

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



please ask for Paula Everitt
direct line 0300 300 4196
date 5 December 2013

NOTICE OF MEETING

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

Date & Time

Tuesday, 17 December 2013 10.00 a.m.

Venue at

Room 14, 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 22 October 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.

8. **Requested Items**

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

Reports

Item	Subject	Page Nos.
9	Executive Member Update To receive a brief verbal update from the Deputy Leader and Executive Member for Corporate Resources.	* verbal
10	Council Tax Support Strategy To consider the statutory Council Tax Support Strategy.	* 11 - 22
11	Q2 Capital Report 2013/14 To receive the Q2 capital budget monitoring report for 2013/14.	* 23 - 34
12	Q2 Revenue Report 2013/14 To receive the Q2 revenue budget report 2013/14.	* 35 - 54
13	Q2 Housing Revenue Account 2013/14 To consider the Housing Revenue Account 2013/14 report.	* 55 - 68
14	Q2 Capital Report 2013/14 Corporate Resources To receive the Q2 capital budget report 2013/14 for Corporate Resources.	* 69 - 74
15	Q2 Revenue Report 2013/14 - Corporate Resources To receive the Q2 revenue report 2013/14 for Corporate Resources.	* 75 - 90
16	Work Programme 2013 - 2014 & Executive Forward Plan The report provides Members with details of the currently drafted Committee work programme and the latest Executive Forward Plan.	* 91 - 94

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CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE** held in Council Chamber, Priory House, Monks Walk, Shefford on Tuesday, 22 October 2013.

PRESENT

Cllr P A Duckett (Chairman)
Cllr Miss A Sparrow (Vice-Chairman)

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

Apologies for Absence: Cllrs L Birt

Members in Attendance:	Cllrs	P N Aldis	
		A R Bastable	
		R D Berry	
		M C Blair	Chairman of Audit
		C Hegley	Executive Member for Social Care, Health & Housing
		J G Jamieson	Leader of the Council and Chairman of the Executive
		D Jones	
		M R Jones	Deputy Leader and Executive Member for Corporate Resources
		M A G Versallion	Executive Member for Children's Services
		R D Wenham	Deputy Executive Member for Corporate Resources
		J N Young	Executive Member for Sustainable Communities - Strategic Planning and Economic Development

Officers in Attendance:	Ms D Clarke	–	Director of Improvement and Corporate Services
	Mrs M Clay	–	Chief Legal and Democratic Services Officer
	Mrs P Everitt	–	Research and Business Support Officer
	Mr P Meigh	–	Chief Procurement Officer
	Mr M Scott	–	Chief Information Officer
	Mr C Warboys	–	Chief Finance Officer

CR/13/56 **Minutes**

RESOLVED

That the Minutes of the meeting of the Corporate Resources Overview and Scrutiny Committee held on 10 September 2013 be confirmed and signed by the Chairman as a correct record.

CR/13/57 Members' Interests

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

CR/13/58 Chairman's Announcements and Communications

The Chairman announced that thank you letters had been sent to all Revenues and Benefits staff on behalf of the Committee as requested at the last meeting.

CR/13/59 Petitions

No petitions were received.

CR/13/60 Questions, Statements or Deputations

No questions, statements or deputations were received.

CR/13/61 Exclusion of Public and Press

RESOLVED

That the public and press be excluded from the meeting by virtue of section 100A of the Local Government Act 1972 during consideration of items 7 and 19 on the grounds that the consideration of the item was likely to involve the disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Act.

CR/13/62 Call-In

The Committee were advised that a decision of the Executive on the Next Generation Network had been referred to them under the Call-in Procedures set out in Appendix A to Rule No. S18 of the Overview and Scrutiny Procedure Rules.

Whilst the meeting took place in private a Member asked that their concerns be recorded which were in summary as follows:-

- Concerns that the cost of entering into a partnership with Bedford Borough Council or Buckinghamshire County Council had not been made available.
- Concerns that Committee had not been provided with evidence of the detailed work undertaken by officers in relation to discussing alternative proposals.
- The distance and expense relating to travel costs that could be incurred by officers in taking a contract with Essex County Council
- The length of the proposed contract and concerns that the Council had had not gone through the normal tender process.

Following discussion the Committee voted on the proposals and the recommendation was agreed (Cllrs Dr Egan and Murray requested their votes against this resolution be recorded).

RESOLVED

That no further action be taken and the original Executive decision be effective immediately.

(The remainder of the meeting was conducted in public)

CR/13/63 Requested Items

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

CR/13/64 Executive Member Update

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

- Confirmation that the Chancellor's Autumn Statement would be announced on Wednesday 4 December. For this reason the Draft Budget report would be submitted to the Executive on 14 January 2014 and to Corporate Resources OSC on 28 January 2014.
- A revised template had been designed for Town and Parishes to request their Council Tax requirement. A working group had been set up to give feedback and a meeting to inform Town and Parish Clerks and members had been arranged for 7 November 2013.
- The number of complaints from customers regarding the Call Centre had increased. 18 advisers had resigned their posts and the slow down of the computer system had caused significant issues for the Customer Services Team resulting in the increase in complaints.

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

- Assurance that staff within the Call Centre had been replaced. The Director of Improvement and Corporate Services advised that exit interviews had taken place and there were a variety of reasons for staff moving on. A recovery plan had been put in place for the Call Centre and the details would be shared at a future meeting. A team working on the computer slow down had isolated the causes and were working on a solution.
- Problems relating to the citrix portal had been resolved to enable voice recognition software to be introduced at the end December/January 2014.

CR/13/65 Farms Estate Strategy 2013-2023

The Director of Improvement and Corporate Services introduced the emerging Farm Estate Strategy. Member's views were sought on the approach and

process for developing the Strategy over a 10 year period between 2013 and 2023 and the next steps in gathering evidence set out in Chapter 4.

Members of the Committee raised several issues relating to the Strategy, which were in summary as follows:

- Whether objective 5 to achieve a yield of 2% per annum was feasible? The Director of Improvement and Corporate Services confirmed the figure had been given by the Council's adviser, Bidwells. In order to consult on the Strategy and this key issue, it was proposed to set up a Farmers' Forum so that feedback could inform the Strategy.
- Concern that farmers were being offered short tenures. The Director of Improvement and Corporate Services reported that progress had been made to review tenancies and Bidwells were helping in this process. The length of tenures being offered would be checked and reported to a future meeting.
- The importance of stakeholders such as the National Union of Farmers and the Country Landowners Association being consulted on the proposals.
- Concern at the proposal to reduce the number of holdings, such as farm houses and redundant buildings. Members were reassured that officers would look at each proposal on a case by case basis.

In addition to these concerns the Committee suggested that officers undertake a consultation when considering a change of use of a piece of land.

RECOMMENDATION

That the Executive be aware of the issues detailed in the Minutes above and that the approach and process for developing the Farm Strategy and the next steps in gathering evidence be approved.

CR/13/66

Budget and Medium Term Financial Plan Update

The Deputy Leader and Executive Member for Corporate Resources introduced the Budget and Medium Term Financial Plan presentation. The Chief Finance Officer raised key points during the presentation including:-

- Confirmation of the Autumn Statement announcement on 4 December 2013.
- The Government's decision to continue to pay the Council Tax Freeze grant into 2015/16, which was worth £1.2m.
- Concern regarding the Governments continued austerity measures, including a 1% cut in local authority funding.

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

- That new businesses in the area were welcomed and all businesses informed of work the Council was doing on their behalf, in relation to Business Rates (NNDR). The Chief Finance Officer advised this area was controlled by Central Government, however the Regeneration Team also

undertook work proactively. In order to support this work the Committee supported the revival of Breakfast meetings with businesses in the area.

- Members were advised the Community Infrastructure Levy policy was not yet available.

NOTED the presentation.

CR/13/67 **Q1 Capital Report 2013/14**

The Committee received the quarter 1 capital projected outturn position for 2013/14 for the Council.

NOTED the projected capital outturn position 2013/14.

CR/13/68 **Q1 Revenue Report 2013/14**

The Committee received the quarter 1 revenue projected outturn position for 2013/14 for the Council.

NOTED the projected revenue outturn position 2013/14.

CR/13/69 **Q1 Capital Report 2013/14 - Corporate Resources**

The Committee received the quarter 1 capital projected outturn position for 2013/14 for the Corporate Resources Directorate.

NOTED the projected capital outturn position 2013/14 for the Corporate Resources Directorate.

CR/13/70 **Q1 Revenue Report 2013/14 - Corporate Resources**

The Committee received the quarter 1 revenue projected outturn position for 2013/14 for the Corporate Resources Directorate.

NOTED the projected revenue outturn position 2013/14 for the Corporate Resources Directorate.

CR/13/71 **Q1 Housing Revenue Account 2013/14**

The Committee received the quarter 1 Housing Revenue Account projected outturn position for 2013/14.

NOTED the projected Housing Revenue Account outturn position 2013/14.

CR/13/72 **Work Programme 2013 - 2014 & Executive Forward Plan**

The Committee considered its current work programme and the latest Executive Forward Plan and were informed that a report on Council Tax

Support Strategy would be submitted to the December meeting. The draft budget 2014/15 reports would be deferred to the January 2014 meeting.

NOTED the Corporate Resources Work Programme.

(Note: The meeting commenced at 10.00 a.m. and concluded at 12.15 p.m.)

Chairman.....

Date.....

Meeting: Corporate Resources Overview and Scrutiny Committee
Date: 17 December 2013
Subject: Council Tax Support Scheme
Report of: Cllr Maurice Jones , Executive Member for Corporate Resources
Summary: The purpose of the report is for Corporate Resources to consider and comment on the Council's approach to the Local Council Tax Support Scheme. The report also provides an update on policy developments relating to the Government's welfare reforms and the impact on Central Bedfordshire residents.

Advising Officer: Charles Warboys, Chief Financial Officer
Contact Officer: Gary Muskett, Head of Revenues and Benefits
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

As outlined in the attached Executive Report.
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RECOMMENDATION(S):

- | |
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| 1. This Committee is invited to provide comments and recommendations to Council on 30 January 2014. |
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Appendix A – Council Tax Support Scheme Executive Report – 10 December 2013

Background papers and their location: (open to public inspection)
None

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Meeting: Executive
Date: 10 December 2013
Subject: Council Tax Support Scheme
Report of: Cllr Maurice Jones, Deputy Leader and Executive Member for Corporate Resources

Summary: The purpose of the report is for Executive to review the Council's Local Council Tax Support Scheme and address the requirement to recommend to Council the approach to Local Council Tax Support for 2014/15. The report also provides an update on policy developments relating to the Government's welfare reforms and the impact on Central Bedfordshire residents.

Advising Officer: Charles Warboys, Chief Financial Officer
Contact Officer: Gary Muskett, Head of Revenues & Benefits
Public/Exempt: Public
Wards Affected: All
Function of: Council
Key Decision No. A final decision must be taken by Council.
**Reason for urgency/
exemption from call-in
(if appropriate)** If the Council does not make a Council Tax Support scheme by 31 January 2014, a default scheme will be imposed on the Council which will be effective from April 2014.

CORPORATE IMPLICATIONS

Council Priorities:

By protecting vulnerable and elderly people as well as providing incentives to work, the proposed Council Tax Support (CTS) scheme is designed to support the Council's Medium Term Plan priorities of:

- Promoting health and wellbeing and protecting the vulnerable.
- Improved educational attainment.

Financial:

1. Government funding to local authorities for Council Tax Support (CTS) schemes in 2013/14 was based on Government estimates of demand and has proved very significantly short of the actual costs of the discounts currently being provided. The gross Council Tax Support discount awarded within Central Bedfordshire in 2013/14 is presently £14.8m.
2. The reduction in funding represents a significant financial risk, especially as it does not include any provision to manage increased take up which is likely to happen due to the number of new properties being built within Central Bedfordshire during the short and medium term.

3. There have been consequential costs arising from the implementation of the local CTS scheme. These include an impact on cash flow arising from delays in collecting Council Tax and increased levels of Council Tax non collection with an associated increase in the bad debt provision. There are also increased costs of Council Tax collection due to increased volumes of notices impacting upon paper, enveloping, postage and printing costs. The full costs will not be known until we have administered the scheme for 12 months.

Legal:

4. The Local Government Finance Bill 2012 states that for each financial year, Councils must consider whether to revise their Council Tax Support scheme or replace it with another scheme and that such decisions need to be made by 31 January in the financial year preceding that for which the revision or replacement scheme is to take effect. If the Council does not make a Council Tax Support scheme by 31 January 2014, a default scheme will be imposed on the Council which will be effective from April 2014.

Risk Management:

5. The transfer from Council Tax Benefit to localised Council Tax Support means the impact of increased demand and cost will be a risk for all major preceptors.
6. The Council and its precepting partners will need to monitor closely local social and economic changes and ensure there is a contingency for possible future shortfalls in funding. This may mean that the scheme designed needs to allow for these risks by providing for savings in excess of the currently known reduction in funding.

Staffing (including Trades Unions):

7. The introduction of a local CTS scheme has led to a significant increase in the number of customers who have contacted the Council. These contacts have mainly been to the Revenues and Benefits teams and Customer Services.

Equalities/Human Rights:

8. Public authorities have a statutory duty to advance equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
9. A full equality assessment was conducted as part of the approval process for the 2013/14 Council Tax Support Scheme to ensure that due regard was given to the impact of the scheme on the Council's residents, particularly those who are vulnerable and hard to reach.

Public Health:

10. Not applicable.

Community Safety:

11. Not applicable.

Sustainability:

12. Not applicable.

Procurement:

13. Not applicable.

Overview and Scrutiny:

14. This report is due to be considered by the Corporate Resources Overview and Scrutiny Committee on 17 December 2013. Any comments or recommendations arising from this meeting will be presented before Council makes its final decision on 30 January 2014.

RECOMMENDATIONS:

The Executive is asked to:

- 1. confirm the review of the Local Council Tax Support Scheme and recommend to Council that the current scheme be extended for a further year (2014/15) with a full review during 2014/15 to inform the approach from April 2015;**
- 2. to note the contents of this report and further developments in Government changes to welfare reform; and**
- 3. to note the latest analysis of the impact on Central Bedfordshire residents.**

Reason for Recommendations: So that Full Council can endorse the Central Bedfordshire Council local Council Tax Support scheme. If the scheme is not approved by 31 January 2014, the Council will have to award local Council Tax Support in accordance with the Government's default scheme which will result in the cost of the scheme exceeding that of the local Council Tax Support scheme.

Executive Summary

15. In January 2013, the Council agreed a new Council Tax Support Scheme to replace the national Council Tax Benefit scheme, abolished in April 2013. An initial review of the scheme has been carried out; however, in terms of learning from other Councils and our own experiences, there is a further need to develop meaningful data over a longer period of time, the current scheme having only been in place for 8 months and not covering a winter period.

16. The Council could continue with its current scheme for a further year. This will allow a more comprehensive review to be undertaken during 2014/15 when more comparative data will be available, before recommending options to Executive on what the Council may wish to do from April 2015. Further consultation can also be carried out during the summer/autumn of 2014.
17. The CTS reforms require local authorities to design their own schemes to deliver Council Tax Support or adopt a less financially advantageous default scheme. The Central Bedfordshire scheme was implemented from April 2013 but for each financial year Council must consider whether to revise its scheme or replace it with another scheme no later than 31 January in the financial year preceding that which the revision or replacement is to have effect.

Background

18. The Welfare Reform Act 2012 sets out the broader rules and aims of the government's welfare reforms. These changes are and will continue to be the biggest changes to the social security system for many years. The Act not only makes provision for Universal Credit and Personal Independence Payments, it also abolishes many of the existing means tested, working age benefits. This includes Housing Benefit and Council Tax Benefit, both of which are administered by the Council.
19. The main aims of the Act are to:
 - simplify welfare benefits
 - ensure that 'work always pays'
 - reduce fraud and error.
20. The main elements of the Act are:
 - the introduction of Universal Credit to provide a single streamlined benefit intended to ensure that work always pays;
 - a stronger approach to reducing fraud and error with tougher penalties for the most serious offences;
 - a new 'claimant commitment' showing clearly what is expected of claimants;
 - reforms to Disability Living Allowance, through the introduction of the Personal Independence Payment;
 - changes to Housing Benefit intended to bring stability to the market and improve incentives to work;
 - devolving elements of the Social Fund to local authorities; and
 - reforming Employment & Support Allowance.

21. Since then, the Government has made a number of further policy announcements, which are outlined in more detail below.
22. In addition, more information is beginning to emerge on the impact of welfare changes on Central Bedfordshire residents and the performance of the CTS scheme, which the Council has put in place to support individuals to adapt to the changes. Some of the impacts are detailed later in this document.

Review of Local Council Tax Support Scheme

23. The Government abolished the national Council Tax Benefits System on 31 March 2013, replacing it with a requirement for local authorities to work with their precepting bodies to establish a Local Council Tax Support Scheme with effect from 1 April 2013. The new schemes provide a 'discount' against the Council Tax charge, rather than a benefit entitlement.
24. The Government's Council Tax Support Scheme Grant replaced Council Tax Benefit subsidy and from April 2013 is now payable directly to the Council and the major precepting bodies (Police and Fire). The funding made available to support the Local Council Tax Support Schemes in 2013/14 (set at 90% of the previous funding available under the Council Tax Benefit System) now forms part of the Council's formula funding arrangements. Whilst separate figures were published for this in 2013/14, from 2014/15 there is not yet any visibility over what level of funding is actually to be contained within the formula for Council Tax Support.
25. In the absence of any confirmed figures as yet for 2014/15, and based on information to date, it is reasonable to assume that the Government has applied at least pro-rata reductions in the Council Tax Support Grant element in line with overall reductions in the formula funding, as published in the Spending Round on 26 June 2013.
26. By so doing, it also transferred the risk of any growth in the cost of the system, through more Council Taxpayers becoming eligible for Council Tax Support, to local authorities. Councils now have discretion within some constraints, to design their own Local Council Tax Support Schemes. Pensioners, who account for around 48 per cent of the caseload in Central Bedfordshire, have to be protected by law, with any reductions only being able to be applied to working age claimants.
27. Central Bedfordshire Council agreed to adopt a Local Council Tax Support Scheme for 2013/14, which almost mirrored the previous entitlement under the previous Council Tax Benefit System for all claimants except for:
 - The removal of the second adult rebate.
 - The rate of allowances and premiums were frozen at 2012/13 levels.

Current Position

28. At this stage, there is a scarcity of meaningful intelligence available from authorities that have introduced Local Council Tax Support Schemes that reduced entitlement to their working age claimants, in terms of impacts on individuals and debt recovery performance. What feedback there is from other authorities indicates that the recovery rates, although below the recovery rate for non CTS claimants, appear to be broadly in line with their expectations. At the end of September Central Bedfordshire's Council Tax collection rate was 0.62% behind the collection rate for September 2012. This is typical of other councils, where data is known. The full range of welfare reforms (including the Benefit Cap where we have around 50 households affected) have yet to fully work through the system so any assumptions made now should be made with a degree of caution. The in year collection rate is also impacted significantly by more residents choosing to pay over 12 months rather than 10, thus pushing more collection into the final quarter of the financial year.
29. The Council's financial forecast of the impact of capping entitlement to Council Tax Support in 2013/14 to 75% and on collection rates indicates that the planning assumptions in setting the 2013/14 budget were prudent and remain valid.
30. For the reasons outlined above, it is recommended that the current scheme should be extended from April 2014 for a further year. This will allow a more detailed understanding of the impacts of the changes to benefits both within Central Bedfordshire and across the region to be developed which can then help inform the decision for a scheme from April 2015.
31. Details of the experience of the welfare reforms on Central Bedfordshire residents are set out below.

Conclusion

32. The Government is continuing to progress its welfare reform programme, although there is increasing evidence to suggest that some changes most notably, Universal Credit will not be implemented as quickly as initially envisaged.
33. A number of studies and assessments of the impacts of the Government welfare reform programme are now being published, and Central Bedfordshire Council will be commissioning a study on the impacts on our residents.
34. Researchers at Sheffield Hallam University identified that those local authority areas with the greatest levels of deprivation stood to be most impacted by welfare reform, losing most income as benefit payments are withdrawn or reduced, whilst having insufficient economic growth and employment opportunities to enable benefits claimants to move into work and off welfare.

35. Given the nature of the reforms and their impact on Central Bedfordshire residents, the Council continues to respond to the implementation of the Government's welfare changes, through the provision of support and advice, its new welfare assistance scheme and revised Discretionary Housing Payments policy, which is currently out for public consultation.

Update on Welfare Reform Policy Announcements and the Impact on Central Bedfordshire Council

Universal Credit Pilots, Pathfinders and Roll-out

36. In May 2013, the Major Projects Authority, which is part of the Cabinet Office raised doubts about whether the DWP is on track with Universal Credit, and the overall benefit cap. While this indicates concerns within some quarters of Government about potential slippage, the Department for Work Pensions (DWP) has commented that significant progress has been made in recent months and it expanded the Ashton-under Lyne pathfinder into other areas in July.
37. In July 2013, the Minister for Work and Pensions announced that from October 2013, there would be a three-stranded approach to the Universal Credit roll out. The first strand will address the changes needed within Jobcentre Plus to support the introduction of Universal Credit for example, additional training for Jobcentre Plus advisors. The second strand will involve improving digital services across Jobcentre Plus including the installation of ICT equipment, the final strand will involve the roll out of Universal Credit to six hub Jobcentres at Hammersmith, Rugby, Inverness, Harrogate, Bath and Shotton (in Wales).
38. In summary, the Government has toned down the ambitions for the national roll out of Universal Credit from October this year and is taking a more cautious and measured approach in the light of concerns about the ICT systems and experience from the pilot authorities.
39. At the time of writing, the Council is still waiting for the outcome of the consultation on the Universal Credit local support services framework, and in particular, the role of local government and how the Government proposes to fund this.

Benefit Cap Roll-out

40. In February 2013, the Government confirmed that its new benefit cap would be implemented in April in four London boroughs (Bromley, Croydon, Enfield and Haringey), to test the new system prior to wider national roll-out, which was initially scheduled to take place between July and September this year.
41. In June 2013, the Government confirmed the schedule for the wider rollout, based on the number of households affected in each local authority area. From 15 July, the cap was introduced in 335 local authority areas including Central Bedfordshire. Roll-out in the remaining 40 authorities, which mainly comprise London boroughs and major urban authorities with greater numbers of households affected, commenced in mid-August.

42. In July, initial data was released on the impact of the benefit cap in the pilot areas. Between 15 April 2013 and the end of May 2013, in the four local authorities, almost 2,500 households had their housing benefit capped. The biggest impact was in the London Borough of Enfield where 48 per cent of claimants had their benefit capped. Across the four pilots, 86 per cent of households capped had between one and four children and 78 per cent of households constituted a single parent with child dependents. Some 67 per cent of households were capped by £100 or less per week.
43. Building on these findings, research by the Gingerbread charity has estimated that 46 per cent of the households affected by the benefit cap will be single parents who claim income support.
44. Currently, the only mechanism for capping benefit until Universal Credit is introduced is to reduce the amount of housing benefit paid to claimants by local authorities. There are currently 52 claimants in Central Bedfordshire subject to the cap and maximum cap applied to a claimant to date has been £175 per week. Of these 52 cases 16 are Central Bedfordshire Council tenants, 16 are Housing Association tenants and 20 are private tenants.

Personal Independence Payments and Disability Living Allowance

45. In February 2013, the Government published updated statistics on the number of claimants receiving Disability Living Allowance (DLA). The total number of DLA claims in May 2012 was 3,258,440, an increase of 15,000 on the previous quarter. In ten years, the number of people claiming DLA has risen by almost 35 per cent from 2.4 million to 3.3 million people.
46. As part of its welfare reforms, the Government is replacing DLA with Personal Independence Payments (PIP) and will require all those who change from DLA to PIP to be reassessed as part of the transfer.
47. The Government expects that the level of spending will be the same under PIP, as under DLA; however, the new system will include a face-to-face assessment and regular reviews, which may lead to a change in the number of claims approved. The DWP has also recently confirmed that DLA and PIP will be included in the overall cap on welfare expenditure announced in the spending review. The Government believes that the change from DLA to PIP will better reflect today's understanding of disability, particularly for people with mental health conditions; and will help improve the targeting of money spent on disability benefits.
48. From October 2013, anyone with a DLA award coming up for renewal, young people turning 16 or DLA claimants reporting a change in their health condition or disability, will be contacted by DWP and invited to claim PIP.

Spare Room Subsidy

49. In April 2013 the size related restriction in the social rented sector was introduced and this affected 1,548 households in Central Bedfordshire, including over 400 Council tenants. The overall number of households affected has reduced to 1,165 since our first assessment, after contact with tenants affected and the updating of records, with new information, including: additional people declared to be living at the house, those starting employment and those transferring. Those claimants who under occupy by one room will lose around £13, those by two rooms will lose around £25 per week in terms of housing benefit payable towards their rent. Those over pension age are unaffected by this national policy.
50. In response to mounting concerns about the impact of the size criteria on specific groups, the Government amended policy so that the criteria did not apply to foster carers (with one spare bedroom), families with disabled children and service personnel. In addition, the Minister wrote to local authorities to encourage them to prioritise households with people with disabilities for support through Discretionary Housing Payments.
51. Nationally £155 million has been made available to local authorities in Discretionary Housing Payments (DHP) in 2013/14 to provide discretionary support to Housing Benefit claimants impacted by welfare reform. For Central Bedfordshire this equates to £281,000.
52. It is also estimated nationally that DHPs would cover just £1 in every £7 of the impact of housing reforms on tenants.
53. We have committed £192,000 to date, assisting 389 households with 142 being refused assistance and we are on track to spend our full allocation by the end of the financial year and in line within its revised policy guidelines. 75% of funding has gone to households affected by the new under occupation size criteria restrictions.

Council Tax Collection

54. At the end of October 2013 the Council Tax collection rate of 65.32% was 0.79% behind the October 2012 collection rate, this equates to approximately £1.1m. This downturn had been anticipated due to almost 4,000 residents who previously had no Council Tax liability to pay in 2012/13 having to now pay 25% of their Council Tax, and is broadly in line with the national trend of reduced collection rates.
55. By way of comparison, collection rates for Councils in Hertfordshire has seen six Councils out of ten with reduced collection rates varying from 0.1% to 0.7% and is very much dependant on the nature of their Council Tax Support scheme and level of reduction passed onto residents to now pay Council Tax.
56. In the first six months of 2013/14 we have issued 42,755 reminders for late payment which is a 23% increase on 2012/13 and we have issued 4,358 summonses which is a 22% increase on 2012/13 levels.

57. It is still too early in the financial year to fully understand the impact on the collection rate and the downturn in collection will be partially mitigated by the increase in the number of residents choosing to pay their Council Tax over 12 months rather than 10 (2,000+). This will result in more payments being received in the final 2 months of the year.

Monitoring of Impacts

58. A monitoring and evaluation framework has been developed and a monthly report is now reviewed by a Welfare Reform Project Board, chaired by the Director for Social Care, Health and Housing, and also by the Executive Member for Social Care, Health and Housing and the Deputy Leader and Executive Member Corporate Resources so that we are better able to track the impact of the changes on our residents and the Council.
59. Whilst the Council is undertaking extensive tracking of how residents are responding to the welfare reform changes, in many instances it is still too early to fully understand the impacts. In particular, it can be anticipated that the winter period will have a significant impact on the level of additional claims for Local Welfare Provision (Crisis Loans) and DHP. However, it is already apparent that as the proposals start to bed in, a greater number of individuals will start to experience problems, and that there will be increased demand on Council support services.

Appendices: None

Background Papers: (open to public inspection)

None.

Meeting: Corporate Resources Overview and Scrutiny Committee
Date: 17 December 2013
Subject: September 2013 – Quarter 2 Capital Budget Monitoring Report
Report of: Cllr Maurice Jones, Deputy Leader and Executive Member for Corporate Resources
Summary: The report provides information on the projected capital outturn for 2013/14 as at September 2013. It excludes the Housing Revenue Account which is subject to a separate report.

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.

RECOMMENDATION:

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 10th December 2013.

Executive Summary

11. The report sets out the projected financial outturn capital position for 2013/14 as at Quarter 2.

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 £94.6m (£45.0m net). The main issues to note are:

- i) Gross forecast is to spend £76.2m an underspend of £0.8m and £19.2m proposed deferred spend to 2014/15.
- ii) Gross spend to date is £30.0m, below budget by £6.6m.
- iii) The average monthly gross spend for the past six months is £5.0m. Rest of year spend rate needs to run at an average of £7.7m to achieve forecast.
- iv) £63.0m (67%) of the gross budget relates to 20 of the top value schemes. £47.2m (62%) of the gross spend forecast relates to these schemes.
- v) Capital receipts to date are £0.96m compared to a forecast of £3.98m

DIRECTORATE COMMENTARY

Social Care Health and Housing

13 The year end forecast outturn position is an under spend of £0.741m. The major area of under spend is the Disabled Facilities Grant (DFG) programme which is demand led.

- 14 The following table summarises the position against the revised budget as at the end of September.

<u>SCHH Capital programme summary</u>	Full Year Forecast Variance 2013/14						
	Gross Expend. Budget	Gross Income Budget	Net Total	Gross Expend FYF	Gross Income FYF	Net Total	Variance
SCHH Directorate	£m	£m	£m	£m	£m	£m	£m
NHS Campus Closure	3.674	(3.674)	0	1.909	(1.909)	0	0
Disabled Facilities Grants Scheme (DFG)	3.000	(0.588)	2.412	2.500	(0.659)	1.841	(0.571)
Timberlands Gypsy and Traveller Site	0.914	(0.687)	0.227	0.914	(0.687)	0.227	0
Review of Accommodation /Day Support	0.347	(0.347)	0	0	0	0	0
Adult Social Care ICT Projects	0.300	(0.300)	0	0.300	(0.300)	0	0
Empty Homes	0.270	0	0.270	0.100	0	0.100	(0.170)
Renewal Assistance	0.150	(0.050)	0.100	0.250	(0.150)	0.100	0
Total	8.655	(5.646)	3.009	5.973	(3.705)	2.268	(0.741)

- 15 Disabled Facilities Grant (DFG)

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

16 The following table indicates the type of major adaptations completed to September in the DFG programme.

17

Type of adaptation	Total No complete to September 2013
Level access shower/wet room	81
Straight stair lift	17
Curved stair lift	11
Toilet alterations	6
Access ramps	17
Dropped kerb and hard standing	0
Wheelchair/step lift	0
Through floor lift	2
Major extension	10
Kitchen alterations	5
Access alterations (doors etc)	17
Heating improvements	2
Garage conversions/minor additions	4
Safety repairs/improvements	2
Other	9
Total	183

18 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.

19 Requests for OT Assessments provide a further prediction of demand for 2013/14. In September, 63 assessments resulted in 32 referrals for a DFG. If the current rate of referrals continued for the rest of the year this would result in a total of 406.

20 NHS Campus Closure

The NHS Campus Closure programme has three remaining projects for Central Bedfordshire. The scheme in Silsoe commenced in July 2012 and opened in October 2013.

21 The second scheme, Steppingstones which is based in Dunstable, is the refurbishment of a local authority property and a new build. The refurbished house opened in October 2013.. Planning permission has been granted for the new build and the s257 has been signed. The demolition work will commence in Sept and take 8 weeks. Thereafter the building works will start and take approximately 10 months to complete.

22 The third scheme, Beech Close is the refurbishment of an existing site in Dunstable and is subject to the sale of two other properties, one which has fallen through due to complex legal issues. It is anticipated that the capital receipts from the sale of these properties will be used to either refurbish Beech Close or failing

that a new site will need to be found which could result with further delays on completing the campus programme.

- 23 The HRA Capital programme is now monitored as part of the HRA's budget report.

Children's Services

- 24 Children's Services annual capital expenditure budget is £27.395m (including slippage from 2012/13). The income budget is £26.691m, a net expenditure capital budget of £704k.
- 25 The full year gross expenditure outturn position for 2013/14 is £3.438m below the original budget following the capital review process. There is no expenditure deadline to the spending of the grant receipts.
- 26 All but two projects, Schools Access and Temporary Accommodation, are funded wholly by grant receipts that have no expenditure deadline.
- 27 The actual to date gross expenditure is £2.365m below the profiled budget. This is mainly due to Schools Capital Maintenance (£1.072m) which has been programmed to be delivered within the financial year with a small number of projects moved into early 2014/15 as a result of reprioritisation of works, the Alternative Secondary Provision (Free School) £541k, which is progressing well on both of its sites and will achieve target completion timeframes but is following an amended payment schedule with the contractor.

Summary Table: Directorate Overall position

	Gross Expenditure Budget	Profiled Gross Expenditure Budget YTD	Gross Spend to Date	Gross Expenditure Variance to date
	£000	£000	£000	£000
Children Services	27,195	10,157	7,792	2,365
Partnerships	200	55	55	0
Total	27,395	10,212	7,847	2,365

- 29 **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.
- 30 In March 2013 the DfE announced the Basic Need allocations for 2013/14 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.
- 31 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 £13.256m with £16.953m planned expenditure in 2014/15.

32 Schools Capital Maintenance

This rolling programme is externally funded by DfE grant but does require schools to contribute to the cost of works, as set out in a formula contained within the Scheme for Financing Schools. These contributions are invoiced once planned works are complete.

33 The 2013/14 programme is now being commissioned but with a much reduced DfE grant of £2.562m as a result of Academy capital held centrally by the Education Funding Agency. Works have largely commenced on the programme, however the forecast expenditure has reduced to £3.9m in the main due to £0.5m of works being removed from the indicative programme following reassessment and other schemes being re-scoped following initial survey inspections. Actual expenditure is currently behind forecast in the main this is due to the timing of the works during the school summer break, we anticipate that this shortfall will shortly be made up as works are completed and invoices received and processed.

Community Services

34 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.

35 The forecast outturn is an underspend of £5,114k. The majority of this slippage is due to delays because of external factors beyond the control of the Council.

36 **Table A – Capital net budget by category (£'000)**

Scheme Categories	Net Expenditure Budget	Net Expenditure Forecast	Net Expenditure Forecast Variance
	£'000	£'000	£'000
Environmental Services	4,950	691	(4,259)
Libraries	202	220	18
Leisure	4,379	3,868	(511)
Transport	11,654	11,292	(362)
Community Services	21,185	16,071	(5,114)

37 Details of Schemes completed or underway include:

38 Highways and Transport

- Total road and footway treated through resurfacing and surface dressing to date is 36.5 kilometres. Poynters Road deep in situ recycling scheme completed on site.

- To date a total of 369 columns including lanterns were replaced and a further 1,006 lanterns replaced.
- 12 Local Area Transport Plan schemes have been implemented and 14 designed and ready for construction.
- 6 drainage schemes completed.

39 Leisure

Astral Park - CBC are supporting the Town Council to provide a football pitch and changing/community facilities. Work is near completion on the car park and drainage connections complete. Work to roof of the changing/community facility including internal walls and gable ends, and steel truss to community room is complete. The project is on target for completion in January 2014.

Flitwick Leisure Centre Redevelopment is a scheme to replace the existing Leisure Centre - work is also being carried out for feasibility stage in preparation the report that will be considered by Overview and Scrutiny on November 5th.

Tiddenfoot Leisure Centre is being refurbished - The car park has been prepared for the resurfacing and work is being carried out to divert the cabling, work is being carried out on the refurbishment of the gym area. Drainage on the downstairs area and surveys for electrical and mechanical has been started.

Flitwick Leisure Centre Football Pitch is a scheme to re-provide football pitches and changing facilities before the Flitwick Leisure Centre redevelopment can commence - the contractors have cleared the site and work has begun on the sustainable urban drainage system. This project is on target for completion in August 2014.

40 Waste

Sundon Landfill Restoration - Restoration phases are on track with soil importation ongoing. Approval received from Environment Agency for realignment of Gas Infrastructure. Lease signed for Gas Extraction with enhanced royalty income for CBC.

Waste Capital Infrastructure Grant - Successful procurement and purchase of replacement glass collection vehicle for the south fleet.

Regeneration & Business Support

41 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.

42 The directorate expects to spend £5,368k and receive external income of £3,097k, leaving spend below budget in 2013/14 of £2,271k gross (£1,261k net).

The majority of this delay is due to external factors beyond the control of the Council. These include property negotiations with external interests and BDUK involvement in the Broadband project.

43 **Table B – Capital net budget by category (£'000)**

Scheme Categories	Net Expenditure Budget	Net Expenditure Forecast	Net Expenditure Forecast Variance
	£'000	£'000	£'000
Regeneration	3,532	2,271	(1,261)
Total	3,532	2,271	(1,261)

44 Regeneration

Leighton Buzzard South of High St: The terms are agreed (verbally) on the second Duncombe Drive property; completion is dependant on owners finding another property, with a longstop completion date proposed of 30 September 2014. This is linked to the overall scheme identified at para 52, but is a separate acquisition.

Dunstable Town Centre Phase 2 (Dorchester Close): A 6th property was acquired in May 2013, completion on 7th due in August was delayed until 13 September 2013. Negotiations continue with owner of 8th and final property.

Superfast Broadband: Contract signed with BT in August and a further £604k secured from BDUK. Due to national requirement to spend BDUK funds first, CBC element of spend will be deferred to later financial years.

45 Sustainable Transport

Works have now commenced on site for the DfT cycling safety scheme to construct a cycle route between Cranfield village and Cranfield University following agreement with the internal drainage board and a permissive path agreement with the University.

Over the last 6 months Longterm Sustainable Transport Fund funded schemes completed in Dunstable and Houghton Regis include:

- Landscape, patching and route realignment works on NCN6
- Cycle route works and route to Sandringham Drive from Woodside industrial estate as part of the Poynters road works in Houghton Regis

- Cycling link between Meadway and High Street south via Cemetery Lane
 - Shared use path on Boscombe road
- 46 Consultation has taken place on the following with implementation due to take place later this year:
- Cycling contraflow lane on Easthill road
 - Traffic calming and zebra crossing in Parkside Drive
- 47 The following schemes are under construction in the Dunstable and Houghton Regis area:
- Improvements to footpaths on the Parkside estate leading to Kings Houghton middle school
 - Cycle link between Downs road and Apollo close, Dunstable
 - Improvements to provide a cycle link between Apollo Close and Brive road
 - School safety zone on Southwood road leading to the Downside pathway.

48 Improvement & Corporate Services & Corporate Resources (overall)

Service	Full Year Budget £000's	Forecast £000's	Expected Slippage to 14/15 £000's	Variance £000's	Budget YTD £000's	Actual £000's	YTD Variance £000's
Info Assets	2,066	1,958	338	230	775	512	-263
Others	2,136	2,363	0	227	809	824	15
Imp & Corp Serv							
Subtotal	4,202	4,321	338	457	1,584	1,336	-248
Corp Res	12,401	9,878	2,314	-209	5,136	2,390	-2,746
Totals	16,603	14,199	2,652	248	6,720	3,726	-2,994

Improvement & Corporate Services

- 49 The current capital programme for Improvement & Corporate Services is £4,202k. This includes £2,043k of funding for 2013/14 schemes and 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 (£881k) & Health & Safety Rolling Programme (£852k).
- 50 The forecast outturn is an overspend of £457k. This is as a result of overspends on two projects. The significant pressures predicted are Your Space 2 (IA) £230k and Customer First £200k.

- 51 Of the £4,202k budget in Improvement & Corporate Services there is £338k of cost expected to be incurred in future financial years. Capital budget is proposed to be slipped from the current year to cover this. The two schemes involved are both within IA, ECM Implementation (£100k) & Consolidation of Applications (£238k).

Corporate Resources

- 52 The current net capital programme for Corporate Resources is £12,401k. These projects are all within Assets and some of the major schemes are 2013/14 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).
- 53 The forecast outturn position on for Corporate Resources is currently showing a £209k underspend. There are a number of projects expecting small variances at year end.
- 54 Due to various timing changes to project delivery schedules there is currently £2,314k expected to be slipped into 2014/15. The A1 South Roundabout – Biggleswade is projecting £1,300k to now be spent in 2014/15 due to a delay in the commencement of the project. There is also 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 £800k to 2014/15.
- 55 There is a YTD underspend in Corporate Resources Capital of £2,746k. The A1 South Roundabout – Biggleswade is currently £645k underspent as a result of the commencement of the project being delayed.
- 56 There has also been a delay in the Acquisition of Cattle Market & Parkridge Land in Leighton Buzzard. The purchases (£1m) were budgeted to be made in September but are now expected to happen in November and December.
- 57 The Corporate Assets Rolling Programme is currently £850k underspent YTD. This is due to a number of delays with spend across various parts of the rolling programme (£224k Tiddenfoot – Mechanical, Electrical (M&E) & Roofing works, £295k Leighton Buzzard library refurbishment & roofing, £170k Parkside Hot Water System, £75k Watling House canteen works, and £60k Linsell House M&E works). There are also a number of delays to smaller Capital schemes resulting in a net YTD underspend of £126k.

CONCLUSION

- 58 The forecast spend of £76.6m may still be optimistic as the rate of spend required rest of year to achieve budget is in excess of what has been achieved previously although the last two months have resulted in an average spend of c£7m

Appendix A1 Council Capital Summary

Directorate	2012/13 Capital Programme Budget				Full year forecast as at month 6				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	£000s	£000s	£000s	£000s	
Children's Services	27,395	-26,691	704	23,957	-23,632	325	-3,438	3,059	-379	3,059	0	-379	0	-379	0	-379	0	0	-379	
Environmental Services	5,367	-417	4,950	806	-115	691	-4,561	4,590	-4,259	4,590	0	-4,288	29	0	29	0	0	0	29	
Libraries	202	0	202	220	0	220	18	0	18	0	0	0	0	0	0	0	0	0	0	
Leisure	6,287	-1,908	4,379	5,707	-1,839	3,868	-580	69	-511	552	-69	483	-28	0	-28	0	0	0	-28	
Transport	17,813	-6,159	11,654	18,430	-7,138	11,292	617	-979	-362	489	0	489	1,106	-979	127	0	0	0	127	
Community Services	29,669	-8,484	21,185	25,163	-9,092	16,071	-4,506	5,631	-371	5,631	0	5,260	1,125	-979	146	0	0	0	146	
Corporate Resources	13,901	-1,500	12,401	11,378	-1,500	9,878	-2,523	0	-2,523	2,314	0	2,314	0	-209	0	-209	0	0	-209	
Improvement & Corporate Services	4,202	0	4,202	4,321	0	4,321	119	0	119	338	0	338	457	0	457	0	0	0	457	
Regeneration	9,136	-5,604	3,532	5,368	-3,097	2,271	-3,768	2,507	-1,261	4,019	-2,893	1,126	251	-386	-135	0	0	0	-135	
Social Care, Health & Housing	10,278	-7,269	3,009	5,973	-3,705	2,268	-4,305	3,564	-741	3,905	-3,735	170	-400	-171	-571	0	0	0	-571	
Total Excluding HRA	94,581	-49,548	45,033	76,160	-41,026	35,134	-18,421	8,522	-9,899	19,266	-10,058	9,208	845	-1,536	-691	0	0	0	-691	

Appendix A2 Top 20 Schemes

Directorate	Scheme Title	Total 2013/14 Budget				Full Year Forecast as at Month 6				Variance				Slippage to 2014/15				(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	
		£'000	£'000	£'000		£'000	£'000	£'000		£'000	£'000	£'000		£'000	£'000	£'000		£'000	£'000	£'000	
Children's Services	New School Places	15,776	-15,776	0	13,256	-13,224	32		-2,520	2,552	32		2,582	-2,582	0		62	-30	32		
Children's Services	Alternative Secondary Provision (Free School)	3,477	-3,477	0	3,522	-3,477	45		45	0	45		-45	0	-45		0	0	0		
Children's Services	Schools Capital Maintenance	4,515	-4,515	0	3,900	-3,900	0		-615	615	0		-186	186	0		-801	801	0		
Community Services	Highways Structural Maintenance Block	4,004	-4,004	0	4,004	-4,004	0		0	0	0		0	0	0		0	0	0		
Community Services	BEAR Project	4,000	0	4,000	0	0	0		-4,000	0	-4,000		4,000	0	4,000		0	0	0		
Community Services	Highways Structural Maintenance Additional	3,160	0	3,160	3,260	-100	3,160		100	-100	0		0	0	0		100	-100	0		
Community Services	Highways Fixed Cost Services (Lump Sums)	1,790	0	1,790	1,855	0	1,855		65	0	65		0	0	0		65	0	65		
Community Services	Highways Integrated Schemes	1,960	-1,338	622	2,558	-1,936	622		598	-598	0		598	-598	0		598	-598	0		
Community Services	Essential capital investment - Tiddentfoot and Saxon	1,558	-600	958	1,120	-600	520		-438	0	-438		0	0	0		-438	0	-438		
Community Services	Pool & Leisure Centre Extension	1,092	-1,100	-8	1,025	-1,025	0		-67	75	8		0	0	0		-67	75	8		
Corporate Resources	Astral Park Leighton Buzzard	3,700	-1,500	2,200	2,400	-1,500	900		-1,300	0	-1,300		1,300	0	1,300		0	0	0		
Corporate Resources	A1 South Roundabout (Biggleswade)	4,649	0	4,649	4,259	0	4,259		-390	0	-390		250	0	250		-140	0	-140		
Corporate Resources	CBC Corporate Property Rolling Programme	2,593	-2,120	473	0	0	0		-2,593	2,120	-473		0	0	0		-2,593	2,120	-473		
Regeneration	Local Broadband Infrastructure	1,389	0	1,389	1,389	0	1,389		0	0	0		733	0	733		733	0	733		
Regeneration	Dunstable Town Centre Regeneration Phase 2	1,073	-1,053	20	200	-200	0		-873	853	-20		0	0	0		-800	853	53		
Regeneration	Dunstable A5/M1 Link Road Strategic Infrastructure	5,297	-5,297	0	1,909	-1,909	0		-3,388	3,388	0		3,388	-3,388	0		0	0	0		
Social Care, Health & Housing	NHS Campus Closure	3,000	-588	2,412	2,500	-659	1,841		-500	-71	-571		0	0	0		-500	-71	-571		
Social Care, Health & Housing	Disabled Facilities Grants Scheme																				
Children's Services	Children's Services	£23,768	-£23,768	£0	£20,678	-£20,601	£77		-£3,090	£3,167	£77		£2,351	-£2,396	-£45		-£736	£771	£32		
Community Services	Community Services	£17,864	-£7,042	£10,822	£13,822	-£7,665	£6,157		-£3,742	-£623	-£4,365		£4,000	£0	£4,000		£296	-£623	-£365		
Corporate Resources	Corporate Resources	£8,349	-£1,500	£6,849	£6,659	-£1,500	£5,159		-£1,690	£0	-£1,690		£1,550	£0	£1,550		-£140	£0	-£140		
Improvement & Corporate Services	Improvement & Corporate Services	£0	£0	£0	£0	£0	£0		£0	£0	£0		£0	£0	£0		£0	£0	£0		
Regeneration	Regeneration	£5,055	-£3,173	£1,882	£1,589	-£200	£1,389		-£3,466	£2,973	-£493		£806	£0	£806		-£2,660	£2,973	£313		
Social Care, Health & Housing	Social Care, Health & Housing	£8,297	-£5,865	£2,432	£4,409	-£2,568	£1,841		-£3,888	£3,317	-£571		£3,388	-£3,388	£0		-£500	-£71	-£571		
Health & Housing	CBC 2012/13 Capital Programme	£63,033	-£41,368	£21,665	£47,157	-£32,534	£14,623		-£16,876	£8,834	-£7,042		£12,095	-£5,784	£6,311		-£3,781	£3,050	-£731		

Meeting: Corporate Resources Overview and Scrutiny Committee
Date: 17 December 2013
Subject: Q2 September 2013 – Revenue Budget Monitoring Report
Report of: Cllr Maurice Jones, Deputy Leader and Executive Member for Corporate Resources

Summary: The report sets out the financial position for 2013/14 as at the end of September 2013. It sets out spend to date against the profiled budget and the forecast financial outturn. It excludes the Housing Revenue Account which is subject to a separate report.

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.

RECOMMENDATION:

The Committee is asked to:-

- 1. Consider and comment on the attached report and associated appendices which was reviewed by the Executive on the 10th December 2013.**

Executive Summary

11 The report sets out the projected financial revenue (General Fund) outturn position for 2013/14 as at Quarter 2.

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

12	<p>In Summary</p> <ul style="list-style-type: none"> • The 2013/14 forecast outturn is to overspend by £1.8m (£2.5m in August). • The budget includes £2.1m of contingency costs which are forecast to be used at present. If this contingency is released, it offsets the forecast overspend. • To date no specific uses of this contingency have been agreed. • The main pressures impacting the forecast outturn are in Children's Services (£2.7m over) and relates to Children in Care and Care Leavers (£0.2m), Intake and Family Support (£0.2m) Fostering and Adoption (£0.8m), Transport (£0.5m) and DSG contributions to central overheads (£0.85m). • The overspend in Children's Services is after the use of £3.7m of Earmarked Reserves brought forward from 2012/13. • The forecast underspend in Public Health of £0.6m relates to a contribution to the Councils overheads. • The Year to Date (YTD) spend is £1.9m below budget (£1.1m in August). • September non current debt excluding House sales and Grants (i.e. debt that is more than 14 days from date of invoice) is £6.0m in line with August. All debt is under active management.
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RESERVES POSITION	
	Earmarked Reserves
13	The opening balance of Earmarked Reserves is £21.434m (Excluding HRA and Schools). The current reported position proposes the planned use of £6.7m Earmarked reserves and proposed transfer to Earmarked reserves of £0.15m (budgeted). This would result in a forecast closing position of £14.8m Earmarked reserves at year end.
	General Reserves
14	The opening position for 2013/14 is £14.2m with a budgeted closing position of £13.8m. There are no further uses or contributions planned for 2013/14.

Appendices

Appendix A – Detailed Directorate Commentary

Appendix B – Debt Management

Appendix C – Treasury Management

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APPENDIX A - DIRECTORATE COMMENTARY

Social Care, Health and Housing

- 1 The General Fund outturn for the directorate is a projected over spend of £0.433m or 0.7%.

Month: September 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
Social Care Health and Housing									
Director of Social Care, Health, Housing	95	118	-	23	190	220	30	-	30
Housing Management (GF)	758	676	-	(82)	1,516	1,450	(66)	-	(66)
Adult Social Care	29,335	29,350	(277)	(262)	58,587	59,988	1,401	(554)	847
Commissioning	6,537	6,613	(28)	48	13,264	13,288	24	(139)	(115)
Business and Performance	(3,710)	(4,043)	(214)	(547)	(7,665)	(7,459)	206	(468)	(262)
Total Social Care and Health	33,015	32,714	(519)	(820)	65,892	67,487	1,595	(1,161)	434

- 2 The Adult Social Care service is forecast to overspend by £0.846m or 1% of the budget (£0.3m forecast overspend for Quarter One). The key reasons for this are an over spend in older people's care packages of £1.5m due to efficiency shortfalls, a projected over spend of £0.307m in under 65 mental health packages due to volume increases which are offset by projected under spends of £0.564m on reablement, £0.168m on in-house learning disability services and £0.330m on under 65 physical disability packages. The Quarter Two spend extrapolated indicates a full year forecast outturn after reserves of £64.4m - £1.9m lower than the current forecast. This difference is mainly accounted for by the following items:

- NHS grants not yet committed but in forecast £0.660m
- New under 65 mental health placements starting from Qtr 3 – additional rest of year spend £0.170m
- Reablement – increased spend on pay in Qtrs 3 and 4 £0.100m
- Recruitment to first half year vacancies in Commissioning £0.100m
- Rest of year additional spend on training £0.110m
- Rest of year additional spend on Campus Closure revenue £0.085m
- Recruitment to fist half year vacancies in Learning Disability and Mental Health management £0.130m

- 3 Older People care package costs are forecast to overspend by £1.54m which is equivalent to 6% of the budget allocation of £26.5m. Within this, there are overspends in Residential and Home Care partially offset by underspends in Respite care and Direct Payments. The 2013/14 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 health. 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.

- 4 Residential placement activity is much higher than for the equivalent period last year with an additional net 44 placements (8% increase) since 1st April 2013. Customer choice is having an adverse impact on the use of block contract beds. Rates of attrition are also lower than for the equivalent period last year.
- 5 For Learning Disabilities, the service area is forecasting to overspend by £0.243m on care packages after use of a reserve to offset Ordinary Residence pressures. The over spend includes a significant underachievement of other local authority income of £0.388m. Efficiencies are broadly on target.
- 6 Within the Older People client service group, the impact of former self funders continues to be tracked. In the first two quarters of 2013/14, fourteen service users in this category have required council support at an estimated full year cost of £0.173m. If the trend continues, the net cost for 2013/14 will be £0.239m. The customer numbers are slightly 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.
- 7 The Commissioning service is forecasting to underspend by £0.114m (£0.054m in Quarter 1) after contributions from reserves. This is due to small over and under spends on contracts and one-off under spends on pay following recruitment to new structures. Of the £0.200m set aside for the residential dementia fee uplift, £0.140m is assumed to be used in the forecast.
- 8 Customer income is over budget by £0.284m (3%) within the Business & Performance service area. This reflects higher levels of residential care income due to higher than budgeted placement numbers.
- 9 HRA is subject to a separate report.

Children's Services

- 10 The full year projected outturn position for 2013/14 as at September 2013 is over budget by £2.633m (6.7%) mainly due to pressures in Children in Care and Care Leavers (£172k), Intake and Family Support (£174k) Fostering and Adoption (£819k), Transport (£516k) and DSG contributions to central overheads (£848k). Had the pressure for the Directorate not been managed in year by reserves set aside from the 2012/13 financial year the pressure would be £6.389m.

The ringfenced Dedicated School Grant reserves of £853k that is not anticipated will be spent in 2013/14 will be added to the Schools Block for 2014/15 and redistributed to Schools.

Director	Year to date				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
Children's Services									
Director of Children's Services	211	285	(90)	(16)	422	634	212	(212)	-
Children's Services Operations	14,451	16,748	(1,479)	818	28,740	33,259	4,519	(3,280)	1,239
Learning, Commissioning & Partnerships	2,749	2,462	(50)	(337)	5,521	5,520	(1)	(56)	(57)
Joint School Commissioning Service (Transport)	3,036	3,310	-	274	7,012	7,552	540	(24)	516
Partnerships	472	517	(24)	21	610	675	65	(65)	-
Total Children's Services (ex Schools / Overheads)	20,919	23,322	(1,643)	760	42,305	47,640	5,335	(3,637)	1,698
DSG Contribution to Central Support	(784)	(360)	-	424	(1,567)	(719)	848	-	848
ESG Contribution to Central Support	(779)	(735)	-	44	(1,558)	(1,471)	87	-	87
Total Children's Services (excluding Schools)	19,356	22,227	(1,643)	1,228	39,180	45,450	6,270	(3,637)	2,633

- 11 At the time of writing there have been 41 new independent fostering agency placements since the beginning of the financial year, where the average cost is £39k. Most of these placements are part sibling groups. This is in line with the increased numbers in Looked After Children. Three of these admissions are children or babies with disabilities who have higher than average annual costs.

The table below indicates the upward trajectory and pressure on the budget.

12	Total as at September 2012	Total as at September 2013	% increase
Number of LAC	227	285	25.6%
Number of LAC - In House Placements	79	92	16.5%
Number of LAC - Independent Placements	82	112	36.6%
Child Protection Plan	239	290	21.3%
Children in Need	1,593	1,772	11.2%
Number of Referrals (YTD)	1,163	1,207	3.8%

- 13 Central Bedfordshire Council has been allocated £555k of The Adoption Reform Grant for 2013/14. The purpose of the grant is to provide support to Local Authorities with the implementation of the reforms. The main allocations for 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, an important part of fostering and adoption support to ensure a successful placement.

- 14 The forecast overspend in Transport is a combination of mainstream transport (£316k) and SEN transport (£200k). This is due to an increase in demand in targeted transport and managed moves.
- 15 The Dedicated Schools Grant allocation against overheads has been recalculated against allowable services, resulting in a reduced level of overhead that can be recovered this way, hence the pressure (£848k).
- 16 The actual spend to date of £22.287m, over budget by £1.286m after in year use of reserves, is in line with the current full year forecast overspend of £2.633m.
- 17 Not currently forecast and a risk to the current forecast outturn position is the anticipated reduction to the Education Services Grant and a further increase in pressures for Looked After Children. The Education Services Grant is reduced each quarter based on the number of pupils in the converting Academy, pro rata to the financial year. The rate is set at £116.46 per pupil for mainstream schools and £494.96 in total for special schools. Regional comparisons with other local authorities indicate a further rise in the number of Looked After Children.
- 18 The Early Intervention Grant which funded £9.77m of core services in 2012/13 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 provision for Looked after children in the Music Service
 - Commissioning for Youth Service
 - Early Intervention & Prevention

The Children's Services budget did not increase in line with the transfer to RSG due to the national reduction and two year old funding moving to the DSG. This has been managed in year by an Earmarked reserve of £1.193m but will be a pressure for the MTFP in the budget year 2014/2015.

Community Services

- 19 Community Services directorate manages a gross expenditure budget of £40,711k and income budget of £4,927k leaving a net expenditure budget of £35,784k.

Director	Year to date				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
Community Services									
Community Services Director	125	90	-	(35)	251	189	(62)	-	(62)
Highways Transportation	4,514	4,930	(11)	405	10,504	10,673	169	(11)	158
Environmental Services	10,997	11,306	(277)	32	22,100	22,734	634	(786)	(152)
Libraries	1,256	1,129	-	(127)	2,930	2,832	(98)	-	(98)
Total Community Services	16,892	17,455	(288)	275	35,785	36,428	643	(797)	(154)

- 20 Community Services’s overall forecast outturn is £153k (0.4%) under budget after the use of earmarked reserves of £797k for one-off specific projects.

The Directorate had an annual savings target of £3,618k. At the end of September, the savings delivered totalled £1,447k which is currently £318k behind profile.

- 21 Community Services Director is forecasting an under spend of £62k due to salary savings.
- 22 Highways and Transport has projected an outturn of £161k overspend.

This is due to an overspend of £56K on fleet costs as a result of an ageing fleet. An overspend of £65K as a result of over provision of services in the first term of operating the Oak Bank service and ongoing fuel and staffing issues. Work is being undertaken to review the service and costs.

There is also a £30K overspend due to winter maintenance which has previously been advised.

- 23 Environmental Service is forecasting an under spend of £153k.

There is a forecast underspend of £29K on emergency planning on salaries and supplies and services

There is a forecast underspend of £115K on community services down to salary savings and one-off income being received .

- 24 Libraries are forecasting an under spend of £98k which is mainly down to salaries underspend. This figure is mainly due to a number of vacancies at the beginning of the financial year following the Library Service staff re-structure.

Regeneration and Business Support

- 25 Regeneration and Business Support directorate manages a gross expenditure budget of £17,218k and income budget of £9,163k leaving a net expenditure budget of £8,055k.

Director	Year to date				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
Regeneration and Business Support									
Service Development	268	209	-	(59)	536	512	(24)	-	(24)
Planning	3,006	2,436	(99)	(669)	6,357	6,458	101	(199)	(98)
Economic Growth, Skills & Regeneration	495	649	(223)	(69)	1,163	1,535	372	(348)	24
Total Regeneration and Business Support	3,769	3,294	(322)	(797)	8,056	8,505	449	(547)	(98)

- 26 Regeneration and Business Support’s overall forecast outturn is £97k (1.2%) under budget after the use of earmarked reserves of £547k for one-off specific projects.

- 27 Service Development is forecasting an under spend of £24k due to salary savings.
- 28 The Economic Growth Skills & Regeneration has projected an outturn of £24k overspend.

Within this, the Adult Skills & Community Learning service is currently showing a full year overspend of £73k. 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.

- 29 The Planning Division is forecasting an underspend of £97k. This is under spend on professional consultancy and salaries.

Public Health

- 30 The full year projected outturn position as at September 2013 is an underspend of £0.6m as a contribution to the Councils overheads. The forecast is dependent on the receipt of financial information from Bedford Borough Council which hosts some major demand led commissions on behalf of Central Bedfordshire. This is managed through Service Level Agreements and settled on a quarterly basis.

Director	Year to date				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
Public Health									
Director of Public Health	(4,322)	(4,583)	-	(261)	(8,643)	(8,643)	-	-	-
Assistant Director of Public Health	4,322	4,203	(39)	(158)	8,643	8,475	(168)	168	-
Total Public Health (Excl overheads)	-	(380)	(39)	(419)	-	(168)	(168)	168	-
Contribution to Central Support	-	(315)	-	(315)	-	(631)	(631)	-	(631)
Total Public Health	-	(695)	(39)	(734)	-	(799)	(799)	168	(631)

- 31 The YTD spend is a £0.7m under spend. The majority of which relates to the unspent reserve that is forecast to be fully utilised.

Improvement & Corporate Services

- 32 The forecast outturn position is an underspend of £428k after movement to and from earmarked reserves.

Director	Year to date				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
Improvement and Corporate Services									
Improvement and Corporate Services Leadership	97	181	(41)	43	195	316	121	(73)	48
Communications	443	451	-	8	887	895	8	-	8
Customer Services	962	995	-	33	1,924	1,940	16	-	16
Programme and Performance	279	297	(3)	15	559	641	82	(76)	6
Policy & strategy	82	74	-	(8)	165	160	(5)	-	(5)
Customer & Community Insight	-	-	-	-	-	-	-	-	-
Procurement	185	164	-	(21)	371	371	-	-	-
People	1,354	1,386	-	32	2,708	2,714	6	-	6
Information Assets	3,518	3,621	-	103	7,036	7,066	30	-	30
Legal & Democratic Services	1,751	1,758	-	7	3,791	4,015	224	95	319
Total Improvement and Corporate Services	8,671	8,927	(44)	212	17,636	18,118	482	(54)	428

- 33 £48k 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.
- 34 £490k pressure within Legal Services, due to unbudgeted posts as a result of restructure (£159k), unachievable vacancy factor (£51k), increase Children's Services cases (£227k) and unbudgeted Copyright Licence (£60k). These are partly mitigated by higher than budgeted Local Land Charge income (-£50k), lower than budgeted members' allowances (-£30k) and savings within Education Appeals (-£42k).

Corporate Resources & Costs

- 35 The full year budget of £22.417m is made up of:

Corporate Resources £11.405m
Corporate Costs £14.244m
Contingency & Reserves (£3.232m)

- 36 Overall Corporate Resources & Costs is forecasting an £855k underspend.

Director	Year to date				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
Corporate Resources									
Chief Executive	149	156	-	7	299	299	-	-	-
Finance	2,441	2,078	-	(363)	5,296	5,192	(104)	-	(104)
Housing Benefit Subsidy	(206)	(206)	-	-	(412)	(412)	-	-	-
Assets	3,111	3,125	(124)	(110)	6,222	6,272	50	(289)	(239)
Total Corporate Resources	5,495	5,153	(124)	(466)	11,405	11,351	(54)	(289)	(343)
Corporate Costs									
Debt Management	5,855	5,361	-	(494)	11,710	11,093	(617)	-	(617)
Premature Retirement Costs	1,477	1,416	-	(61)	2,954	2,830	(124)	-	(124)
Corporate HRA Recharges	(45)	(45)	-	-	(90)	(90)	-	-	-
Efficiencies	150	(52)	-	(202)	(329)	(103)	226	-	226
Contingency and Reserves*	(2,490)	(2,496)	-	(6)	(3,235)	(3,232)	3	-	3
Total Corporate Costs	4,947	4,184	-	(763)	11,010	10,498	(512)	-	(512)

- 37 There is an overall saving of £104k in Finance. This is made up of a pressure of £357k in Insurance income as a result of providing services to fewer schools as more become Academies. This pressure has been mitigated in whole by savings in a number of areas: £225k saving in Insurance due to reduced premiums; £50k saving in Financial Performance & Support due to lower than budgeted staff costs; £34k saving in Audit staff costs as a result of vacancy savings and a team member on long term sickness; £148k saving in Revenues and Benefits caused by receiving unbudgeted grant from central government for Welfare Reform.
- 38 A £239k underspend within Assets, largely resulting from additional income of £692k from the farms estate, £133k from offices and £116k from the investment portfolio. This is partly offset by pressures of £331k 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.
- 39 In Corporate Costs there is a forecast reduction of interest payable (-£300k), as a result of borrowing levels being lower than budgeted. There is also a forecast reduction of Minimum Revenue Provision (MRP) of £317K. This is due to a lower than budgeted spend on the Authority's Capital Programme in 2012/13.
- 40 There is an expected underspend in historic Premature Retirement Costs of £124k. The amounts charged for the scheme are expected to be lower than budgeted for the year.
- 41 £226k pressure in Cross Cutting Efficiencies. There was a £380k saving due to unused superannuation increase budget provision, the benefit of which has been negated by unachievable prior years' Channel Shift efficiency of £145k and unachievable 2013/14 Customer First Efficiencies £461k.

Appendix B - Debtors

- 1 Total general CBC sales debtors (excluding house sales and grants) for September amounted to £7.1m a reduction of £0.4m on August (well within normal parameters). Of this £2.9m was over 60 days (£3.6m in August); all of which is actively being managed.

Of the Over 60 days - £2.5m is actively being chased, £7k is in dispute, work to resolve these is ongoing. £0.2m have instalment arrangements in place. £0.2m is being dealt with through legal channels.

Debtors September 2013														
DIRECTORATE	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	%
Social Care Health & Housing	530	20%	341	13%	614	23%	60	2%	666	25%	469	18%	2,680	100%
Children's Services	146	18%	96	12%	443	56%	2	0%	90	11%	17	2%	794	100%
Community Services	133	43%	49	16%	14	5%	8	3%	34	11%	69	22%	307	100%
Regeneration	147	6%	1,082	44%	79	3%	26	1%	423	17%	706	29%	2,463	100%
D.I.C.S	5	12%	4	9%	17	40%	0	0%	3	7%	14	33%	43	100%
Assets & Finance	163	19%	365	42%	19	2%	-1	0%	177	20%	147	17%	870	100%
Unallocated & Non Directorate	-3	5%	-27	49%	-3	5%	-1	2%	-15	27%	-6	11%	-55	100%
GRAND TOTAL	1,121	16%	1,910	27%	1,183	17%	94	1%	1,378	19%	1,416	20%	7,102	100%
PREVIOUS MONTH	1,608		1,797		546		455		1,717		1,394		7,517	100%

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

- Adult Social Care debt at the end of Quarter 2 stood at £4.7m (£4.3m end of Quarter 1) of which £2.2m was house sales debt and £0.9m Health Service debt. Of the remaining general debt of £1.6m, £1.041m (64%) is more than 60 days old. General fund debt includes legacy debt of £0.6m as well as Central Bedfordshire debt. There are 31 debtors whose outstanding balance is greater than £10k which are all under active management.
- Community Services total debt at the end of September was £0.307m. About 78% of debt is less than three months old. All debt recovery is in accordance with Council policy.
- Regeneration total debt at the end of September was £2.463m. Invoices relating to developers legal contributions to deliver planning requirements associated with new developments account for 80% of debt. About 71% of debt is less than three months old. All debt recovery is in accordance with Council policy.
- Total debt for Children's Services is £0.795m of which £110k is debt over 61 days. The debt over £10k totals £0.716m, of which £0.699m relates to Bedford Borough.

- Overall debt within Corporate has reduced by £231k in the month to £913k. Of this there is 537k is within 30 days representing 59% of the overall debt. There is currently £341k that is over 90 days old; this represents 37% of the current total debt.

Appendix C - Treasury Management

Borrowing

- 1 As at 30th September 2013 the Council's total borrowing was £316.1m. Of this amount, £297.6m was with the Public Works Loan Board (PWLB), £13.5m was Market Debt and £5m was temporary borrowing taken out to support cash flow requirements. The temporary borrowing had been expected and was taken out with another local authority for a period of two weeks at a rate 0.27% and the council intends to continue to borrowing in order to meet short term cash requirements as required going forward.

The table below shows the split between the General fund and HRA.

	PWLB Fixed £m	PWLB Variable £m	Market (LOBO) £m	Short term temp debt	Total £m
General Fund	97.0	35.6	13.5	5.0	146.1
HRA	120.0	45.0	0.0	0.0	165.0
TOTAL	217.0	80.6	13.5	5.0	316.1

The profile of debt is split so that overall the authority has 68.6% Fixed PWLB debt, 25.5%, Variable PWLB debt, 4.3% Fixed Market debt and 1.6% Fixed Temporary borrowing; this is shown in A1 on Appendix C.

Investments and Deposits

- 2 When investing, the Council's main priorities remain security and liquidity, before yield. To diversify its Investment portfolio the Council is continuing to invest 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 Appendix C shows the breakdown of investment by institution as at 30th September 2013.

The Council continues to keep investment fairly liquid, the two main reasons for this are that firstly it has the option to withdraw funds fairly quickly when required, and secondly so cash balances can be used to fund the capital expenditure programme. B3 of Appendix C shows the maturity portfolio of the Council's investments

- 3 As at the 30th September 2013, the Council had £1.6m of its internal investments, in call accounts and Money Market Funds (MMF) which equates to 2.9%, (compared to 38.8% this time last year), the main reason for the reduction is that the actual return payable in these accounts has fallen significantly (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, As reported last quarter this has led to the council funding short term dips in the cash flow by short term borrowing from our brokers. Currently the Council has deposits placed on varying interest rate between 0.58% and 0.9%.

- 4 The authority received its benchmarking results for quarter 2 ending 30th September which compared the authority's Treasury Management activities against 35 other local authorities. It showed that the Council's average rate of return on investments was 1.11% (which includes long term investment in the Lime Fund) compared to the benchmark authorities' average of 1.01%. B2 of Appendix C shows how the authority favourably compares to others benchmarked

Cash Management

- 5 Daily cash movements have ranged between net payments of £13.5m and net income of £13m, over the first half of the year.
- 6 Cash held by the Council has fallen by £12.6m year on year. The average balance the Council holds is considerably lower than other benchmarked authorities. The average for the Council was £74.6m compared to a benchmark average of £147.2m. The Council was internally borrowed by £68m at 31st March 2013

The Council's deposits and investments represents cash held for both the HRA and the general fund. Cash balances are expected to fall considerably over the next two quarters, reflecting the seasonal pattern of the income to spend ratio.

Outlook

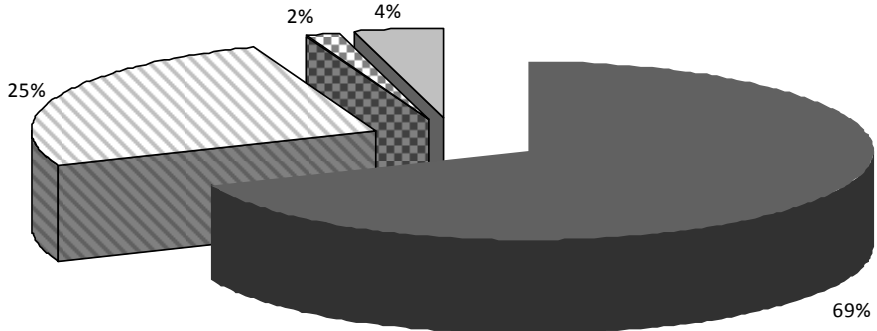
- 7 The UK Bank Base Rate is not expected to rise until 2015/2016 and the short-term rate of return on investments and deposits will remain at very low levels.

Over the next two quarters the Council plans to continue to use cash flow balances in lieu of borrowing to fund capital expenditure, and to fund small dips in cash flow by borrowing short term.

Currently the Council expects to make a saving of £300k in interest debt costs compared to budget which has been reflected in the forecast and to meet the budget for interest income.

A1

**Analysis of Borrowing Type as at 30th September 2013 -
Total £316.1m**

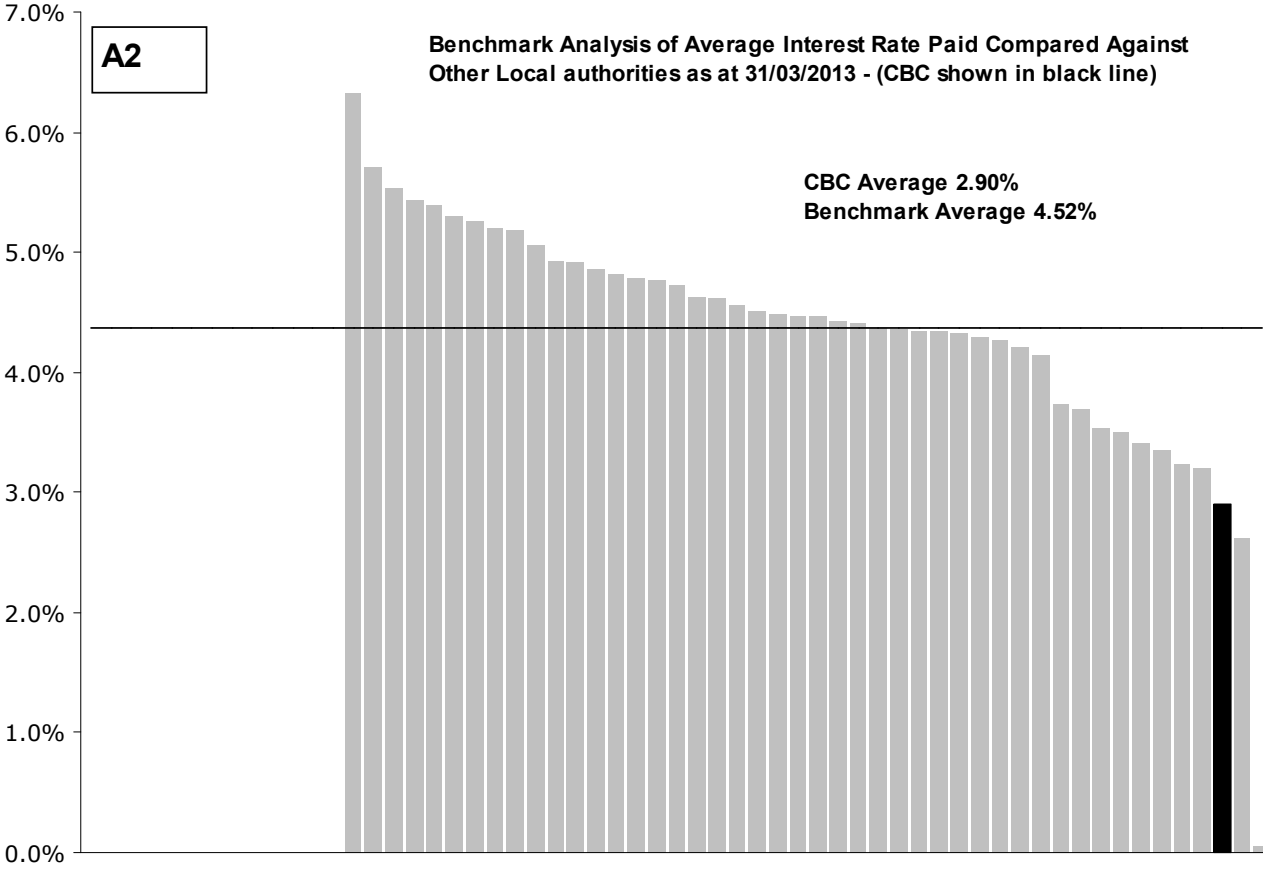


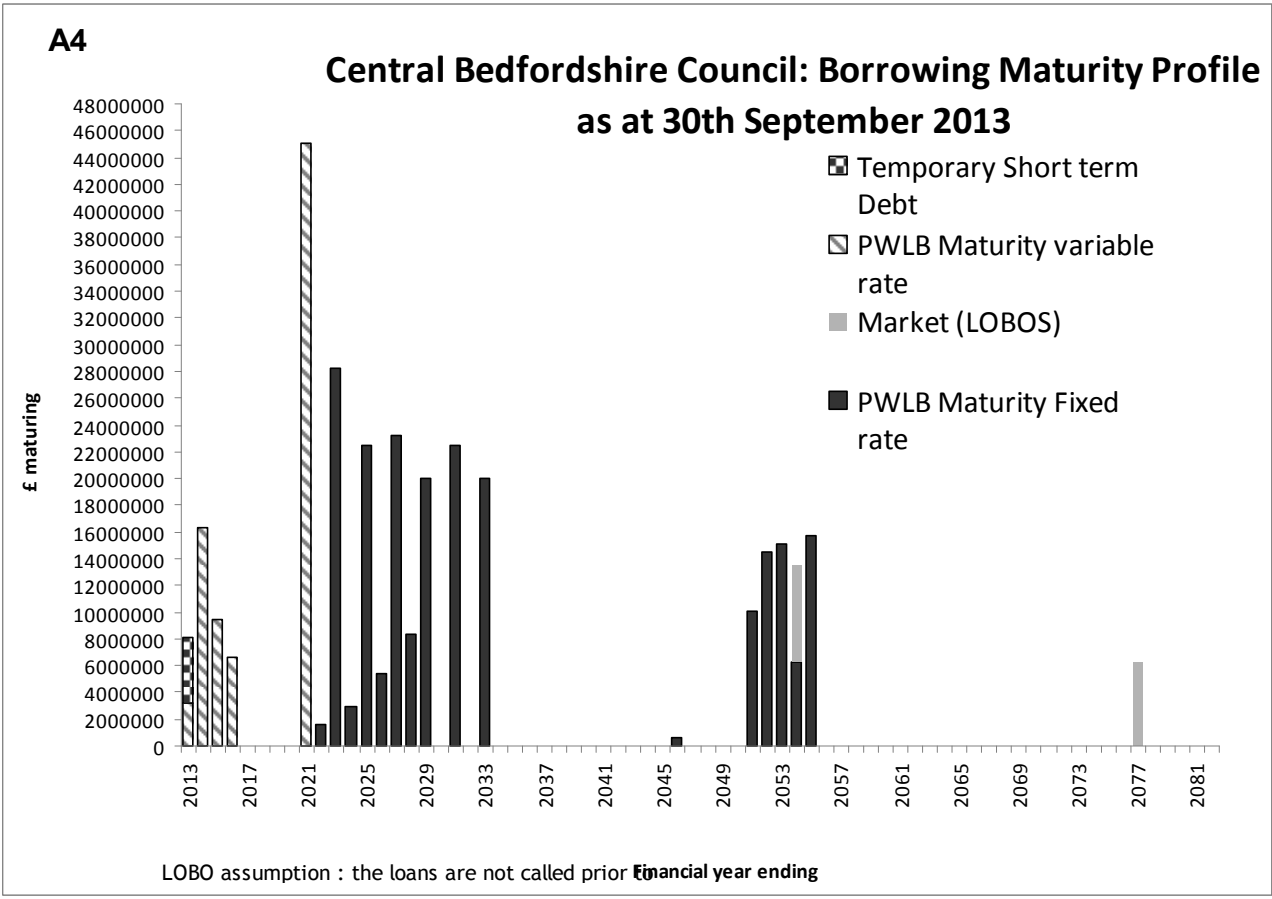
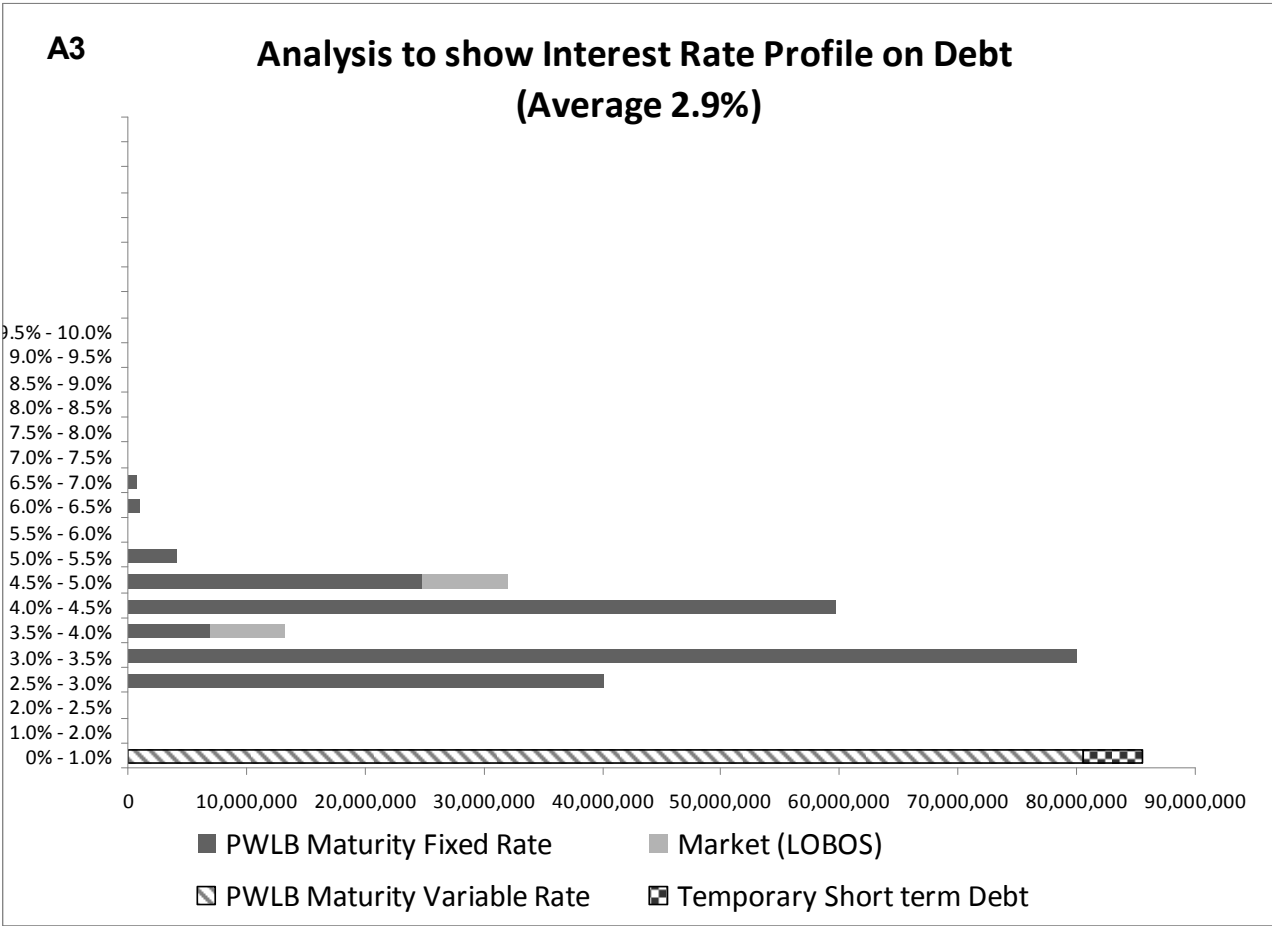
■ PWLB Fixed Borrowing	£217m
▨ PWLB Variable Borrowing	£80.6m
▩ Temporary short term borrowing	£5m
■ Market Borrowing	£13.5m

Authorised Limits
 - Fixed Rated Borrowing 100%
 - Variable Rated Borrowing 35%

A2

**Benchmark Analysis of Average Interest Rate Paid Compared Against
Other Local authorities as at 31/03/2013 - (CBC shown in black line)**



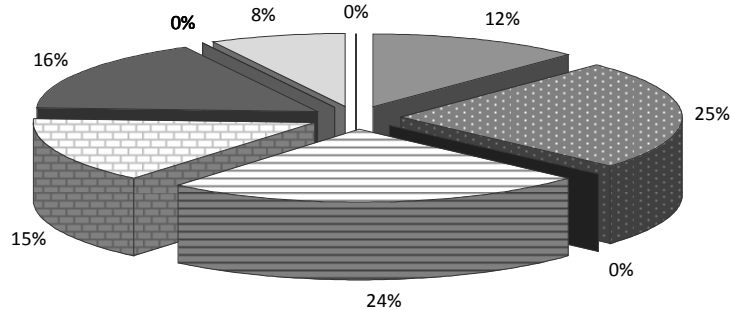


B1

Analysis of Investments as at 30th September 2013 - Total Investments £61.3m

Authorised Maximum Limit

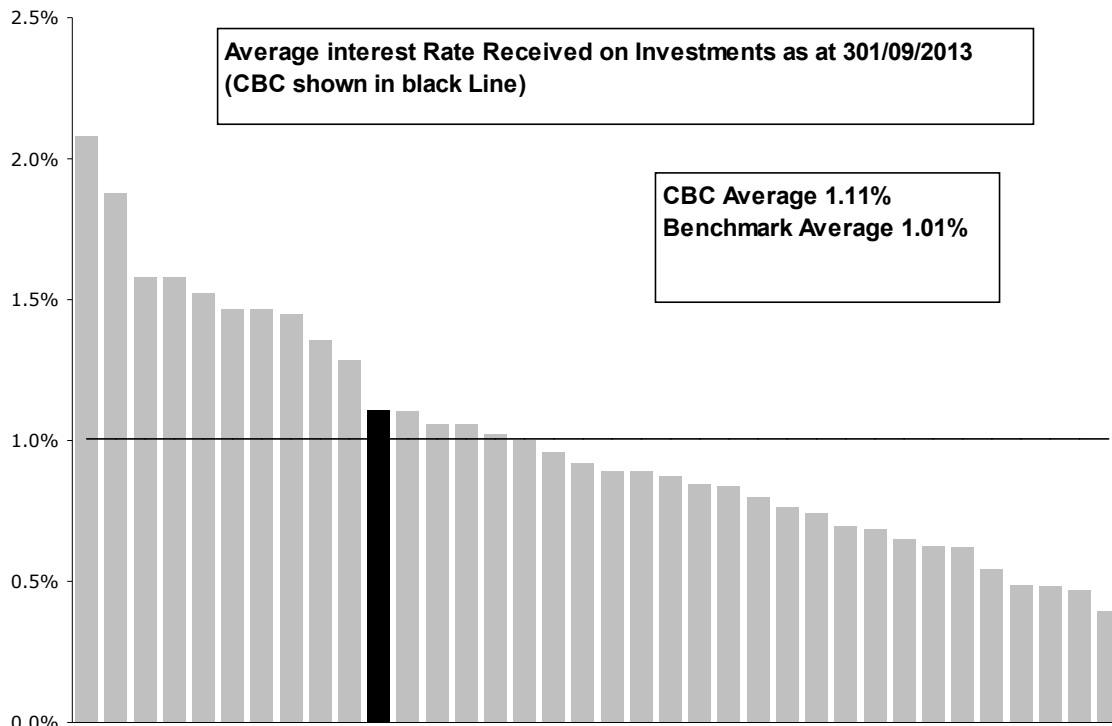
- National Westminster £25m
- Other Banks £15m
- Lime Fund £10m
- Money Market Fund 40%



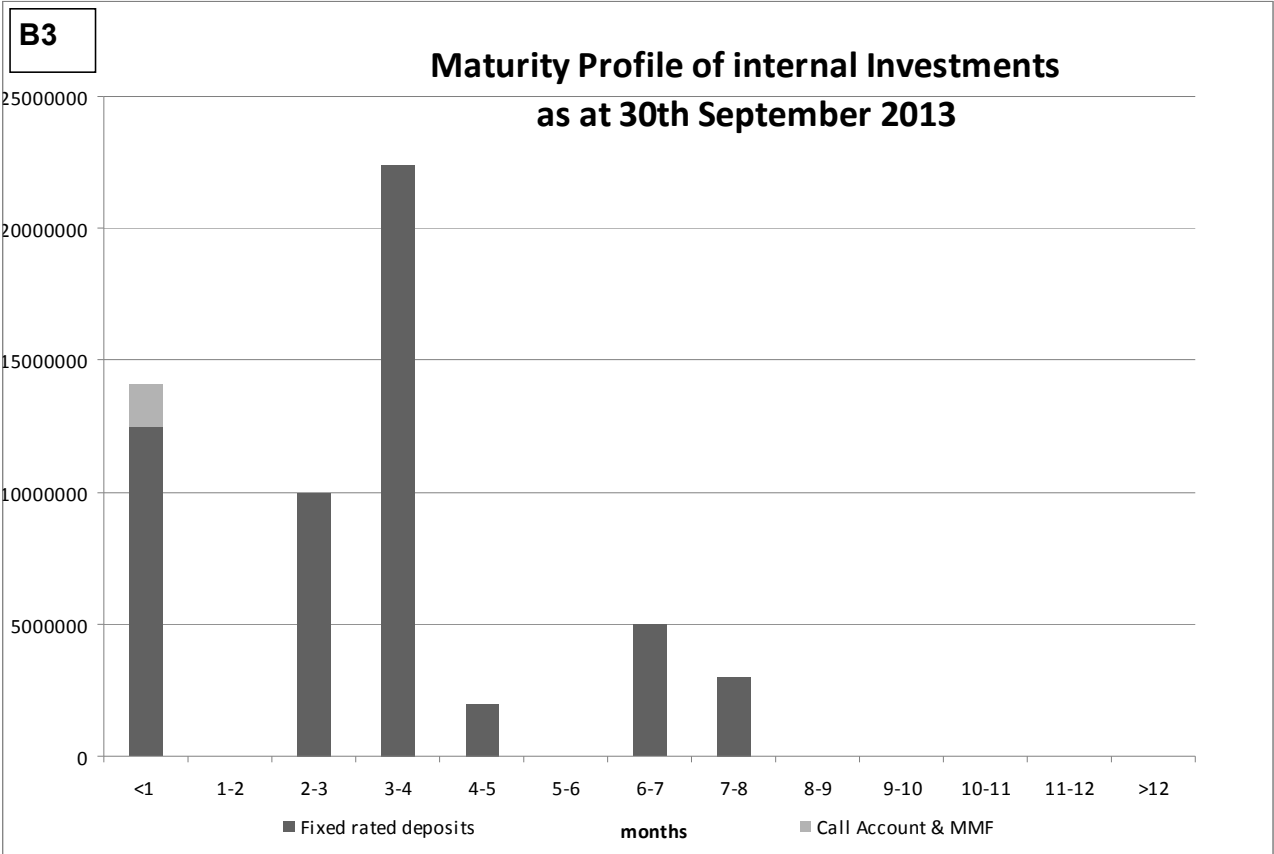
- Santander £0m
- Bank of Scotland £7.5m
- Barclays Bank £15m
- DMO £0m
- Lloyds TSB £14.93m
- NatWest Bank £9.12m
- Nationwide B/S £10m
- Goldman Sachs MMF £0m
- RBS MMF £0m
- BlackRock MMF £0m
- Ignis MMF £0m
- Lime fund £4.77m

B2

Average interest Rate Received on Investments as at 30/09/2013 (CBC shown in black Line)



CBC Average 1.11%
Benchmark Average 1.01%



Meeting: Corporate Resources Overview and Scrutiny Committee
Date: 17 December 2013
Subject: Q2 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 Q2 Housing Revenue Account projected outturn position for 2013/14 for both revenue and capital.

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.

RECOMMENDATION:

The Committee is asked to:-

- 1. Consider and comment on the attached report and associated appendices which was reviewed by the Executive on the 10th December 2013.**

PURPOSE OF REPORT

11.	The report presents the 2013/14 HRA financial position as at the end of September 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 Corporate Overview & Scrutiny Committee to consider the overall financial position of the HRA.
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EXECUTIVE SUMMARY

12.	The revenue forecast position as at the end of September 2013 projects a year end surplus of £7.131m compared to a budgeted surplus of £4.806m, an improvement of £2.325m.
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13.	There are four key positive variances arising from increased income (£0.592m), lower interest costs from the self financing debt (£0.940m), reduced maintenance costs (£0.214m), and savings in direct revenue financing of the capital programme (£0.720m). These are offset by other minor adverse variances that in total amount to £0.141m.
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14.	There are variances within the individual capital projects as a result of the change in approach to capital investment as set out in the Housing Asset Management Strategy (HAMS). This reflects the change in focus from planned maintenance to repairs led maintenance on certain projects.
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15.	The 2013/14 budget for the HRA anticipates a contribution to the Extra Care Development Reserve of £3.912m and a contribution to the Strategic Reserve of £0.893. The analysis above enables a total forecast contribution to reserves of £7.131m.
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16.	The forecast position for the HRA capital programme indicates an under
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	spend of £2.345m, with an outturn of £8.550m against a budget of £10.895m.
17.	Planning approval for the Dukeminster Extra Care facility was granted in June 2013. At that point approval was also granted for preliminary works to be progressed, so that the site could be cleared in readiness for construction works. The tendering process is currently under way, with 2 companies requesting an extension to the tender deadline. Allowing for this delay it is now anticipated that building work could commence in January 2014, subject to the appointment of a contractor in December 2013.
18.	During July it was confirmed that the council will receive £1.703m of funding towards the Dukeminster project from the Homes and Communities Agency (HCA), following a bidding process. This allocation is dependent on achieving a timescale for the build, which will see completion in the summer or early autumn of 2015.
19.	On the current timeframe, it is predicted that £2.500m (£4.125m budget) will be spent from the budget set aside for the Dukeminster project in 2013/14. This expenditure will be financed from the Extra Care Development Reserve.
20.	As a result, the year end balance in the Extra Care Development Reserve is now predicted to be £11.416m, with £6.389m available in the Strategic Reserve and £2.200m in contingencies. This equates to a predicted total reserve balance of £20.005m.
21.	Forecast figures at the end of September are subject to variations as the revenue and capital programmes evolve over the course of the year.
HRA REVENUE ACCOUNT	
22.	The HRA annual expenditure budget is £22.572m and income budget is £27.378m, which allows a contribution of £4.806m to reserves to present a net budget of zero. A subjective breakdown of budget, year to date position and forecast outturn is shown below.

23.

	2013/14 Budget	Budget YTD	Actual YTD	Variance YTD	Full Year Forecast	Variance Full Year Forecast to Budget
	£m	£m	£m	£m	£m	£m
Total Income	(27.378)	(13.689)	(13.773)	(0.084)	(27.970)	(0.592)
Housing Management	4.152	2.076	1.793	(0.283)	4.192	0.040
Financial Inclusion	0.200	0.100	0.066	(0.034)	0.150	(0.050)
Asset Management	0.965	0.483	0.473	(0.010)	1.026	0.061
Corporate Resources	1.320	0.660	0.728	0.068	1.410	0.090
Maintenance	4.528	2.264	2.247	(0.017)	4.314	(0.214)
Debt related costs	0.119	0.059	0	(0.059)	0.119	0
Direct Revenue Financing	6.570	3.285	2.925	(0.360)	5.850	(0.720)
Efficiency Programme	(0.190)	(0.095)	(0.095)	0	(0.190)	0
Interest repayment	4.908	2.454	1.987	(0.467)	3.968	(0.940)
Principal repayment	0	0	0	0	0	0
TOTAL Expenditure	22.572	11.286	10.124	(1.162)	20.839	(1.733)
Surplus	(4.806)	(2.403)	(3.649)	(1.246)	(7.131)	(2.325)
Contribution to / (from) reserve (actioned at year end)	4.806	2.403	3.649	1.246	7.131	2.325
Net Expenditure	0	0	0	0	0	0
^ Included for balancing and illustrative purposes only						

24.	There are a number of year to date variances across the HRA. Total income has a positive variance of £0.084m (positive £0.076m August). A proportion of service charge income is not posted on a monthly basis; once this is taken into account, income is forecast to achieve a full year positive variance of £0.592m. The positive income variance is accounted for by increased rental income (£0.682m), offset by reduced investment income (£0.148m), and other minor positive variances (£0.058m).
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 £0.283m (£0.197m August). This is due to actual cost being incurred slightly out of budget profile for Stock Condition Survey (£0.128m) and insurance premiums (£0.050m), reduced utility costs due to decentralisation (£0.030m) of gas boilers, and other minor variances. The full year forecast is projecting a minor adverse variance of £0.040m, reflecting a slight increase in the staffing costs and an increase in spend on maintaining furniture and equipment at sheltered accommodation.
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 final year end calculation is undertaken.
28.	The Maintenance budget has a year to date positive variance of £0.017m (adverse £0.058m August). The full year forecast is projecting savings of £0.214m. As a consequence of the changes initiated by the HAMS, external decorations have been rescheduled from a 5 year to a 7 year cycle. This is forecast to deliver savings of £0.037m. In addition further savings are anticipated from a reduction in expenditure on the maintenance of communal central heating systems (£0.033m), a reduction in forecast void costs (£0.070m), and other minor variances. Although savings are forecast in these areas, there is an element of uncertainty due to the unpredictability of responsive maintenance.
29.	In respect of the debt costs, a saving of £0.940m is projected due to lower than budgeted interest costs. The average interest rate achieved on the Council's self-financing debt for 2013/14 is 2.40%, 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 0.57%. 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 September 2013. This rate rose from 0.55% to 0.57% and will not change again until the end of March 2014.
31.	Since the variable rate for the second half of the year has been set in

	September 2013, an average variable rate of 0.56% has been achieved for the year 2013/14 as opposed to the variable debt budgeted rate of 2.65%.
32.	The forecast revenue position for the financial year would allow a total transfer to reserves of £7.131m, an additional amount of £2.325m 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 a reduction in spend on financial inclusion, external decorations, communal central heating maintenance and reduced void maintenance 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 £1.064m at the end of September (£0.992m at September 2012). Current tenant arrears are £0.697m or 2.44% of the annual rent debit of £28.772m (£0.579m or 2.12% at September 2012). A total of £0.057m of HRA rent arrears debt was written off to September 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 60% of rental income is received from housing benefit payments.
38.	Performance on former tenant arrears is 1.28% of the annual rent debit against a target of 1.00%, leaving a balance of £0.367m (1.52% with a balance of £0.413m at September 2012).
39.	There are currently £0.122m of arrears non tenant arrears (£0.147m August), 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.
40.	The HRA owns 26 Shops, 10 of which are on a long lease, 14 are on rental agreements, and 2 are vacant and available to let. Arrears from HRA shops are £0.048m (£0.52m August). There is one tenant who has an outstanding debt of £0.023m. Payment of this debt is actively being pursued through solicitors. The average arrears at the other HRA shops is £1,666.

HRA CAPITAL RECEIPTS	
41.	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.
42.	Up to the end of September 2013, 14 properties have been sold compared to 19 in the entire financial year 2012/13.
43.	As a result of the changes to housing pooling the council has a balance at the end of September of useable capital receipts of £1.615m (balance bought forward from 2012/13 £0.657m), of which £0.731m 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 £2.435m on new build by 30 September 2016.
45.	The Dukeminster project has been awarded £1.703m from the HCA, therefore the retained receipts from RtB sales reserved for new build cannot be used on this scheme.
46.	The HRA's Budget proposals for the period of the Medium Term Financial Plan (MTFP) propose significant investment in new build (in excess of £6.0m by 30 September 2016, excluding spend on Dukeminster).
47.	There have been 27 RtB applications up to September. This compares to a total of 55 applications in 2012/13. It is quite likely that the total number of sales could be between 25 and 30 for the year, resulting in a residual receipt for the year of potentially £1.500m.
48.	These funds will further enhance the resources available for the HRA's capital programme.
49.	Careful monitoring of RtB sales will be required. Current projections suggest that these will not have a negative 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% (equivalent to approximately 500 properties) or more over the period to 31 March 2017, then this would pose a threat to the surpluses predicted both in the medium and longer term.
HRA CAPITAL PROGRAMME	
50.	There is a year to date positive variance of £0.323m (£0.128m in August) for the HRA Capital Programme, with a forecast year end outturn of £8.550m (£8.665m in August) against a budget of £10.895m.
51.	The year to date position for the HRA Capital Programme reflects the

	implementation of the Housing Asset Management Strategy (HAMS), which incorporates a greater element of repairs led programmes as opposed to pre-planned improvements.
52.	The Central Heating programme has a reduced forecast outturn due to a change in the timing of programme delivery as recommended by the HAMS. The Roof Replacement, General Enhancements and Drainage and Water Supply programmes are also forecast to have a reduced outturn, due to the move towards more repairs led improvement works in these areas.
53.	Stock Remodelling is predicted to outturn at £0.709m, an adverse variance of £0.251m. The increase in spend in this area reflects the priorities of the HAMS for remodelling and regeneration of the housing stock.
54.	A Business Case has recently been approved for the transfer of a former Children's Home in Westfield Road, Dunstable, from the Council's General Fund (GF) to the HRA. The property will be converted into 2 two bedroom homes, which will enhance the Council's stock of properties. Refurbishment and conversion costs are anticipated to cost in the region of £0.112m, which will be financed from the Stock Remodelling budget.
55.	A year end under spend of £2.345m is anticipated for the HRA Capital programme, £1.625m of which relates to lower than budgeted spend on the Dukeminster project. At the current time it is predicted that £2.500m will be spent on Dukeminster from the Extra Care Development Reserve. It is proposed that the under spend on Dukeminster will be carried forward as slippage to spend in the next financial year.
56.	Two of the companies that are tendering for the contract have requested an extension to the tender period. Given the relatively low number of companies that have agreed to tender, a two week extension has been granted to 25 October 2013. The technical and financial evaluation processes, including presentations by shortlisted bidders, will take a further 2 weeks. This allows a proposal to be put to Executive in December. Mobilisation by the successful contractor is likely to be delayed by the Christmas holiday period, so the earliest anticipated commencement of works is now the second week of January.
57.	There is a forecast saving on Aids and Adaptations of £0.100m for the year, which is due to the more robust assessment approach taken by Occupational Therapy (OT).
RESERVES	
58.	The total reserves available as at year end 2012/13 were £15.374m, comprised of £2.000m in HRA Balances, £8.653m in the Extra Care Development Reserve, £1.284m in the Strategic Reserve and £3.437m in the Major Repairs Reserve.
59.	The current position indicates a year end balance in reserves of £20.005m. HRA Balances are projected to remain at a contingency level of £2.000m, with the Extra Care Development Reserve increasing to £11.416m, the Strategic reserve increasing to £6.389m, and the Major Repairs Reserve

	(MRR) reducing to £0.200m.
60.	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 (and not used to finance capital spend).
61.	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 £5.105m is forecast to be transferred.
62.	In total this equates to a forecast contribution to reserves for the year of £7.131m, offset by spend from reserves of £2.500m to enable a net increase of £4.631m.
63.	An investment strategy is currently being formulated, that will set out proposals for the use of the reserves that are forecast to materialise in the short to medium term. This strategy will be referred to in the HRA Budget Report going before Council in February 2014.

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Appendices

Appendix A – Net Revenue Position Full Analysis

Appendix B – Debtors

Appendix C – Capital programme

Appendix D – Reserves

Appendices

Appendix A – Net Revenue Position Full Analysis

Month: September 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	-3,690	-3,679	0	11	-7,380	-7,192	188	0	188
Housing Management (HRA)	800	742	0	-58	1,600	1,698	98	0	98
Asset Management (HRA)	2,689	2,663	0	-26	5,378	5,219	-159	0	-159
Prevention, Options & Inclusion	201	147	0	-54	402	275	-127	0	-127
Total	0	-127	0	-127	0	0	0	0	0

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	0.201	0.195	0.135	0.166	0.000	0.697
Former Tenant						0.367
						1.064

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	0.007	0.016	(0.006)	0.003	0.004	0.024	0.048
Leaseholders	(0.002)	0	0	0.012	0.020	0.014	0.044
Void recoveries	0.003	0.011	0	0.013	0.026	0.006	0.059
Misc recoveries	(0.013)	(0.001)	(0.001)	(0.011)	(0.004)	0.001	(0.029)
	(0.005)	0.026	(0.007)	0.017	0.046	0.045	0.122

Appendix C – HRA Capital Programme

Scheme Title	Existing 2013/14 Capital Budget	Full Year Forecast as at September	Variance	Slippage to 2014/15	Monthly Budget Monitoring September 2013		
					Profilled Budget YTD	Actual YTD	Variance
					Net Expenditure	Net Expenditure	Net Expenditure
					£'000	£'000	£'000
General Enhancements (formerly Minor Works)	255	50	(205)	0	111	9	(102)
Garage Refurbishment	51	15	(36)	0	24	0	(24)
Paths & Fences siteworks	61	40	(21)	0	27	22	(5)
Estate Improvements	255	255	0	0	111	145	34
Energy Conservation	255	300	45	0	111	39	(72)
Roof Replacement	248	50	(198)	0	108	4	(104)
Central Heating Installation	1,071	861	(210)	0	456	440	(16)
Rewiring	347	347	0	0	147	137	(10)
Kitchens and Bathrooms	1,122	1,194	72	0	483	371	(112)
Central Heating communal	180	75	(105)	0	78	37	(41)
Secure door entry	357	275	(82)	0	156	167	11
Structural repairs	153	153	0	0	66	67	1
Aids and adaptations	887	787	(100)	0	387	143	(244)
Capitalised Salaries	350	350	0	0	150	172	22
Asbestos management	131	131	0	0	57	22	(35)
Stock Remodelling	458	709	251	0	198	163	(35)
Drainage & Water Supply	181	50	(131)	0	78	6	(72)
Plasticisation	408	408	0	0	177	97	(80)
Sheltered Housing Reprovision	4,125	2,500	(1,625)	(1,625)	0	561	561
HRA	10,895	8,550	(2,345)	(1,625)	2,925	2,602	(323)

Appendix D – Reserves

Reserves

Month: September 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
Extra Care Development Reserve	8,653	(2,500)		5,263	11,416
Strategic Reserve	1,284			5,105	6,389
Major Repairs (HRA)	3,437	(3,237)			200
	15,374	(5,737)		10,368	20,005

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Meeting: Corporate Resources Overview and Scrutiny Committee
Date: 17 December 2013
Subject: Quarter 2, 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 September 2013.

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 6. It sets out the latest budget and the year end outturn. The 2013/14 net Capital Budget for Corporate Resources (including slippage from 2012-2013) is £16,603k.

14. **Net Capital Forecast Outturn**

	Full Year Budget	Forecast	Expected Slippage to 14/15	Variance	Budget YTD	Actual	YTD Variance
Service	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Info Assets	2,066	1,958	338	230	775	512	-263
Others	2,136	2,363	0	227	809	824	15
Imp & Corp Serv Subtotal	4,202	4,321	338	457	1,584	1,336	-248
Corp Res	12,401	9,878	2,314	-209	5,136	2,390	-2,746
Totals	16,603	14,199	2,652	248	6,720	3,726	-2,994

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 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 (£881k) & Health & Safety Rolling Programme (£852k).

18. For Improvement & Corporate Services projects there is a forecast outturn of £4,659k against budget causing an expected over spend of £457k. This is as a result of expected over spends on two projects. The significant pressures predicted are Your Space 2 (IA) £230k and Customer First £200k.

19. Of the £4,202k budget in Improvement & Corporate Services there is £338k of cost expected to be incurred in future financial years. Capital budget is proposed to be slipped from the current year to cover this. The two schemes involved are both within IA, ECM Implementation (£100k) & Consolidation of Applications (£238k).
20. **Capital – Corporate Resources**
21. The current net 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 £209k underspend. There are a number of projects expecting small variances at year end (see Appendix A2).
23. Due to various timing changes to project delivery schedules there is currently £2,314k expected to be slipped into 2014/15. The A1 South Roundabout – Biggleswade is projecting £1,300k to now be spent in 14/15 due to a delay in the commencement of the project. There is also 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 £800k to 14/15.
24. There is a YTD underspend in Corporate Resources Capital of £2,746k. The A1 South Roundabout – Biggleswade is currently £645k underspent as a result of the commencement of the project being delayed.
25. The delay in the commencing of the Ivel Medical Centre mentioned above has resulted in a £125k YTD underspend. There has been no spend against a YTD budget of £125k
26. There has also been a delay in the Acquisition of Cattle Market & Parkridge Land. The purchases (£1m) were budgeted to be made in September but are now expected to happen in November and December.
27. The Corporate Assets Rolling Programme is currently £850k underspent YTD. This is due to a number of delays with spend across various parts of the rolling programme (£224k Tiddenfoot - M&E & Roofing works, £295k Leighton Buzzard library refurb & roofing, £170k Parkside HWS, £75k Watling canteen works, and £60k Linsell House M&E works). There are also a number of delays to smaller Capital schemes resulting in a net YTD underspend of £126k.

Appendices:

Appendix A1 – Capital Summary- Improvement & Corporate Services

Appendix A2 – Capital Summary- Corporate Resources

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Appendix A

Central Bedfordshire Capital Programme 2013-14 Monitoring Month 6

Directorate	Scheme Title	Project Manager Contact	WBS Code	Total 2013/14 Budget			Full Year Forecast as at Month 6			Variance			Slippage to 20/14/15			(Under)/ Over Spend			Sep-13							
				Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Gross Expenditure £'000	External Funding £'000	Net Expenditure £'000	Perf'd Budget YTD		Actual YTD		Variance			
																			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Improvement & Corporate Services	Abbeots / Health & Safety	Liz Dunn	852	0	852	1,056	-204	852	204	0	204	0	0	0	0	0	859	0	859	289	-204	85	-500	-204	-724	
Improvement & Corporate Services	Performance / Complaints Management System	Eilene Malerky	30	0	30	32	0	32	2	0	2	0	0	0	0	0	0	0	0	17	0	17	0	0	17	
Improvement & Corporate Services	SAP Optimisation - Undertaken by Richman Group	Nick Bighton	373	0	373	386	0	386	25	0	25	0	0	0	0	0	0	0	397	0	397	397	0	0	397	
Improvement & Corporate Services	Customer First	Bernie McGill	881	0	881	1,081	-200	881	200	0	200	0	0	0	0	0	0	0	0	325	-200	325	325	0	0	325
Improvement & Corporate Services	Other Subtotal		2,198	0	2,198	2,667	-204	2,463	431	0	431	0	0	0	0	0	899	0	899	1,028	-204	824	219	-204	45	
Improvement & Corporate Services	Evidence & Contract Management (KPI/ECM) Implementation	Matt Scott	237	0	237	137	0	137	-100	0	100	0	0	0	0	0	60	0	60	25	0	25	-35	0	-35	
Improvement & Corporate Services	Consolidation of Applications	Matt Scott	338	0	338	100	0	100	-238	0	238	0	0	0	0	0	100	0	100	0	0	0	-100	0	-100	
Improvement & Corporate Services	IA Infrastructure Rolling Programme	Matt Scott	500	0	500	500	0	500	0	0	0	0	0	0	0	0	240	0	240	98	0	98	-142	0	-142	
Improvement & Corporate Services	Public Services Network (PSN)	Matt Scott	150	0	150	150	0	150	0	0	0	0	0	0	0	0	100	0	100	95	0	95	-5	0	-5	
Improvement & Corporate Services	Childrens Case Management System	Matt Scott	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	3	0	0	3	
Improvement & Corporate Services	Data Centre Migration - extension of SAN capacity	Matt Scott	375	0	375	375	0	375	0	0	0	0	0	0	0	0	125	0	125	172	0	172	47	0	47	
Improvement & Corporate Services	Medium Term Accommodation Plan ICT Infrastructure	Matt Scott	486	0	486	696	0	696	-210	0	210	0	0	0	0	0	775	0	775	512	0	512	-263	0	-263	
Improvement & Corporate Services	IA Subtotal		2,066	0	2,066	1,958	0	1,958	-108	0	108	0	0	0	0	0	230	0	230	119	0	119	-31	0	-31	
Improvement & Corporate Services	Improvement & Corporate Services		62,222	0	62,222	64,525	-2,304	61,919	2,607	0	2,607	0	0	0	0	0	1,564	0	1,564	11,540	-2,304	9,236	644	-234	42,488	

Meeting: Corporate Resources Overview and Scrutiny Committee
Date: 17 December 2013
Subject: Quarter 2, 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 September 2013.

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 Period 6 Forecast outturn position as at 30th September 2013.

14. **Introduction and Key Highlights (Appendix A2)**

15. The full year budget for the directorate of £40.051m is made up of:

- Corporate Resources £11.405m
- Improvement & Corporate Services £17.634m
- Corporate Costs £14.244m
- Contingency & Reserves (£3.232m)

16. The directorate outturn position is an underspend of £429k after movement to and from earmarked reserves.

17. The key outturn variances identified are:

18. There is an overall saving of £104k in Finance. This is made up of a pressure of £357k in Insurance income as a result of providing services to fewer schools as more become Academies. This pressure has been mitigated in whole by savings in a number of areas: £225k saving in Insurance due to reduced premiums; £50k saving in Financial Performance & Support due to lower than budgeted staff costs; £34k saving in Audit staff costs as a result of vacancy savings and a team member on long term sickness; £148k saving in Revenues and Benefits as a result of receiving unbudgeted grant from central government for Welfare Reform.

19. A £239k under spend within Assets, largely resulting from additional income of £692k from the farms estate, £133k from offices and £116k from the investment portfolio. This is partly offset by pressures of £331k 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. £48k 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.
 21. £490k pressure within Legal Services, due to unbudgeted posts as a result of restructure (£159k), unachievable vacancy factor (£51k), increase Children's Services cases (£227k) and unbudgeted Copyright Licence (£60k). These are partly mitigated by higher than budgeted Local Land Charge income (-£50k), lower than budgeted members' allowances (-£30k) and savings within Education Appeals (-£42k).
 22. In Corporate Costs there is a forecast reduction of interest payable (-£300k), as a result of borrowing levels being lower than budgeted. There is also a forecast reduction of Minimum Revenue Provision (MRP) of £317K. This is due to a lower than budgeted spend on the Authority's Capital Programme in 2012/13.
 23. There is an expected underspend in historic Premature Retirement Costs (PRC) of £124k. The amounts charged for the scheme are expected to be lower than budgeted for the year.
 24. £226k pressure in Cross Cutting Efficiencies. There was a £380k saving due to unused superannuation increase budget provision, the benefit of which has been negated by unachievable prior years' Channel Shift efficiency of £145k and unachievable 13/14 Customer First Efficiencies £461k.
 25. **Year To Date (YTD) Variance Position as at Period 6**
 26. The YTD Department spend is currently £1,014k under the profiled YTD budget. Some of the material amounts that have been identified as contributing to this under spend are:
 27. There is a £298k YTD under spend in Revs & Bens mainly caused by additional unbudgeted grant received from Central Government. This funding was given to assist with the extra workload caused by Welfare reform changes from April 2013.
 28. There is a YTD under spend of £277k in Corporate Assets. The main variance is £312k for additional aggregate recharges for County Farms to Bedford Borough.
 29. There is an YTD overspend of £145k for the Chief Assets Officer. This is due to consultancy costs for the PACE project.
 30. There is YTD pressure of £290k 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.
 31. There is a YTD under spend of £222k within Democratic Services. This is made up of higher than budgeted Local Land Charges income of £105k, within Registration of Electors there is a £79k under spend mainly due to Canvass fees and postage charges which is expected to be spent later in the year. There is also a £38k under spend on general staff budgets.
 32. Within Debt Management there is a YTD under spend of £494k. This is due to

- Interest Payable for quarters 1 and 2 being lower than budgeted (-£275k) and Interest Receivable being higher than budgeted (-£61k). There is an under spend of £158k due to the Minimum Revenue Provision requirement being less than budgeted.
33. There is a YTD underspend of £202k within Cross Cutting Efficiencies. This is mainly as a result of unused Superannuation increase budget.
34. **Directorate Overall position**
35. The position by service is included in Appendix A2
36. **Narrative- Corporate Resources (note 37 to 58), forecast outturn £11.062m, forecast underspend of £343k (All forecasts are after use of Reserves)**
37. **Chief Executive**
38. Outturn forecast to be on budget of £299k. No material variances currently expected.
39. **Finance, forecast outturn £4.780m.**
40. **Revenues & Benefits, forecast outturn £1.135m.**
41. Revs & Bens Team Budgets – Underspend of £148k mainly due to unbudgeted grant received from Central Government for additional costs incurred as a result of Welfare Reform.
42. Housing Benefit Related Transactions – Forecast outturn to be on budget of -£412k. No material variances currently expected.
43. **Chief Finance Officer, forecast outturn £0.120m**
44. Chief Finance Officer, forecast outturn £0.120m. An under spend of £4k as a result of superannuation savings.
45. **Financial Control, forecast outturn £1.566m**
46. Forecast pressure of £132k after the use of reserves, key variance being:
47. £132k pressure within Insurance Services due to unachievable income budget £357k as a result of providing services to fewer schools as more become Academies and £225k saving as a result of a reduction in Insurance Premiums. This is linked in with Council policies covering fewer buildings & staff as more schools become academies.
48. Financial Control, forecast outturn expected to be on budget of £737k.
49. Income and Sundry Debt, forecast outturn expected to be on budget of £259k.
50. **Financial Performance & Support forecast outturn £1.319m**
51. There is a net under spend of £50K. The main variances are a result of staff vacancies, a reduction in expenditure on agency engagements, a number of staff not being in the local government pension scheme, a reduction in market rate supplement and car mileage & allowances being lower than originally budgeted.
52. **Audit forecast outturn £0.640m**

53. There is a net under spend of £34k expected within Internal Audit. The main variances are a result of vacancy savings and a long term staff sickness.
54. **Assets, forecast outturn £5.983m.**
55. There is a net under spend of £239k forecast within Assets, the main variances being:
56. Corporate Assets, forecast outturn of £798k resulting in a forecast under spend of £608k. This is due to additional farms income of £692k and additional income from the Estates portfolio of £116k, with pressures around consultancy costs of £200k including an unachievable efficiency of £100k for Capital Team staffing.
57. Chief Asset Officer, forecast outturn of £234k causing a pressure of £231k. The main variance being £220k for transformation costs & £14k other staff related costs.
58. Facilities & Maintenance, forecast outturn of £4,950k 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).
59. **Narrative- Improvement and Corporate Services (notes 60 to 87), forecast outturn £17.968m, forecast pressure of £429k. (All forecasts are after use of Reserves)**
60. **Improvement & Corporate Services Dir, forecast outturn £0.243m.**
61. Forecast Outturn is currently a pressure of £48k 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.
62. **Communications, forecast outturn £0.895m.**
63. Forecast pressure of £8k after the use of reserves, key variance being:
64. £12k pressure for unachievable vacancy factor.
65. **Customer Services, forecast outturn £1.940m.**
66. Forecast pressure of £17k, due to vacancy savings not being met in full.
67. **Programme and Performance, forecast outturn £0.565m.**
68. **Operational** - Forecast outturn to be £0.440m. Forecast pressure of £6k after the use of reserves as a result of unachievable vacancy factor.
69. **Non Operational** – Forecast outturn to be on budget of £0.125m. No material variances currently expected.
70. **Policy and Strategy, forecast outturn £0.160m.**
71. Small under spend of £5k currently expected due to savings on staff costs.
72. **Procurement, forecast outturn £0.371m.**
73. No material variances identified.
74. **People, forecast outturn £2.714m.**

75. Forecast pressure of £6k after the use of reserves, key variance being:
76. £35k pressure within Organisational Development due to Organisational Change Support provided by external consultants, a forecast under spend of £17k within staff costs in HR Strategy and forecast under spend of £14k within Occupational Health due to a change in service provision.
77. **Information Assets (IA), forecast outturn £7.066m.**
78. There is a £30k pressure expected as a result of an unachievable income target for Internal Training Course fees.
79. **Legal & Democratic, forecast outturn £4.110m.**
80. Forecast pressure of £318k after the use of reserves, key variance being:
81. £490k pressure within Legal Services, the significant items being £159k due to unbudgeted posts as a result of restructure, £51k pressure for unachievable vacancy factor, and £227k due to increase Children's Services workload and increases of up to 50% in court fees, together with unbudgeted Copyright Licence costs of £60k.
82. £42k savings within Education Appeals due to bring service in house and support from DSG grant.
83. £84k savings in Democratic Services as a result of additional Land Charge income of £50k and £34k staff savings.
84. £30k savings within Members' Costs, due to not all members in the pension scheme.
85. £16k savings within Committee Services due to reappportioning of staff costs to Education Appeals.
86. £14k pressure in Registration Services due to one off pressure for Chip and Pin service.
87. £15k savings within Coroner Services due to recruitment of new Coroner.
88. **Narrative – Corporate Costs (notes 89 to 95), forecast outturn £10.498m. Forecast underspend of £515k. (All forecasts are after use of Reserves).**
89. **Corporate Costs, forecast outturn £13.730m.**
90. Forecast under spend of £515k.
91. There is a forecast under spend of £300k against interest payable as a result of borrowing being lower than budgeted as interest rates remain at historically low levels and in addition, the Council's own cash balances are reducing at a slower rate than previously estimated which defers the need to undertake any new borrowing. Following the completion of the external audit in respect of 2012/13, the Minimum Revenue Provision charge for the current year has been finalised resulting in a forecast under spend of £317K against the original budget estimate.
92. Within Premature Retirement Costs (PRC) there is an expected underspend of £124k
93. There was a £380k saving due to unused superannuation increase budget provision, the benefit of which has been negated by an unachievable prior

- year's Channel Shift efficiency (£145k) and unachievable Customer First Efficiencies from other Directorates (£461k).
94. **Contingency & Reserves, forecast outturn (£3.232m).**
 95. Forecast outturn to be on budget of (£3.232m). No material variances currently expected.
 96. **Reserves position (Appendix B)**
 97. The proposed Year End Earmarked Reserves are detailed in Appendix B.
 98. **Debt Management (Appendix C)**
 99. Overall debt has increased by £196k in the quarter, wholly as a result of an increase in the debt under 30 days. Of the total debt figure of £912k there is £168k which is not yet due representing 18% of the overall debt. There is currently £340k (£347k in Q1) that is over 90 days old; this represents 38% (48% in Q1) of the current total debt.
 100. A summary of debt ageing is appended.

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

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Appendix A1

Month: September 2013		Appendix A1									
		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	£000	
Social Care Health and Housing	33,015	32,714	-519	-820	65,892	67,487	1,595	-1,161	434		
Children's Services	19,356	22,227	-1,643	1,228	39,180	45,450	6,270	-3,637	2,633		
Community Services	16,892	17,455	-288	275	35,785	36,428	643	-797	-154		
Regeneration and Business Support	3,769	3,294	-322	-797	8,056	8,505	449	-547	-98		
Public Health	0	-695	-39	-734	0	-799	-799	168	-631		
Improvement and Corporate Services	8,671	8,927	-44	212	17,636	18,118	482	-54	428		
Corporate Resources	5,495	5,153	-124	-466	11,405	11,351	-54	-289	-343		
Corporate Costs	4,947	4,184	0	-763	11,010	10,498	-512	0	-512		
Total (Excl Schools &HRA)	92,145	93,259	-2,979	-1,865	188,964	197,038	8,074	-6,317	1,757		
Schools	0	59	0	59	0	119	119	-119	0		
HRA	0	-128	0	-128	0	0	0	0	0		
Total	92,145	93,190	-2,979	-1,934	188,964	197,157	8,193	-6,436	1,757		

Appendix A2

Director	Cumulative to Date					Year					RAG	
	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.
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
CORPORATE RESOURCES												
Chief Executive	149	156	0	156	7	299	299	0	0	0	0	0%
Sub Total Chief Executive	149	156	0	156	7	299	299	0	0	0	0	0%
Chief Finance Officer												
Revenues & Benefits	847	549	0	549	-298	1,695	1,547	-148	0	0	-148	-9%
Housing Benefit Subsidy	-206	-206	0	-206	0	-412	-412	0	0	0	0	0%
Chief Finance Officer	62	25	0	25	-37	124	120	-4	0	0	-4	-3%
Financial Control	509	576	0	576	66	1,434	1,566	132	0	0	132	9%
Financial Performance & Support	685	659	0	659	-26	1,369	1,319	-50	0	0	-50	-4%
Audit	337	270	0	270	-67	674	640	-34	0	0	-34	-5%
Sub Total Chief Finance Officer	2,235	1,872	0	1,872	-362	4,884	4,780	-104	0	0	-104	-2%
Chief Assets Officer												
Corporate Assets	703	456	-30	426	-277	1,406	993	-413	0	-195	-608	-43%
Chief Assets Officer	2	147	0	147	145	4	234	231	0	0	231	6388%
Facilities and Maintenance	2,406	2,522	-94	2,428	22	4,812	5,044	232	0	-94	138	3%
Sub Total Chief Assets Officer	3,111	3,124	-124	3,000	-111	6,222	6,272	50	0	-289	-239	-4%
TOTAL - CORPORATE RESOURCES	5,495	5,153	-124	5,029	-466	11,405	11,351	-54	0	-289	-343	-3%
IMPROVEMENT & CORPORATE SERVICES												
Improvement & Corporate Services Director	97	181	-41	140	42	195	316	121	0	-73	48	25%
Sub Total People & Org Leadership	97	181	-41	140	42	195	316	121	0	-73	48	25%
Communications												
Chief Communications Officer	88	92	0	92	4	176	186	10	0	0	10	5%
News Central Magazine	21	25	0	25	4	43	43	0	0	0	0	0%
Internal Communications	78	82	0	82	4	156	149	-7	0	0	-7	-5%
External Communications	90	98	0	98	8	180	186	6	0	0	6	3%
Consultation	103	89	0	89	-13	205	207	2	0	0	2	1%
Community Insight and Risk	63	65	0	65	1	127	125	-2	0	0	-2	-1%
Sub Total Communications	443	451	0	451	8	887	895	8	0	0	8	1%

Director	Cumulative to Date					Year					RAG	
	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.
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Customer Services												
Customer Services	962	995	0	995	33	1,924	1,940	17	0	0	17	1%
Sub Total Customer Services	962	995	0	995	33	1,924	1,940	17	0	0	17	1%
Programme and Performance												
Programme and Performance Operations	217	211	0	211	-5	433	440	6	0	0	6	1%
Programme and Performance Non-Operational	63	86	-3	83	20	125	202	76	0	-76	0	0%
Sub Total of Programme and Performance	279	297	-3	294	15	559	641	83	0	-76	6	1%
Policy and Strategy												
Corporate Policy	82	74	0	74	-8	165	160	-5	0	0	-5	-3%
Sub Total Policy and Strategy	82	74	0	74	-8	165	160	-5	0	0	-5	-3%
Procurement												
Procurement	185	164	0	164	-21	371	371	0	0	0	0	0%
Sub Total Procurement	185	164	0	164	-21	371	371	0	0	0	0	0%
AD People												
HR Strategy	1,125	1,118	0	1,118	-6	2,250	2,235	-15	0	0	-15	-1%
HR Operations	72	55	0	55	-17	144	130	-14	0	0	-14	-10%
Recruitment & Development	157	212	0	212	55	313	349	35	0	0	35	11%
Sub Total AD People	1,354	1,386	0	1,386	32	2,708	2,714	6	0	0	6	0%
Information Assets (IA)												
IA Operations	3,518	3,590	0	3,590	72	7,036	7,066	30	0	0	30	0%
Chief IA Officer	0	30	0	30	30	0	0	0	0	0	0	0%
IA Strategy & Assurance	0	0	0	0	0	0	0	0	0	0	0	0%
Sub Total IA	3,518	3,621	0	3,621	103	7,036	7,066	30	0	0	30	0%
Legal and Democratic Services												
Legal Services	689	979	0	979	290	1,378	1,827	449	0	0	449	33%
Democratic Services	187	-36	0	-36	-222	469	290	-179	95	0	-84	-18%
Members' Costs	659	601	0	601	-57	1,318	1,288	-30	0	0	-30	-2%
Committee Services	125	113	0	113	-12	249	233	-16	0	0	-16	-6%
Registration Services	-58	-35	0	-35	23	78	92	14	0	0	14	18%
Coroner Service	150	135	0	135	-15	300	285	-15	0	0	-15	-5%
Sub Total Legal and Democratic Services	1,751	1,758	0	1,758	7	3,791	4,015	223	95	0	318	8%

Director	Cumulative to Date				Year							RAG	
	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
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
TOTAL- IMPROVEMENT & CORPORATE SERVICES	8,673	8,927	-44	8,883	210	17,634	18,117	483	95	-149	429	2%	amber
COPORATE COSTS													
Corporate Costs													
Debt Management	5,855	5,361	0	5,361	-494	11,710	11,093	-617	0	0	-617	-5%	green
Premature Retirement Costs	1,477	1,416	0	1,416	-61	2,954	2,830	-124	0	0	-124	-4%	green
Corporate HRA Recharges	-45	-45	0	-45	0	-90	-90	0	0	0	0	0%	green
Cross Cutting Efficiencies	150	-52	0	-52	-202	-329	-103	226	0	0	226	-69%	amber
Sub Total Corporate Costs	7,437	6,679	0	6,679	-758	14,244	13,730	-515	0	0	-515	-4%	green
Contingency & Reserves *													
Contingency	-2,493	-2,493	0	-2,493	-0	-3,232	-3,232	0	0	0	0	0%	green
Sub Total Contingency & Reserves	-2,493	-2,493	0	-2,493	-0	-3,232	-3,232	0	0	0	0	0%	green
Total	19,113	18,266	-168	18,098	-1,014	40,051	39,966	-86	95	-438	-429	-1%	green



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	-2,492	-4,985	0	0
In year use of reserves	-358	0	-358	0	0
Contingency	2,111	0	2,111	0	0
	-3,232	-2,492	-3,232	0	0

Appendix A3

Director	Variance September £000	Variance June £000	Change in Variance £000	COMMENTARY
Chief Executive	0	0	0	
Sub Total Chief Executive	0	0	0	
Revenues & Benefit	-148	0	-148	Movement due to one-off grant income received from Central Government for New Burdens and staff vacancy savings partly offset by additional agency costs.
Chief Finance Officer	-4	0	-4	
Financial Control	132	0	132	Variance within Insurance, this is made up from savings of £225k as a result of a reduction in Insurance premiums and a pressure of £360k on income as a result of providing services to fewer schools as more become Academies
Financial Performance & Support	-50	0	-50	Movement due to various savings on staff costs partly as a result of vacancies and non membership of the superannuation scheme. This saving has been partly offset by use of agency to cover substantive posts.
Audit	-34	0	-34	Movement due to staff savings caused by long term absence and vacancies.
Sub Total Chief Finance Officer	-104	0	-104	
Corporate Assets	-608	-489	-118	Movement due to transferring additional consultancy cost of £100k for E C Harris to correct area (Chief Assets Officer - See below) & additional £18k rental income.
Chief Assets Officer	231	131	100	Movement due to consultancy cost of £100k for E C Harris Project
Facilities and Maintenance	138	138	0	Pace programme
Sub Total Chief Assets Officer	-239	-221	-18	
Sub Total Chief Executive	-343	-221	-122	
Improvement & Corporate Services				
Improvement & Corporate Services Director	48	49	-1	
Chief Communications Officer	10	7	3	
News Central Magazine	0	0	0	
Internal Communications	-7	-2	-5	
External Communications	6	5	1	
Consultation	2	2	0	
Community Insight and Risk	-2	0	-2	
Sub Total Communications	8	12	-2	
Customer Services	17	0	17	
Sub Total Customer Services	17	0	17	
Programme and Performance Operations	6	24	-18	
Programme and Performance Non- Operations	0	0	0	
Sub Total Programme and Performance	6	24	-18	
Corporate Policy	-5	0	-5	

Movement between Q2 and Q1 forecast variance

Director	Variance September £000	Variance June £000	Change in Variance £000	COMMENTARY
Sub Total Policy and Strategy	-5	0	-5	
Procurement	0	19	-19	
Sub Total Procurement	0	19	-19	
HR Strategy	-15	-26	11	
HR Operations	-14	0	-14	
Recruitment and Development	35	24	11	
Sub Total People	6	-2	8	
IA Operations	30	0	30	Movement due to unachievable training income (unachievable efficiency)
Chief IA Officer	0	-2	2	
IA Systems (Strategy & Assurance)	0	0	0	
Sub Total Information Assets (IA)	30	-2	32	
Legal Services	449	593	-144	£100k funding from Children Services for two unbudgeted posts within Legal Services and £42k savings within Education Appeals due to bring Education Appeals in house and DSG funding to support Education Appeals costs.
Democratic Services	-84	-50	-34	Movement of £34k mainly due to staff vacancies
Members' costs	-30	-30	0	
Committee Services	-16	-4	-12	
Registration Services	14	0	14	
Coroner Service	-15	0	-15	
Sub Total Legal and Democratic Services	318	509	-191	
Total, Improvement & Corporate Services	429	610	-179	
Corporate costs				
Debt Management	-617	-200	-417	Movement due to further expected saving on Interest Payable (-£100k) & reduction in MRP as a result of reduced Capital spend in 2012/13 (-£317k)
Premature Retirement Costs	-124	0	-124	Movement due to expected reduction in costs (-124k)
Corporate HRA Recharges	0	0	0	
Efficiencies	226	-35	261	Movement due to identification of unachievable Customer First Efficiencies.
Sub Total Corporate Costs	-515	-235	-280	
Contingency	0	0	0	
Sub Total Contingency & Reserves	0	0	0	
Total	-429	154	-581	

Appendix B

Earmarked Reserves -

Month: September 2013

Description	Proposed Opening Balance 2013/14 £000's	Directorate Use of Reserves £000's	Our Use of Other Directorates' Reserves £000's	Other Directorate Use of Our Reserves £000's	Release of Reserves £000's	Proposed Transfer to Reserves £000's	Proposed Closing Balance 2013/14 £000's
Corporate Services Reserves							
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
	662	-149	0	0	0	95	607
Corporate Reserves							
Redundancy/Restructure Reserve	3,168	-124	0	-223	0	0	2,821
Insurance reserve	3,338	0	0	0	0	0	3,338
Planning Decisions Legal Challenges	300	0	0	0	0	0	300
Teachers' Pensions	186	0	0	0	0	0	186
Welfare Reform	500	0	0	-40	0	0	460
Funding for Transition	321	-165	0	0	0	0	156
	7,813	-289	0	-263	0	0	7,261
GRAND TOTAL	8,475	-438	0	-263	0	95	7,869

Appendix C

Debtors Report - September 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	1	0%	201	77%	4	2%	0	0%	52	20%	4	1%	262	100%
Bedford Borough	0	0%	1	21%	4	70%	0	0%	1	12%	-0	-3%	6	100%
Bedfordshire PCT	0	100%	0	0%	0	0%	0	0%	0	0%	0	0%	0	100%
General debts	167	26%	167	26%	27	4%	-1	0%	126	20%	157	24%	644	100%
TOTAL DEBT	168	18%	369	40%	35	4%	-1	0%	180	20%	160	18%	912	100%

TOTAL DEBT AT Q1	281	39%	38	5%	-10	-1%	61	9%	180	25%	167	23%	716	100%
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Meeting: Corporate Resources Overview & Scrutiny Committee
Date: 17 December 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.

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
9	Draft Housing Revenue Account Budget and Business Plan 2014/15	14 January 2014
10	Draft Revenue Budget 2014/15 including fees and charges	14 January 2014
11	Draft Capital Programme - 2014/15 to 2017/18 -	14 January 2014
19	Revenue, Capital and Housing Revenue Account (HRA) Quarter 3 Budget Monitoring Report	18 March 2013
23	Procurement of Insurance Arrangements for 2014/15	19 March 2013
Non Key Decisions		
27	Capital Programme 2-14/15 to 2017/18	4 February 2014
28	Treasury Management Strategy Statement and Investment Strategy 2014-2018	4 February 2014
29	Revenue Budget and Medium Term Financial Plan 2014 – 2017/18	4 February 2014
30	Housing Revenue Account Budget and Business Plan 2014/15	4 February 2014
32	Quarter 3 Performance Report	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/mqListPlans.aspx?RPId=577&RD=0>

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.	28 January 2014	Executive Member Update Draft Treasury Management Strategy Statement 2014-2018 Draft Budget 2014/15 to include Revenue (including fees and charges), Capital Programme, and HRA	To receive a brief verbal update from the relevant Executive Member. To consider the 2014-2018 draft treasury management strategy statement and Investment Strategy 2014-2018. To consider the draft revenue budget for 2014/15, including the draft fees and charges, Capital Programme and HRA	
2.	4 March 2014	Executive Member Update Performance Monitoring System	To receive a brief verbal update from the relevant Executive Member. To receive a demonstration of the new Performance Monitoring System	

Ref	Indicative Overview & Scrutiny Meeting Date	Report Title	Issue to be considered	Comment
3.	8 April 2014	Executive Member Update	To receive a brief verbal update from the relevant Executive Member.	
4.	13 May 2014	Executive Member Update	To receive a brief verbal update from the relevant Executive Member.	
5.	24 June 2014	Executive Member Update	To receive a brief verbal update from the relevant Executive Member.	