factor.  |

Q1 forecast variance explanation

| Director   | Variance June<br>£000 | COMMENTARY   |
|--|-----------------------|--|
| <b>Sub Total Procurement</b>                       | <b>19</b>             |  |
| HR Strategy  | -26                   | Staff cost savings within TU Facilities.   |
| HR Operations                                      | 0                     |  |
| Recruitment and Development                        | 24                    | Organisational Change Support provided by external consultants   |
| <b>Sub Total People</b>                            | <b>-2</b>             |  |
| IA Operations                                      | 0                     |  |
| Chief IA Officer                                   | -2                    |  |
| IA Systems (Strategy & Assurance)                  | 0                     |  |
| <b>Sub Total Information Assets (IA)</b>           | <b>-2</b>             |  |
| Legal Services                                     | 593                   | £51k pressure due to unachievable vacancy factor, £229k pressure on staffing due to unbudgeted new restructure, £247k continued pressure due to external court fees for child protection cases & £60k pressure on unbudgeted Copyright licence fees. |
| Democratic Services                                | -50                   | Higher than forecast Local Land Charges income   |
| Members' costs                                     | -30                   | Reduction to members' allowances forecast  |
| Committee Services                                 | -4                    |  |
| Registration and Coroner Service                   | -0                    |  |
| <b>Sub Total Legal and Democratic Services</b>     | <b>509</b>            |  |
| <b>Total, Improvement &amp; Corporate Services</b> | <b>610</b>            |  |
| <b>Corporate costs</b>                             |                       |  |
| Debt Management                                    | -200                  | Reduction to interest payable forecast as a result of lower than expected borrowing.   |
| Premature Retirement Costs                         | 0                     |  |
| Corporate HRA Recharges                            | 0                     |  |
| Efficiencies                                       | -35                   | Unachievable Channel Shift efficiency- from prior year (£.345k) and unused superannuation budget provision (-£380k)  |
| <b>Sub Total Corporate Costs</b>                   | <b>-235</b>           |  |
| Contingency  | 0                     |  |
| <b>Sub Total Contingency &amp; Reserves</b>        | <b>0</b>              |  |
| <b>Total</b>                                       | <b>154</b>            |  |



Appendix B  
Earmarked Reserves -

Month: June 2013

| Description                           | Proposed Opening Balance 2013/14<br>£000's | Directorate Use of Reserves<br>£000's | Our Use of Other Directorates' Reserves<br>£000's | Other Directorate Use of Our Reserves<br>£000's | Release of Reserves<br>£000's | Proposed Transfer to Reserves<br>£000's | Proposed Closing Balance 2013/14<br>£000's |
|---------------------------------------|--|---------------------------------------|---|---|-------------------------------|---|--|
| <b>Corporate Services Reserves</b>    |  |                                       |   |   |                               |   |  |
| Pan Public Sector Funding             | 43   | -43                                   | 0   | 0   | 0                             | 0                                       | 0  |
| Customer First                        | 33   | -33                                   | 0   | 0   | 0                             | 0                                       | 0  |
| Elections Fund                        | 12   | 0                                     | 0   | 0   | 0                             | 95                                      | 107  |
| SAP Optimisation                      | 73   | -73                                   | 0   | 0   | 0                             | 0                                       | 0  |
| Housing Benefit Subsidy audit reserve | 500  | 0                                     | 0   | 0   | 0                             | 0                                       | 500  |
|                                       | <b>662</b>                                 | <b>-149</b>                           | <b>0</b>  | <b>0</b>  | <b>0</b>                      | <b>95</b>                               | <b>607</b>                                 |
| <b>Corporate Reserves</b>             |  |                                       |   |   |                               |   |  |
| Redundancy/Restructure Reserve        | 3,168                                      | 0                                     | 0   | -15   | 0                             | 0                                       | 3,153                                      |
| Insurance reserve                     | 3,338                                      | 0                                     | 0   | 0   | 0                             | 0                                       | 3,338                                      |
| Funding reduction reserve             | 1,193                                      | 0                                     | 0   | -300  | 0                             | 0                                       | 893  |
| Planning Decisions Legal Challenges   | 300  | 0                                     | 0   | 0   | 0                             | 0                                       | 300  |
| Teachers' Pensions                    | 186  | 0                                     | 0   | 0   | 0                             | 0                                       | 186  |
| Threshold Review                      | 500  | 0                                     | 0   | -97   | 0                             | 0                                       | 403  |
| Welfare Reform                        | 500  | 0                                     | 0   | -40   | 0                             | 0                                       | 460  |
| Funding for Transition                | 321  | 0                                     | 0   | 0   | 0                             | 0                                       | 321  |
|                                       | <b>9,506</b>                               | <b>0</b>                              | <b>0</b>  | <b>-452</b>                                     | <b>0</b>                      | <b>0</b>                                | <b>9,054</b>                               |
| <b>GRAND TOTAL</b>                    | <b>10,168</b>                              | <b>-149</b>                           | <b>0</b>  | <b>-452</b>                                     | <b>0</b>                      | <b>95</b>                               | <b>9,662</b>                               |

# Appendix C

Debtors Report - June 2013

Corporate Services

| CUSTOMER GROUP    | Not Yet Due 1 to 14 Days |            | 15 to 30 Days |           | 31 to 60 Days |            | 61 to 90 Days |           | 91 to 365 days |            | 1 year and over |            | Total Debt |             |
|-------------------|--------------------------|------------|---------------|-----------|---------------|------------|---------------|-----------|----------------|------------|-----------------|------------|------------|-------------|
|                   | £k                       | %          | £k            | %         | £k            | %          | £k            | %         | £k             | %          | £k              | %          | £k         | %           |
| Schools           | 3                        | 6%         | 2             | 4%        | 0             | 0%         | 52            | 86%       | 1              | 1%         | 2               | 3%         | 61         | 100%        |
| Bedford Borough   | 0                        | 0%         | 14            | 100%      | 0             | 0%         | 0             | 0%        | 0              | 0%         | 0               | 0%         | 14         | 100%        |
| Bedfordshire PCT  | 0                        | 0%         | 17            | 100%      | 0             | 0%         | 0             | 0%        | 0              | 0%         | 0               | 0%         | 17         | 100%        |
| General debts     | 277                      | 44%        | 4             | 1%        | -10           | -2%        | 9             | 1%        | 179            | 29%        | 165             | 26%        | 624        | 100%        |
| <b>TOTAL DEBT</b> | <b>281</b>               | <b>39%</b> | <b>38</b>     | <b>5%</b> | <b>-10</b>    | <b>-1%</b> | <b>61</b>     | <b>9%</b> | <b>180</b>     | <b>25%</b> | <b>167</b>      | <b>23%</b> | <b>716</b> | <b>100%</b> |

|                       |     |     |    |    |    |     |    |    |     |     |     |     |     |      |
|-----------------------|-----|-----|----|----|----|-----|----|----|-----|-----|-----|-----|-----|------|
| <b>PREVIOUS MONTH</b> | 443 | 47% | 37 | 4% | 92 | 10% | 88 | 9% | 135 | 14% | 153 | 16% | 948 | 100% |
|-----------------------|-----|-----|----|----|----|-----|----|----|-----|-----|-----|-----|-----|------|

**Meeting:** Corporate Resources Overview and Scrutiny Committee  
**Date:** 22 October 2013  
**Subject:** Q1 Housing Revenue Account (HRA) Budget Monitoring Report 2013/14  
**Report of:** Councillor Carole Hegley, Executive Member for Social Care, Health and Housing and Councillor Maurice Jones, Deputy Leader and Executive Member for Corporate Resources  
**Summary:** The report provides information on the Q1 Housing Revenue Account projected outturn position for 2013/14 for both revenue and capital.

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Advising Officer: Charles Warboys, Chief Finance Officer  
Public/Exempt: Public  
Wards Affected: All  
Function of: Council

#### **CORPORATE IMPLICATIONS**

##### **Council Priorities:**

1. 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:**

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

##### **Legal:**

3. None.

##### **Risk Management:**

4. None.

##### **Staffing (including Trades Unions):**

5. Any staffing reductions will be carried out in accordance with the Council's Managing Change Policy and in consultation with the Trades Unions.

##### **Equalities/Human Rights:**

6. Equality Impact Assessments were undertaken prior to the allocation of the 2013/14 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

**Public Health:**

7. None.

**Community Safety:**

8. None.

**Sustainability:**

9. None.

**Procurement:**

10. None.

**RECOMMENDATIONS:**

**The Committee is asked to:-**

1. **Consider and comment on the attached Executive report and associated appendices which was reviewed by the Executive on the 24<sup>th</sup> September 2013.**

**Executive Summary**

11. The report sets out the projected financial outturn Housing Revenue Account (HRA) revenue and capital position for 2013/14 as at Quarter 1.

Explanations for the variances are set out in the report below. This report enables the Committee to consider the overall financial position of the Council and agree any further actions to deliver as a minimum a balanced financial year end.

**PURPOSE OF REPORT:**

11. The report presents the 2013/14 HRA financial position as at the end of June 2013. It sets out spend to date against the profiled revenue and capital budgets, the forecast financial outturn, and provides explanations for any variations. This report enables the Executive to consider the overall financial position of the HRA.

**EXECUTIVE SUMMARY:**

12. The revenue forecast position as at the end of June 2013 projects a year end surplus of £6.661m compared to a budgeted surplus of £4.805m, an improvement of £1.856m.
13. There are four key positive variances arising from increased income (£0.567m), lower interest costs from the self financing debt (£0.843m), reduced maintenance costs (£0.234m), and reduced contributions to the HRA capital

programme (£0.366m). These are offset by other minor adverse variances that in total amount to £0.154m.

14. The 2013/14 budget for the HRA anticipates a contribution to the Sheltered Housing Re-Provision reserve of £3.912m and a contribution to the Strategic Reserve of £0.893. The analysis above enables a total contribution to reserves of £6.661m.
15. The forecast position for the HRA capital programme indicates an under spend of £1.291m, with an outturn of £9.604m against a budget of £10.895m.
16. Planning approval for the Dukeminster Extra Care facility was granted on 19 June 2013. At that point approval was also granted for preliminary works to be progressed, so that construction works on site could commence by the end of November 2013, subject to the use of a framework order. There is still some uncertainty as to the achievement of this timeframe, but progress will be monitored carefully and reported monthly.
17. On the current timeframe, it is predicted that £3.200m (£4.125m budget) will be spent from the budget set aside for the Dukeminster project, the balance of £0.925m will roll forward into 2014/15. This expenditure will be financed from the Sheltered Housing Re-provision Reserve.
18. The remainder of the capital under spend is as a result of the change in approach to capital investment as set out in the Housing Asset Management Strategy. Any surplus resources will be rolled forward to support future investment plans.
19. As a result, the year end balance in the Sheltered Housing Re-provision Reserve is now predicted to be £10.716m, with £5.919m available in the Strategic Reserve and £2.200m in contingencies. This equates to a predicted total reserve balance of £18.835m.
20. Forecast figures at the end of June are subject to variations as the revenue and capital programmes evolve over the course of the year.

#### **HRA REVENUE ACCOUNT**

21. The HRA annual expenditure budget is £22.572m and income budget is £27.377m, which allows a contribution of £4.805m to reserves to present a net budget of zero. A subjective breakdown of budget, year to date position and forecast outturn is shown below.

22.

|   | 2013/14<br>Budget | Budget<br>YTD  | Actual<br>YTD  | Variance<br>YTD | Full Year<br>Forecast | Variance<br>Full Year<br>Forecast<br>to<br>Budget |
|---|-------------------|----------------|----------------|-----------------|-----------------------|---|
|   | £m                | £m             | £m             | £m              | £m                    | £m  |
| <b>Total<br/>Income</b>   | <b>(27.377)</b>   | <b>(6.844)</b> | <b>(6.915)</b> | <b>(0.071)</b>  | <b>(27.944)</b>       | <b>(0.567)</b>                                    |
| Housing<br>Management   | 4.152             | 1.038          | 0.892          | (0.146)         | 4.191                 | 0.039   |
| Financial<br>Inclusion  | 0.200             | 0.050          | 0.039          | (0.011)         | 0.200                 | 0.000   |
| Asset<br>Management   | 0.965             | 0.241          | 0.235          | (0.006)         | 0.990                 | 0.025   |
| Corporate<br>Resources  | 1.320             | 0.330          | 0.354          | 0.024           | 1.410                 | 0.090   |
| Maintenance   | 4.528             | 1.132          | 1.000          | (0.132)         | 4.294                 | (0.234)   |
| Debt related<br>costs   | 0.119             | 0.030          | 0.000          | (0.030)         | 0.119                 | 0.000   |
| Direct<br>Revenue<br>Financing                                      | 6.570             | 1.643          | 1.551          | (0.092)         | 6.204                 | (0.366)   |
| Efficiency<br>Programme   | (0.190)           | (0.048)        | (0.048)        | 0.000           | (0.190)               | 0.000   |
| Interest<br>repayment   | 4.908             | 1.227          | 0.988          | (0.239)         | 4.065                 | (0.843)   |
| Principal<br>repayment  | 0.000             | 0.000          | 0.000          | 0.000           | 0.000                 | 0.000   |
| <b>TOTAL<br/>Expenditure</b>  | <b>22.572</b>     | <b>5.643</b>   | <b>5.011</b>   | <b>(0.632)</b>  | <b>21.283</b>         | <b>(1.289)</b>                                    |
| Surplus   | (4.805)           | (1.201)        | (1.904)        | (0.703)         | (6.661)               | (1.856)   |
| Contribution<br>to / (from)<br>reserve<br>(actioned at<br>year end) | 4.805             | 1.201          | ^ 1.904        | 0.703           | 6.661                 | 1.856   |
| <b>Net<br/>Expenditure</b>  | <b>0</b>          | <b>0</b>       | <b>0</b>       | <b>0</b>        | <b>0</b>              | <b>0</b>  |
| ^ Included for balancing and illustrative purposes only             |                   |                |                |                 |                       |   |

23. There are a number of year to date variances across the HRA. Total income has a positive variance of £0.071m (adverse £0.159m May) as a result of timing differences in the application of housing benefits to the rental income profit centre.
24. The full year forecast is a positive income variance of £0.567m. The positive income variance is accounted for by increased rental income (£0.682m), offset by reduced investment income (£0.127m), and other minor positive variances (£0.012m).
25. The additional rental income is accounted for by an additional rent charging week in 2013/14. Rent is charged every Monday and in this rent year (1 April 2013 to 31 March 2014) there are 53 Mondays. Due to the infrequent nature of this circumstance, the additional revenue was not built into the original budget.
26. Housing management is reporting a positive year to date variance of £0.146m (£0.066m May). This is due to actual cost being incurred slightly out of budget profile for Stock Condition Survey (£0.064m) and insurance premiums (£0.025m), together with other minor variances. The full year forecast is projecting a minor adverse variance of £0.039m, reflecting a slight increase in the staffing costs.
27. Corporate recharges are forecast to outturn at £1.410m, an adverse variance of £0.090m. This reflects the outturn position from 2012/13, although the final recharge for 2013/14 will not be known until the year end calculation is undertaken.
28. The Maintenance budget has a minor year to date positive variance of £0.132m (£0.232m May). The full year forecast is projecting savings of £0.234m. This is primarily due to the re-scheduling of external decorations (£0.127m), the efficient approach taken in managing void properties within the existing budget and a reduction in average void periods (£0.100m).
29. In respect of the debt costs, a saving of £0.843m is projected due to lower than budgeted interest costs. The average interest rate expected to be achieved on the Council's self-financing debt for 2013/14 is 2.46%, as opposed to 2.97% in the budget build.
30. The lower average rate is a result of the Council's decision to take approximately a quarter of the self-financing debt on a variable rate, currently at 0.55%. The interest rate for the HRA's variable rate debt is fixed on a six monthly basis, with the most recent change occurring at the end of March 2013. This rate rose from 0.54% to 0.55% and will not change again until the end of September 2013.
31. The forecast for the year is that an average variable interest rate of 0.78% is achieved. This is based on a forecast interest rate on the variable debt of 1.00% in September. The uncertain nature of variable rates require a cautious approach when setting the budget, therefore variances in this area are likely.
32. The forecast revenue position for the financial year would allow a total transfer to reserves of £6.661m, an additional amount of £1.856m compared to the original budget.

## **HRA EFFICIENCY PROGRAMME**

33. Since 2010 the Housing service has been using Housemark to provide a benchmarking service. The analysis provided has assisted in identifying the areas where HRA budgets are higher relative to other stock retained authorities.
34. The HRA revenue budget for 2013/14 was reduced by £0.190m, as part of the Council's efficiency programme. This efficiency is being delivered through efficiencies in staffing, reduced void periods, increased rental income and reduced repairs costs.
35. The HRA efficiency programme is on target to be fully achieved in 2013/14.

## **HRA ARREARS**

36. Total current and former tenant arrears were £0.997m at the end of June (£0.971m at June 2012). Current tenant arrears are £0.651m or 2.27% of the annual rent debit of £28.626m (£0.590m or 2.17% at June 2012). A total of £0.053m of HRA rent arrears debt was written off to June 2013.
37. An analysis of rent collection data from the Housing QL system has commenced, with a view to determining the impact of welfare reform on arrears. Once this is completed it will be possible to create a realistic profile of projected rent arrears throughout the rent year, so that the percentage figure referred to above can be cross referenced to a profiled target. Currently 57% of rental income is received from housing benefit payments.
38. Performance on former tenant arrears is 1.21% of the annual rent debit against a target of 1.00%, leaving a balance of £0.346m (1.40% with a balance of £0.381m at June 2012).
39. There are currently £0.138m of arrears (£0.164m May), which is comprised of the following: rents at shops owned by the HRA, service charges and ground rent relating to leaseholders who purchased flats via the Right to Buy scheme, and property damage relating to existing and former tenants.

## **HRA CAPITAL RECEIPTS**

40. New Right to Buy (RtB) discounts and proposals for re-investing the capital receipts came into effect from April 2012, which have increased the maximum discount available to tenants from £0.034m to £0.075m.
41. Up to the end of June 2013, 4 properties have been sold compared to 19 in the entire financial year 2012/13.
42. The first housing pooling return is due at the end of July, at which point it will be possible to ascertain how much of the receipt may be retained.
43. As a result of the changes to housing pooling the council has a bought forward balance of useable capital receipts of £0.657m, of which £0.290m is reserved for investment in new build. The Council has entered into an agreement with the Secretary of State to invest these receipts in new build. The use of these receipts



is restricted to schemes that do not receive Homes and Communities Agency (HCA) funding.

44. The retained receipt can represent no more than 30% of the cost of the replacement properties, so the Council is committed to spend at least £0.968m on new build by 31 March 2016.
45. The HRA's Budget proposals for the period of the Medium Term Financial Plan (MTFP) propose significant investment in new build (in excess of £16.0m by 31 March 2016) so the commitment above is very likely to be fulfilled.
46. There have been 11 RtB applications up to June. This compares to a total of 55 applications in 2012/13, some of which could progress to sales in this financial year. It is quite likely that the total number of sales could be 20-25 for the year, resulting in a residual receipt of potentially £0.800m.
47. These funds will further enhance the resources available for the HRA's capital programme.
48. Careful monitoring of RtB sales will be required. Current projections suggest that these will not have a material impact on the Business Plan, particularly if the number of new build properties exceeds the properties sold. However if annual RtB sales were to make up a significant percentage of the Housing Stock, such that it diminished by 10% or more over the period to 31 March 2017, then this would pose a threat to the surpluses predicted both in the medium to longer term.

#### **HRA CAPITAL PROGRAMME**

49. There is a year to date positive variance of £0.120m for the HRA Capital Programme, with a forecast year end outturn of £9.604m against a budget of £10.895m.
50. The year to date position for the HRA Capital Programme reflects the implementation of the Housing Asset Management Strategy, which incorporates a greater element of repair led programmes as opposed to pre-planned improvements.
51. The Central Heating and Kitchens and Bathrooms programmes have a reduced forecast outturn due to a change in the timing of programme delivery as recommended by the Stock Condition Survey. The Roof Replacement and Drainage and Water Supply programmes are also forecast to have a reduced outturn, due to the move towards more repair led improvement works in these areas.
52. Stock Remodelling has a year to date adverse variance of £0.085m and a year end outturn predicted at £0.859m, an adverse variance of £0.401m. The increase in spend in this area reflects the priorities of the Housing Asset Management Strategy for remodelling and regeneration of the housing stock.
53. Capitalised salaries has a year to date overspend against profile of £0.035m. This is due to the profile of Capitalised Salaries being in line with the rest of the capital

programme, where there is usually a slow start at the beginning of the year. Salary costs are capitalised on an identical profile of twelfths during the year. The variance will level out as the year progresses and the year end outturn is expected to be on budget.

54. A year end under spend of £1.291m is anticipated for the HRA Capital programme, most of which relates to lower than budgeted spend on the Dukeminster project, which is likely to materialise towards the year end although there is still uncertainty as to the timing of the initial construction phase. At the current time it is predicted that £3.200m will be spent on Dukeminster from the Sheltered Housing Re-provision reserve, although the balance of £0.925m will be rolled forward in to 2014/15.

## **RESERVES**

55. The total reserves available as at year end 2012/13 were £15.374m, comprised of £2.000m in HRA Balances, £8.653m for Sheltered Housing Re-Provision, £1.284m for Strategic Reserve and £3.437m for Major Repairs Reserve.
56. The current position indicates a year end balance in reserves of £18.835m. HRA Balances are projected to remain at a contingency level of £2.000m, with the Sheltered Housing Re-Provision Reserve increasing to £10.716m, the Strategic reserve increasing to £5.919m, and the Major Repairs Reserve (MRR) reducing to £0.200m.
57. The opening balance in the MRR was comprised of a £0.200m contingency and an amount of £3.237m equivalent to depreciation in 2012/13. Due to the use of the Negative Capital Financing Requirement (CFR) to finance the capital programme in that year, the amount of £3.237m was retained in the MRR.
58. It is anticipated that at the year end 2013/14 this additional amount will contribute to the funding of the capital programme, reducing direct revenue financing by an equivalent amount. This will allow an additional contribution to the Strategic Reserve, so that in total an amount of £4.635m is forecast to be transferred.
59. In total this equates to a forecast contribution to reserves for the year of £6.661m, offset by spend from reserves of £3.200m to enable a net increase of £3.461m.

## **Appendices**

Appendix A – Net Revenue Position Full Analysis

Appendix B – HRA Debtors

Appendix C – HRA Capital Programme

Appendix D – HRA Reserves

## Appendix A – Net Revenue Position Full Analysis

| Month: June 2013                   | Year to date |           |          |                 | Year     |                 |                  |                   |                                    |  |
|------------------------------------|--------------|-----------|----------|-----------------|----------|-----------------|------------------|-------------------|------------------------------------|--|
|                                    | Director     | Budget    | Actual   | Use of Reserves | Variance | Approved Budget | Forecast Outturn | Forecast Variance | Proposed use of Earmarked reserves | Forecast Variance after use of earmarked reserves. |
|                                    |              | £000      | £000     | £000            | £000     | £000            | £000             | £000              | £000                               | £000   |
| Assistant Director Housing Service | -1,845       | -1,540    | 0        | 305             | -7,380   | -7,190          | 190              | 0                 | 190                                |  |
| Housing Management (HRA)           | 400          | 355       | 0        | -45             | 1,600    | 1,652           | 52               | 0                 | 52                                 |  |
| Asset Management (HRA)             | 1,345        | 1,207     | 0        | -138            | 5,378    | 5,169           | -209             | 0                 | -209                               |  |
| Prevention, Options & Inclusion    | 100          | 77        | 0        | -23             | 402      | 369             | -33              | 0                 | -33                                |  |
| <b>Total</b>                       | <b>0</b>     | <b>99</b> | <b>0</b> | <b>99</b>       | <b>0</b> | <b>0</b>        | <b>0</b>         | <b>0</b>          | <b>0</b>                           |  |

## Appendix B – HRA Debtors

| Debt Analysis - Tenant Arrears |           |           |            |             |           |                     |
|--------------------------------|-----------|-----------|------------|-------------|-----------|---------------------|
| Description of debt            | 0-4 weeks | 4-8 weeks | 8-13 weeks | 13-52 weeks | Over 1 yr | TOTAL               |
|                                | £M        | £M        | £M         | £M          | £M        | £M                  |
| Current Tenant                 | 0.195     | 0.170     | 0.131      | 0.154       | 0.001     | 0.651               |
| Former Tenant                  |           |           |            |             |           | 0.346               |
|                                |           |           |            |             |           | <b><u>0.997</u></b> |

| Debt Analysis - Other Arrears |                     |                     |                     |                     |                              |                     |                     |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|------------------------------|---------------------|---------------------|
| Description of debt           | From 15 to 30 days  | From 31 to 60 days  | From 61 to 90 days  | From 91 to 365 days | Over 1 yr but not over 2 yrs | Over 2 yrs          | TOTAL               |
|                               | £M                  | £M                  | £M                  | £M                  | £M                           | £M                  | £M                  |
| Shops                         | 0.003               | -                   | -                   | 0.004               | 0.004                        | 0.022               | 0.033               |
| Leaseholders                  | 0.002               | 0.009               | (0.001)             | 0.007               | 0.016                        | 0.016               | 0.049               |
| Void recoveries               | -                   | -                   | 0.006               | 0.022               | 0.010                        | 0.006               | 0.044               |
| Misc recoveries               | -                   | -                   | -                   | 0.010               | -                            | 0.002               | 0.012               |
|                               | <b><u>0.005</u></b> | <b><u>0.009</u></b> | <b><u>0.005</u></b> | <b><u>0.043</u></b> | <b><u>0.030</u></b>          | <b><u>0.046</u></b> | <b><u>0.138</u></b> |

## Appendix C – HRA Capital Programme

| Scheme Title                                | Existing<br>2013/14 Capital<br>Budget | Full Year<br>Forecast as<br>at June | Variance           | Slippage to 2014/15 | Monthly Budget Monitoring June 2013 |                    |             |
|---|---------------------------------------|-------------------------------------|--------------------|---------------------|-------------------------------------|--------------------|-------------|
|   |                                       |                                     |                    |                     | Profilled Budget<br>YTD             | Actual YTD         | Variance    |
|   | Net Expenditure                       | Net<br>Expenditure                  | Net<br>Expenditure | Net Expenditure     | Net<br>Expenditure                  | Net<br>Expenditure |             |
|   | £'000                                 | £'000                               | £'000              | £'000               | £'000                               | £'000              | £'000       |
| General Enhancements (formerly Minor Works) | 255                                   | 255                                 | 0                  | 0                   | 39                                  | 9                  | -30         |
| Garage Refurbishment                        | 51                                    | 30                                  | -21                | 0                   | 9                                   | 0                  | -9          |
| Paths & Fences siteworks                    | 61                                    | 40                                  | -21                | 0                   | 9                                   | 15                 | 6           |
| Estate Improvements                         | 255                                   | 255                                 | 0                  | 0                   | 39                                  | 47                 | 8           |
| Energy Conservation                         | 255                                   | 300                                 | 45                 | 0                   | 39                                  | 31                 | -8          |
| Roof Replacement                            | 248                                   | 50                                  | -198               | 0                   | 39                                  | 4                  | -35         |
| Central Heating Installation                | 1,071                                 | 861                                 | -210               | 0                   | 150                                 | 67                 | -83         |
| Rewiring                                    | 347                                   | 347                                 | 0                  | 0                   | 45                                  | 19                 | -26         |
| Kitchens and Bathrooms                      | 1,122                                 | 1,078                               | -44                | 0                   | 165                                 | 123                | -42         |
| Central Heating communal                    | 180                                   | 75                                  | -105               | 0                   | 27                                  | 21                 | -6          |
| Secure door entry                           | 357                                   | 275                                 | -82                | 0                   | 54                                  | 69                 | 15          |
| Structural repairs                          | 153                                   | 153                                 | 0                  | 0                   | 21                                  | 34                 | 13          |
| Aids and adaptations                        | 887                                   | 887                                 | 0                  | 0                   | 135                                 | 73                 | -62         |
| Capitalised Salaries                        | 350                                   | 350                                 | 0                  | 0                   | 51                                  | 86                 | 35          |
| Asbestos management                         | 131                                   | 131                                 | 0                  | 0                   | 18                                  | 5                  | -13         |
| Stock Remodelling                           | 458                                   | 859                                 | 401                | 0                   | 69                                  | 154                | 85          |
| Drainage & Water Supply                     | 181                                   | 50                                  | -131               | 0                   | 27                                  | 6                  | -21         |
| Plasticisation                              | 408                                   | 408                                 | 0                  | 0                   | 60                                  | 28                 | -32         |
| Sheltered Housing Reprovision               | 4,125                                 | 3,200                               | -925               |                     | 0                                   | 85                 | 85          |
| <b>HRA</b>                                  | <b>10,895</b>                         | <b>9,604</b>                        | <b>-1,291</b>      | <b>0</b>            | <b>996</b>                          | <b>876</b>         | <b>-120</b> |

## Appendix D – Reserves

### Reserves

Month: June 2013

| Description                   | Opening Balance 2013/14 | Spend against reserves | Release of reserves | Proposed transfer to Reserves | Proposed Closing Balance 2013/14 |
|-------------------------------|-------------------------|------------------------|---------------------|-------------------------------|----------------------------------|
|                               | £000                    | £000                   | £000                | £000                          | £000                             |
| HRA Balances                  | 2,000                   |                        |                     |                               | 2,000                            |
| Sheltered Housing Reprovision | 8,653                   | (3,200)                |                     | 5,263                         | 10,716                           |
| Strategic Reserve             | 1,284                   |                        |                     | 4,635                         | 5,919                            |
| Major Repairs (HRA)           | 3,437                   |                        | (3,237)             |                               | 200                              |
|                               | <b>15,374</b>           | <b>(3,200)</b>         | <b>(3,237)</b>      | <b>9,898</b>                  | <b>18,835</b>                    |

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**Meeting:** Corporate Resources Overview & Scrutiny Committee  
**Date:** 22 October 2013  
**Subject:** Work Programme 2013 – 2014 & 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.

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**Contact Officer:** Paula Everitt, Scrutiny Officer  
**Public/Exempt:** Public  
**Wards Affected:** All  
**Function of:** Council

#### **CORPORATE IMPLICATIONS**

##### **Council Priorities:**

The work programme of the Corporate Resources Overview & Scrutiny Committee will contribute indirectly to all 5 Council priorities. Whilst there are no direct implications arising from this report the implications of proposals will be details in full in each report submitted to the Committee

#### **RECOMMENDATION(S):**

- 1. that the Corporate Resources 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.**

#### **Overview and Scrutiny Work Programme**

1. Attached is the currently drafted work programme for the Committee.
2. The Committee is now requested to consider the work programme attached and amend or add to it as necessary.

### Overview and Scrutiny Task Forces

3. In addition to consideration of the work programme, Members may also wish 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.

### Executive Forward Plan

4. Listed below are those items relating specifically to this Committee's terms of reference contained in the latest version of the Executive's Forward Plan to ensure Members are fully aware of the key issues Executive Members will be taking decisions upon in the coming months. The full Executive Forward Plan can be viewed on the Council's website at the link at the end of this report.

| Ref | Issue  | Indicative Exec Meeting date |
|-----|--|------------------------------|
|     | Central Bedfordshire Council's Equality Strategy -   | 05 November 2013             |
|     | To Release the Restrictive Use Covenant in Favour of CBC on the Roker Park Football Ground, Stotfold - | 05 November 2013             |
|     | Land East of Biggleswade Phase 4 -   | 05 November 2013             |
|     | Draft Capital Programme - 2014/15 to 2017/18 -   | 10 December 2013             |
|     | Draft Revenue Budget and Fees and Charges 2014/15 -  | 10 December 2013             |
|     | Draft Housing Revenue Account Budget and Business Plan 2014/15   | 10 December 2013             |
|     | Revenue, Capital and Housing Revenue Account (HRA) Quarter 2 Budget Monitor Reports -                  | 10 December 2013             |
|     | Council Tax Support Strategy   | 10 December 2013             |
|     | Quarter 2 Performance Report -   | 10 December 2013             |
|     | Capital Programme - 2014/15 to 2017/18 -   | 4 February 2014              |
|     | Treasury Management Strategy Statement and Investment Strategy 2014-2018 -                             | 4 February 2014              |
|     | Revenue Budget and Medium Term Financial Plan 2014/15 - 2017/18  | 4 February 2014              |
|     | Housing Revenue Account Budget and Business Plan 2014/15   | 4 February 2014              |
|     | Revenue, Capital and Housing Revenue Account (HRA) Quarter 3 Budget Monitoring Reports -               | 18 March 2014                |

### 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. 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.

**Appendix – Corporate Resources Overview and Scrutiny Work Programme**

**Background reports:**

Executive Forward Plan (can be viewed at any time on the Council's website) at the following **link**:- <http://www.centralbedfordshire.gov.uk/modgov/mgListPlans.aspx?RPId=577&RD=0>

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## Appendix A

### Work Programme for Corporate Resources Overview & Scrutiny Committee 2013 – 2014

| Ref | Indicative Overview & Scrutiny Meeting Date | Report Title   | Issue to be considered   | Comment |
|-----|---|--|--|---------|
| 1.  | 17 December 2013                            | Executive Member Update                                | To receive a brief verbal update from the relevant Executive Member.   |         |
|     |   | Draft Treasury Management Strategy Statement 2014-2018 | To consider the 2014-2018 draft treasury management strategy statement and Investment Strategy 2014-2018.  |         |
|     |   | 2014/15 Draft Budget and Fees and Charges Report       | To consider the draft revenue budget for 2014/15, including the draft fees and charges.  |         |
|     |   | Draft Capital Programme - 2014/15 to 2017/18           | To consider the draft Capital Programme for 2014/15 to 2017/18.  |         |
|     |   | 2014/15 Draft HRA Budget                               | To consider the 2014/15 draft budget for the Housing Revenue Account.  |         |
|     |   | Quarter 2 Budget Monitoring                            | To consider corporate revenue & capital budget monitoring information for the 2nd quarter of 2013/14, together with specific information for Corporate Services. |         |

| Ref | Indicative Overview & Scrutiny Meeting Date | Report Title   | Issue to be considered   | Comment |
|-----|---|--|--|---------|
|     |   | Performance Monitoring System                              | To receive a demonstration of the new Performance Monitoring System  |         |
| 2.  | 28 January 2014                             | Executive Member Update<br><br>2014/15 Draft Budget        | To receive a brief verbal update from the relevant Executive Member.<br><br>To receive an update regarding the 2014/15 draft capital and revenue budget.   |         |
| 3.  | 4 March 2014                                | Executive Member Update                                    | To receive a brief verbal update from the relevant Executive Member.   |         |
| 4.  | 15 April 2014                               | Executive Member Update<br><br>Quarter 3 Budget Monitoring | To receive a brief verbal update from the relevant Executive Member.<br><br>To consider corporate revenue & capital budget monitoring information for the 3rd quarter of 2013/14, together with specific information for Corporate Services. |         |
| 5.  | 13 May 2014                                 | Executive Member Update                                    | To receive a brief verbal update from the relevant Executive Member.   |         |
| 6.  | 24 June 2014                                | Executive Member Update                                    | To receive a brief verbal update from the relevant Executive Member.   |         |

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