

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

**This meeting
may be filmed.***



**Central
Bedfordshire**

please ask for Paula Everitt
direct line 0300 300 4196
date 13 October 2016

NOTICE OF MEETING

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

Date & Time

Tuesday, 25 October 2016 10.00 a.m.

Venue at

Room 15, 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), J Chatterley (Vice-Chairman),
Mrs C F Chapman MBE, N B Costin, R W Johnstone, J Kane, D McVicar and
T Swain

[Named Substitutes:

Mrs A Barker, C C Gomm, A Ryan, B Saunders, M A G Versallion and
T Woodward]

All other Members of the Council - on request

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

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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 23 August 2016 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	<p>Executive Member Update</p> <p>To receive a brief verbal update from the Deputy Leader and Executive Member for Corporate Resources.</p>	* verbal
10	<p>Debt Recovery Performance</p> <p>The Committee is requested to review and comment on the Council's Council Tax, Business Rate and Sundry Income debt collection performance.</p>	* 9 - 30
11	<p>Shared Legal Service - Operations Update</p> <p>To consider and comment upon the implications of the new service delivery model in light of progress against key indicators.</p>	* 31 - 48
12	<p>Q1 Budget Monitoring Update</p> <p>To receive a presentation regarding capital and revenue budget monitoring information for Q1 (April to June 2016). A link to the more detailed Executive report can be found here:-</p> <p>http://centralbeds.moderngov.co.uk/mgChooseDocPack.aspx?ID=5157</p>	* 49 - 58
13	<p>Work Programme 2016/17 and Executive Forward Plan</p> <p>The report provides Members with details of the currently drafted Committee work programme and the latest Executive Forward Plan.</p>	* to follow

CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE** held in Room 15, Priory House, Monks Walk, Shefford on Tuesday, 23 August 2016.

PRESENT

Cllr P A Duckett (Chairman)
Cllr J Chatterley (Vice-Chairman)

Cllrs	Mrs C F Chapman MBE	Cllrs	D McVicar
	N B Costin		T Swain
	J Kane		

Apologies for Absence: Cllrs R W Johnstone

Members in Attendance:	Cllrs K M Collins	Deputy Executive Member for Corporate Resources
	S Dixon	Executive Member for Education and Skills
	J G Jamieson	Leader of the Council and Chairman of the Executive

Officers in Attendance:	Mr D Galvin	– Head of Financial Performance
	Mrs R Preen	– Scrutiny Policy Adviser

Public 0

CROSC/16/13.Minutes

RESOLVED that the minutes of the meeting of the Corporate Resources Overview and Scrutiny Committee held on 28 June 2016 be confirmed and signed as a correct record.

CROSC/16/14.Members' Interests

None.

CROSC/16/15.Chairman's Announcements and Communications

The Chairman announced that the Corporate Accommodation Plan listed as Item 10 on the agenda had been deferred until a future meeting.

CROSC/16/16.Petitions

None.

CROSC/16/17. Questions, Statements or Deputations

None.

CROSC/16/18. Call-In

None.

CROSC/16/19. Requested Items

None.

CROSC/16/20. Executive Member Update

None.

CROSC/16/21. Corporate Accommodation Plan

AGREED to defer the Corporate Accommodation Plan to a future meeting.

CROSC/16/22. Fees & Charges 2017

The Head of Financial Performance and Support delivered a report detailing proposed changes to Fees and Charges for 2017, the income generated each year, outlining the rationale behind the advisory 1% increase and highlighting those charges which had a significantly differing revision to that of 1%. Members were informed that the Council could only charge according to costs incurred and were not permitted to generate a profit, with any increase over and above the advisory 1% being ratified by full Council. Those charges which reflected a zero increase were confirmed as being cost reflective and at the maximum level of charge.

- In light of the report Members requested that material costs over and above officer time be taken into consideration and it was confirmed that this would be reflected during the next cyclical review.
- Members agreed that benchmarking against neighbouring Authorities would be useful, in particular in relation to taxi license charges and requested that additional detail was provided in future reports, suggesting that the method of calculating fees and charges be revisited.
- A query arose in relation to a variance in leisure centre charges to which it was agreed that Members would receive a written response.
- Members queried the rationale behind the inclusion of figures which did not relate to fees and charges but were income related and it was confirmed that the system of identifying costs for each service would be improved in future, with a post recruited to in order to focus on the process.
- Members received confirmation that due to the outsourcing of the legal department, forecast savings were in the region of £200k.
- Outsourced services such as pest control often remained static due to the length of contract agreed with the service provider.

RECOMMENDED:-

1. That the Committee agree the new charges in relation to the Sunday service provided by the Registrars office.
2. To explore the viability of taxi licensing fees reflecting those of neighbouring authorities.
3. That future reports reflect improved data around cost association in relation to fees and charges.
4. That the Executive consider the Fees and Charges prices for 2017 and recommend that the areas highlighted by the Committee be a focus for future reports.

CROSC/16/23. Schools Trading 2017/18

The Committee received a report which outlined the proposed revised prices for services traded to schools and Academies for 2017/18. The Executive Member for Education and Skills provided details of locality workshops taking place across the region which would identify improved ways of offering services to schools, acknowledging the need to revisit the process for future years. The Head of Financial Performance and Support advised the Committee of a consultation which would change funding for schools, with the Department for Education reducing local authority funding, thus creating a pressure.

Members queried the value of the booklet, the format in which it was presented to schools and that it would be helpful to understand the volume of take up in relation to services bought from the Council by schools. Officers confirmed that it was a useful document in determining where the Council would provide services, agreeing that an exercise to determine volume could be explored in future. Members discussed the price differentials between schools in relation to the amount charged for Governor training and the quality of Chairmanship skills to which the Executive Member agreed was a focus for the directorate.

RECOMMENDED that the Directorate analyse the volume of services provided to schools and the associated buy in, in order to evaluate the viability and if necessary re-evaluate the process in future.

CROSC/16/24. Budget Strategy and Medium Term Financial Plan

The Head of Financial Performance and Support delivered a report which set out a framework for the Budget Strategy and Medium Term Financial Plan (MTFP). Consideration was given to changes to local government funding in light of the impact of 'Brexit', acknowledging the associated challenges.

The Chairman highlighted the economic impact across the country and expressed the need for the Council to ensure flexibility within the MTFP in order to be able to react swiftly to the impact of change.

NOTED the report and AGREED that a further report be delivered to the Committee at a future meeting.

CROSC/16/25. Work Programme 2016/17 & Executive Forward Plan

AGREED the work programme subject to the addition of the following:-

1. **Corporate Accommodation Plan – 29 November 2016**
2. **Budget strategy and MTFP Update – 29 November 2016**
3. **A Review of Car Parking at Council Offices – 25 October 2016**

(Note: The meeting commenced at 10.03 a.m. and concluded at 10.52 a.m.)

Chairman.....

Date.....

Central Bedfordshire Council

Corporate Resources Overview and Scrutiny – 25 October 2016

DEBT RECOVERY PERFORMANCE

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

Advising Officers: Charles Warboys, Chief Finance Officer (charles.warboys@centralbedfordshire.gov.uk), Gary Muskett, Head of Revenues and Benefits (gary.muskett@centralbedfordshire.gov.uk) and Ralph Gould, Head of Financial Control (ralph.gould@centralbedfordshire.gov.uk)

This report does not relate to a Key Decision

Purpose of this report

1. The purpose of the report is for the Committee to review and comment on the Council's Council Tax, Business Rate and Sundry Income debt collection performance.

RECOMMENDATIONS

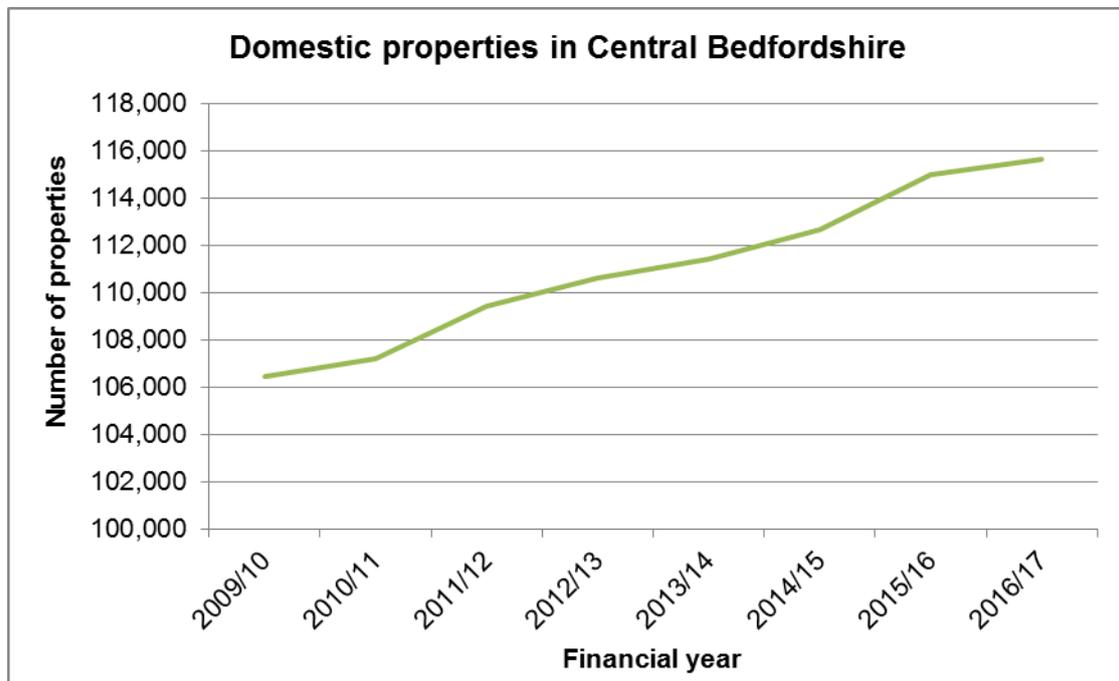
The Committee is asked to:

- 1. Review and comment on the Council Tax, Non Domestic Rate and Sundry Debt collection performance.**

Background – Performance in the collection of Council Tax

2. The Council has 115,910 domestic properties that are liable for Council Tax. After various discounts, exemptions and Local Council Tax Support, the amount due to be collected in 2016/17 was £167m, an increase of £7m on 2015/16. This figure includes Council Tax collected on behalf of Police, Fire and Town and Parish Councils.
3. The number of properties in Central Bedfordshire has been increasing annually and has increased from 106,437 in 2009 to 115,910 this year. This represents a growth of 8.9%.
4. A full breakdown of properties split into bands and across each town or parish is shown at Appendix 1.

5. The graph below shows the increase in the total number of domestic properties in Central Bedfordshire Council since 2009:



6. During 2016/17, of the 115,910 properties, around 34,240 properties (30%) were occupied by a single occupier and so receive a 25% discount, known as Single Person Discount (SPD).
7. 14,500 households received some Local Council Tax Support towards their bill, 7,850 (54%) are working age and 6,650 (46%) are classed as pensioner households.

2016 /17 Targets

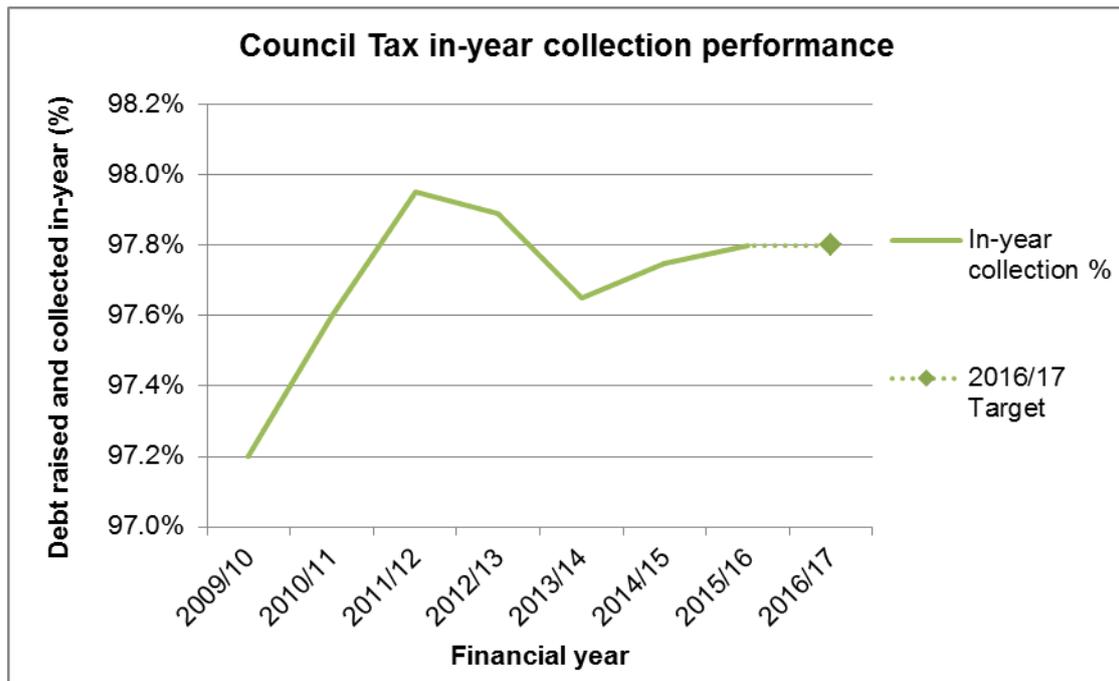
8. The Council Tax collection target is to collect 97.8% of the 2016/17 Council Tax within the financial year and £4.5m of arrears and costs
9. This means collecting £163m (97.8%) of Council Tax within the financial year, compared to the debit of £167m (Council Tax gross debit minus Local Council Tax Support, discounts and exemptions)

2016/17 and earlier years performance results

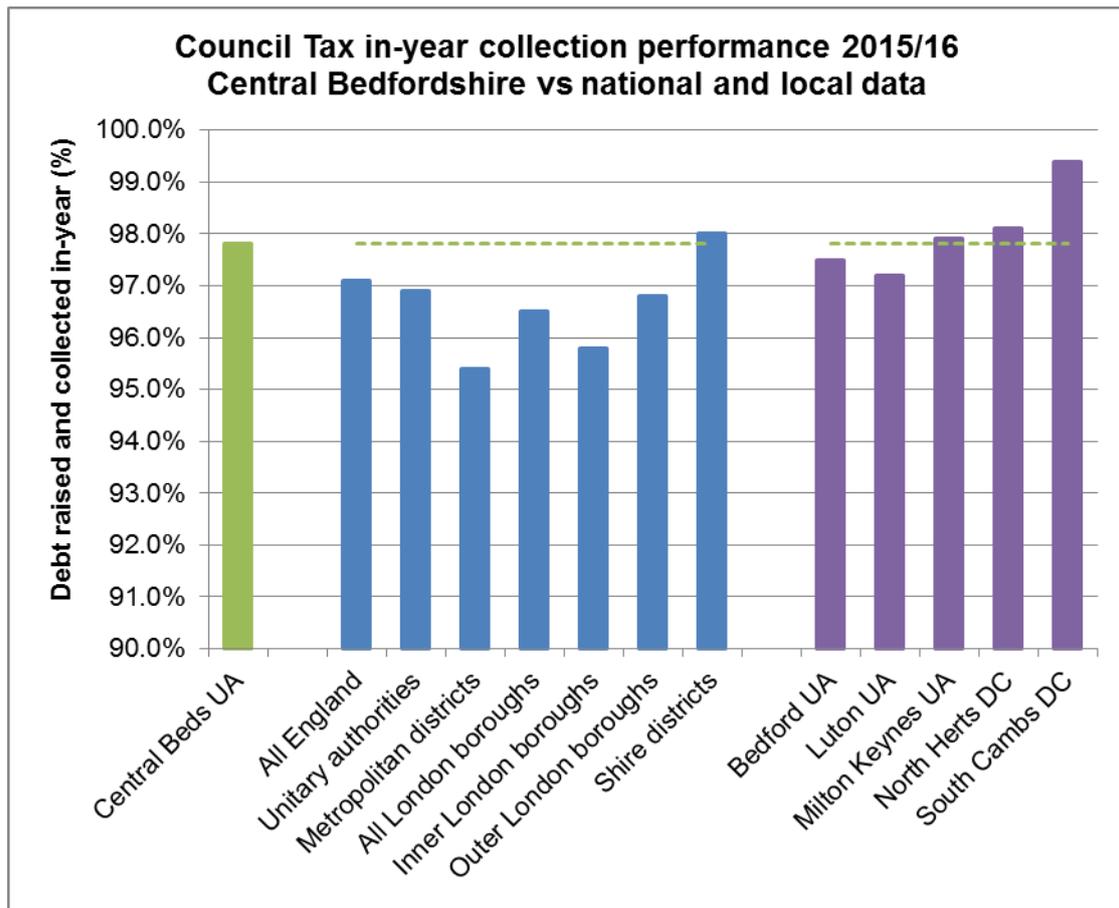
10. So far £94.3m (56%) has been collected in 2016/17 of the 2016/17 debit of (£167.6m) and as at the end of September we were 0.21% ahead of target.
11. £3.2m (24.1%) has been collected or written off of the prior year's debt of £13.2m leaving £10m to be collected. Against target we are 2.1% ahead of target.

12. The end of year performance for 2015/16 shows that 97.8% of the amount due had been collected within the financial year. This represents an increase of 0.05% when compared to 2014/15.
13. Council Tax collection performance needs to be seen in the context of the Localised Council Tax Support Scheme (LCTS), which the government required us to introduce in 2013/14 and which replaced Council Tax Benefit (CTB). In the past, CTB was calculated based on a claimant's tax and income. The maximum benefit payable was 100% of the Council Tax bill, and the scheme operated as if the bill was in effect paid by the government.
14. The Central Bedfordshire Council scheme introduced in 2013/14 for working aged claimants is less generous, and the maximum LCTS a claimant can receive is 75% of the Council Tax charged unless the claimant falls within one of our "protected groups" e.g. the claimant receives certain disabilities benefits.
15. With approximately 4,000 claimants having to make a payment contribution for the first time in 2013/14 collection performance was anticipated to decline, which it did by 0.34%, but we have seen a steady improvement in collection as some of our residents become more used to having to pay the 25% minimum contribution.
16. The Council tax in year collection performance since the beginning of Central Bedfordshire Council in 2009/10 is shown below:

Council Tax in-year collection performance (Debt raised and collected in the financial year)							
2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
97.20%	97.60%	97.95%	97.89%	97.65%	97.75%	97.80%	56.2%



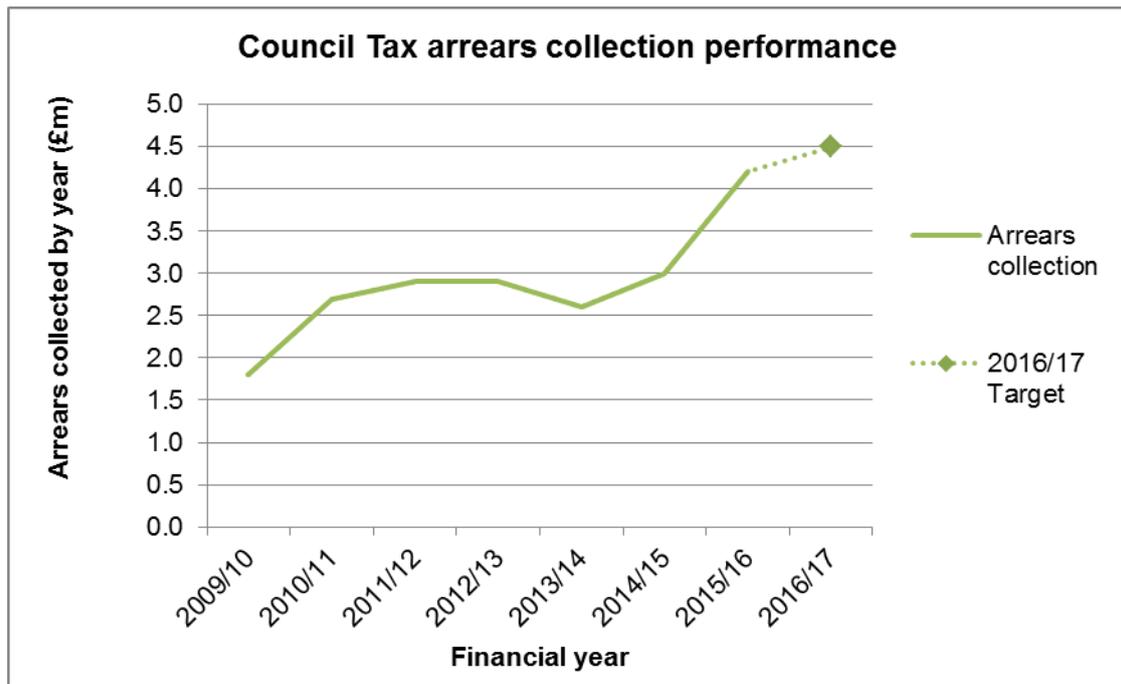
Council Tax in year collection rates 2015/16	CTAX
All England	97.1%
Unitary authorities	96.9%
Metropolitan districts	95.4%
All London boroughs	96.5%
Inner London boroughs	95.8%
Outer London boroughs	96.8%
Shire districts	98.0%
CBC	97.8%
Bedford	97.5%
Luton	97.2%
Milton Keynes	97.9%
North Hertfordshire DC	98.1%
South Cambridgeshire DC	99.4%



Arrears Collection

17. Collection does not stop at the end of the financial year but continues for as long as it is cost effective. In the long term, collection is expected to be around 99%. However this takes several years to achieve.
18. Each financial year the Council collects several million pounds in Council Tax arrears and costs from previous years. Details are as follows:

Council Tax arrears collection performance							
Amount of Council Tax arrears collected by year							
2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
£1.8m	£2.7m	£2.9m	£2.9m	£2.6m	£3m	£4.2m	£3.2m



40.7% of 2015 debt
recovered by 30
September 2016

Debt Recovery activity

19. The table below shows how many reminders and summonses that have been issued and the number of Magistrates Court Liability Orders that have been granted, as well as how many cases have been referred to bailiffs (now called Enforcement Agents) for collection.

Council Tax Debt Recovery Activity							
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Reminders	60,112	64,549	55,879	66,497	66,412	60,292	31,376
Summonses	11,160	10,159	9,620	10,479	9,934	9,810	5,188
Liability Orders	7,648	7,495	6,311	7,547	7,757	7,178	3,724
Cases to the Bailiffs	5,173	5,236	5,097	4,053	3,347	3,331	1,547

20. Although the number of reminders has increased quite significantly since 2013/14 due to the introduction of Local Council Tax Support where claimants of working age are required to pay 25% of their liability unless they are in one of our protected groups e.g. disabled, the number of accounts going to the bailiffs has reduced. This is because the Revenues Team are working much harder to try and prevent these cases going to the bailiff by finding alternative methods of recovery, for example deductions from benefit, attachment of earnings orders or by making pro-active contact with the debtor to agree a payment arrangement.

Debt Collection remedies

Attachment of earnings orders

21. Once a summons has been issued and a Liability Order (LO) has been granted by the Magistrates due to Council tax arrears, one of the recovery options is to apply to the debtor's employer for deductions to be made from their wages and paid over to the Council. The debtor and the employer are informed of the application at the same time.
22. Deductions are made based on the level of earnings with the percentage taken increasing as the wages increase. A Council can make two attachments at any given time in respect of separate Liability Orders (with the deductions for the second one being based on the residual amount) and if there are more than two LOs further attachments can be "pending" to start once one of the existing attachments have cleared. Employers are allowed to make a charge of £1 per payment to cover their costs.

Attachment of Earnings order Weekly Pay		
Net Weekly Earnings	Weekly Deductions	Deduction rate
Not exceeding £75	Nil	0%
Exceeding £75 but not exceeding £135	£2.25 to £4.05	3%
Exceeding £135 but not exceeding £185	£6.75 to £9.25	5%
Exceeding £185 but not exceeding £225	£12.95 to £15.75	7%
Exceeding £225 but not exceeding £355	£27.00 to £42.60	12%
Exceeding £355 but not exceeding £505	£60.35 to £85.85	17%
Where the salary is more than £505 per week the attachment rate is 17% for the first £505 and then 50% of the remainder. A second attachment is calculated by removing the amount of the first attachment from the weekly earnings then applying the deduction rate appropriate to the reduced earnings.		

Attachment of Earnings order Monthly Pay		
Net Monthly Earnings	Monthly Deductions	Deduction rate
Not exceeding £300	Nil	0%
Exceeding £300 but not exceeding £550	£9.00 to £16.50	3%
Exceeding £550 but not exceeding £740	£27.50 to £37.00	5%
Exceeding £740 but not exceeding £900	£51.80 to £63.00	7%
Exceeding £900 but not exceeding £1,420	£108.00 to £170.40	12%
Exceeding £1,420 but not exceeding £2,020	£241.40 to £343.40	17%
Where the salary is more than £2,020 per month the attachment rate is 17% for the first £2,020 and then 50% of the remainder. A second attachment is calculated by removing the amount of the first attachment from the weekly earnings then applying the deduction rate appropriate to the reduced earnings.		

23. As at 30th September there were 951 live attachments in place to collect £599,375 outstanding with a further 297 cases “pending” for £236,502.
24. One of the major barriers to recovery is a lack of engagement by some debtors that means the level of information held by the Council is limited, thus preventing recovery action by attachment of earnings orders.

25. This Council along with many others has made representations to Government and has requested access to HMRC data for employer records to allow an attachment of earnings order where the employee is in arrears of Council Tax. The matter was subject to a short consultation with local authorities last year but we are still awaiting the outcome.

Attachment of Benefits

26. Once a summons has been issued and a Liability Order (LO) has been granted by the Magistrates due to Council tax arrears, one of the recovery options is to apply to the DWP for deductions to be made from certain benefits the debtor receives and have it paid direct to the Council. The debtor is informed of the application. Deductions are at a standard rate (currently £3.70 per week) which is increased annually. A Council can only make one attachment for Council Tax arrears at any given time even if there are debts for several years. Further attachments can be “pending” to start once one of the existing attachments has cleared. No other recovery options can be considered on additional debts once an attachment of benefit is in place, and if an attachment of benefits can be put in place it must be the chosen recovery route.
27. As at 30th September there were 1,219 live attachments in place to collect £342,504 outstanding with a further 918 cases “pending” for £333,257.
28. There are several reasons why the Council may not be able to attach benefits
- The debtor is already having other deductions made from their benefits due to debts putting them below the 80% threshold figure.
 - The Council Tax liable person is not the benefit claimant.
 - The benefit that is being claimed is not suitable for deductions. For example the Council can not deduct from tax credits.
29. Councils have been in discussion with Government to the current approach, including allowing attachments to benefits without the need for a Liability Order.

Other recovery remedies

30. Under the Council Tax regulations, bankruptcy/ liquidation proceedings can be instigated where the debt, or a number of debts for one individual or one company, exceeds £5,000. In order to protect potentially vulnerable people these proceedings will only be considered in exceptional circumstances.
31. We do not currently have any debtors liable for Council Tax that are subject to bankruptcy or liquidation proceedings that we have

instigated although we do actively use the threat of these proceedings which is often enough to encourage payment.

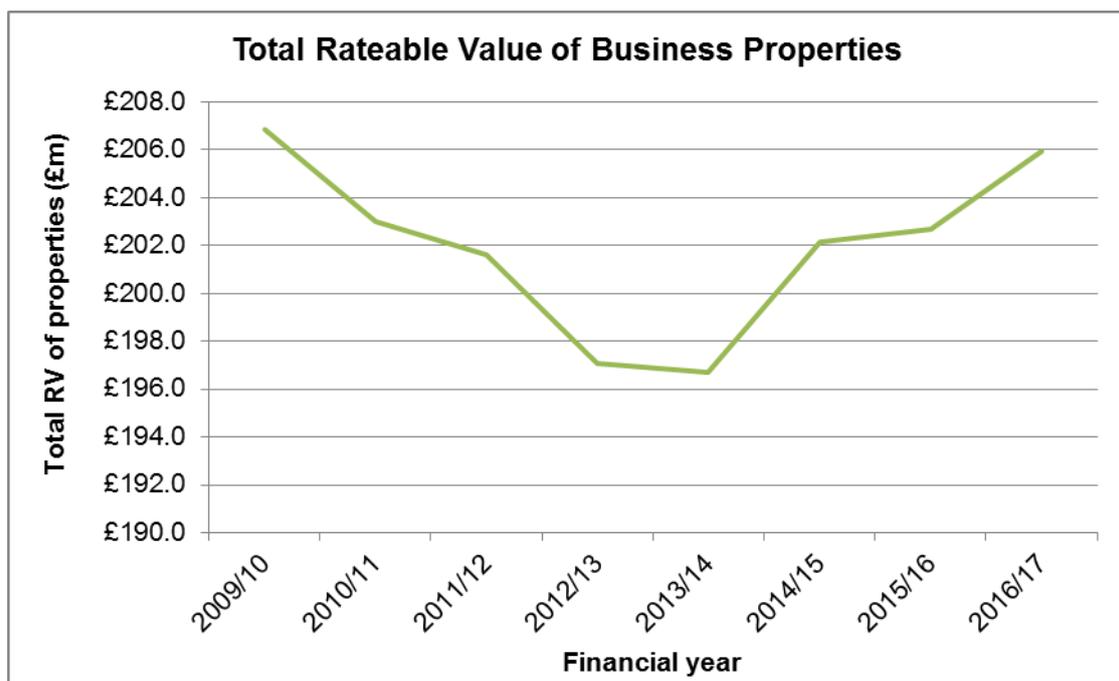
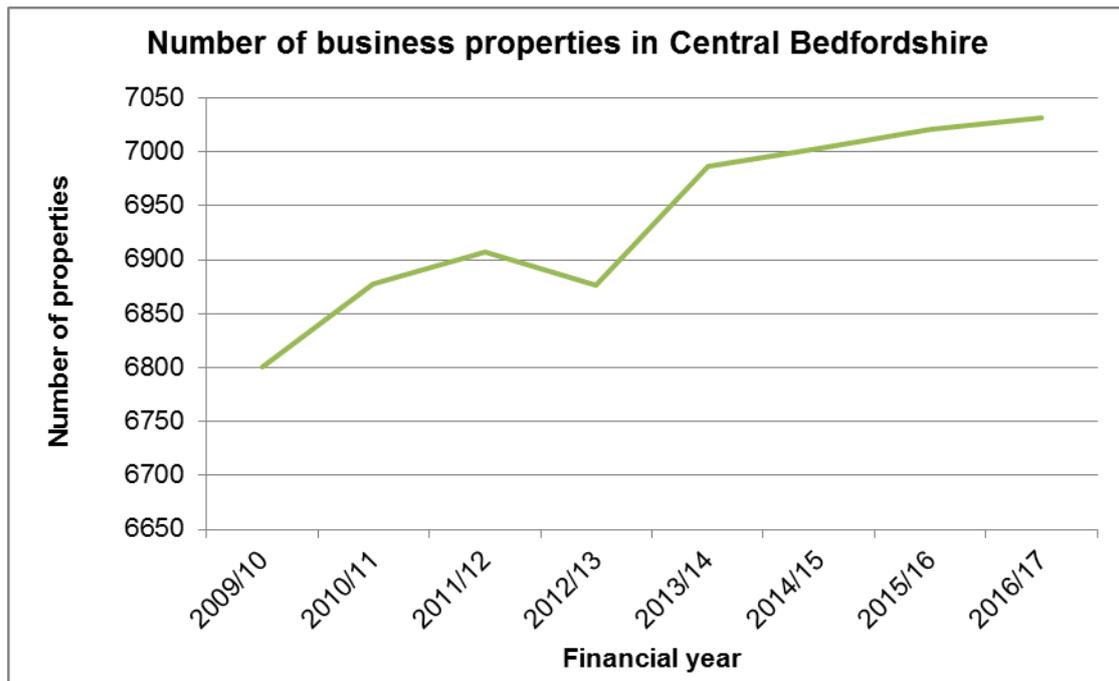
32. The regulations also allow for the application of a Charging Order against a debtors property where the debt subject to a Liability Order (s) is greater than £1,000. Care is taken before instigating Charging Order proceedings in order to protect vulnerable debtors but the remedy is used and we currently 11 COs for a value of £34,873. Once the CO has been issued the Council can, on rare occasions, enforce the sale of a debtor's property in order to settle the Council Tax debt.
33. Another remedy which has not been used for several years is committal to prison proceedings. A debtor can be sentenced for up to 3 months in prison by the Magistrates if it can be shown that the debtor either wilfully refused or culpably neglected to pay the Council Tax debt. It is planned to reintroduce the use of committal proceedings during 2016/17
34. Committal proceedings will be used as a final course of actions where other remedies have either failed or are unavailable, for example a self employed debtor with no known assets who is failing to pay. The court fees for committal action are £240 per application and can be recovered from the debtor. However, the order to recover the costs can only be made when the debtor actually appears in court. Consequently this action will only be taken where there is a realistic prospect of the debtor appearing before the Magistrates. If there is any chance that the debt would be remitted by the Magistrates we would not use this option but would instead consider write off ourselves in view of the financial outlay for a committal summons.

Direct Debit activity

35. Direct debit is the preferred method of payment and the Revenues service is planning a campaign to increase the number of accounts paid by direct debit. Out of the overall debit of £160m, 77% was collected by direct debit during 2015/16.
36. We currently have 79,212 live direct debits which collect about £12.6m per month.

Collection of Business Rates (NNDR)

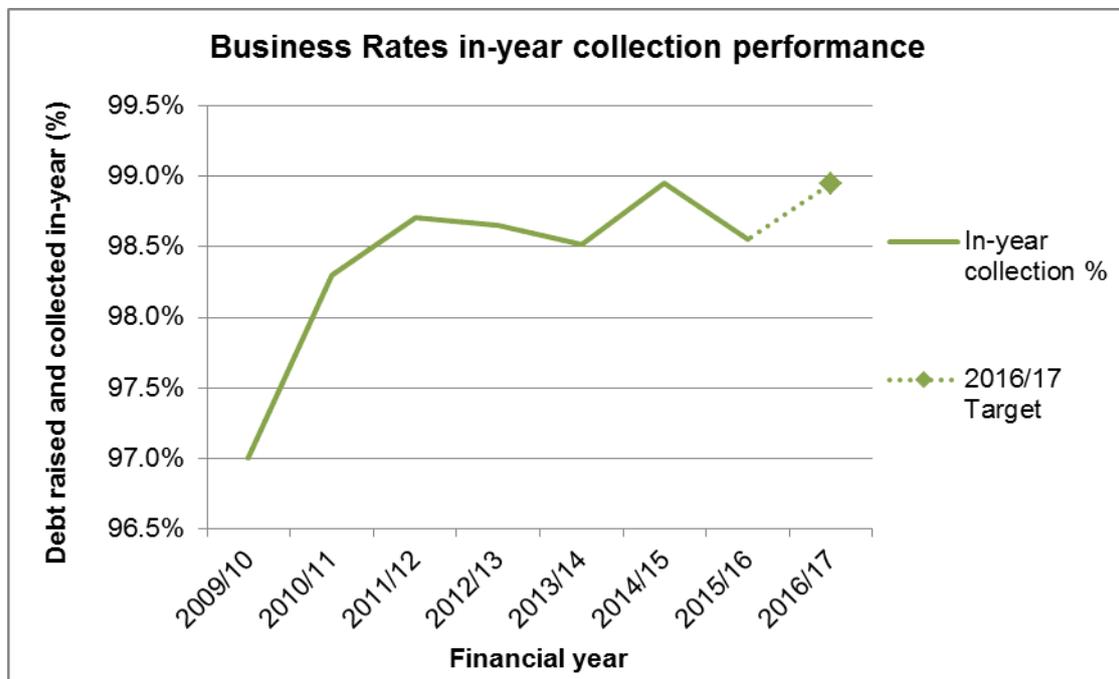
37. Business Rates are collected from 7,043 business properties across Central Bedfordshire, as at the end of September. This is an increase of about 4% since 2009/10. The total rateable value of the businesses amounts to £205,963,089.



38. For billing purposes a business rates property or hereditament as it is technically known, can be as small as an ATM, parking or advertising space up to the size of a Motorway Service Station or a major distribution centre. Each property has a separate bill.
39. The Valuation Office Agency, part of HMRC, work out the rateable value for a property and the Council calculates and collects the amount by applying a multiplier that is set by Central Government each year and other calculations where appropriate.

40. Following major reforms introduced by Central Government from April 2013, 50% of business rates are paid to government to be redistributed. 50% will be retained locally (of which 1% is passed to the combined Fire Authority and 49% is retained by Central Bedfordshire Council). Our collection performance now directly affects the finances of the Council.
41. The collection rate for Business Rates is calculated in the same way as the Council Tax measure.
42. The gross amount of Business rates to be collected within year, before exemptions and reliefs was approximately £92.4m. After applying these reductions the net amount to be collected is £85m. This is an increase in the amount to be collected of £2.7m compared to 2015/16.
43. The graph below shows the in year collection performance since 2009/10. The dip in the 2015/16 collection rate was due in the main to significant refunds being made to business which had received reductions in their rate liability, often back dated to 2010.

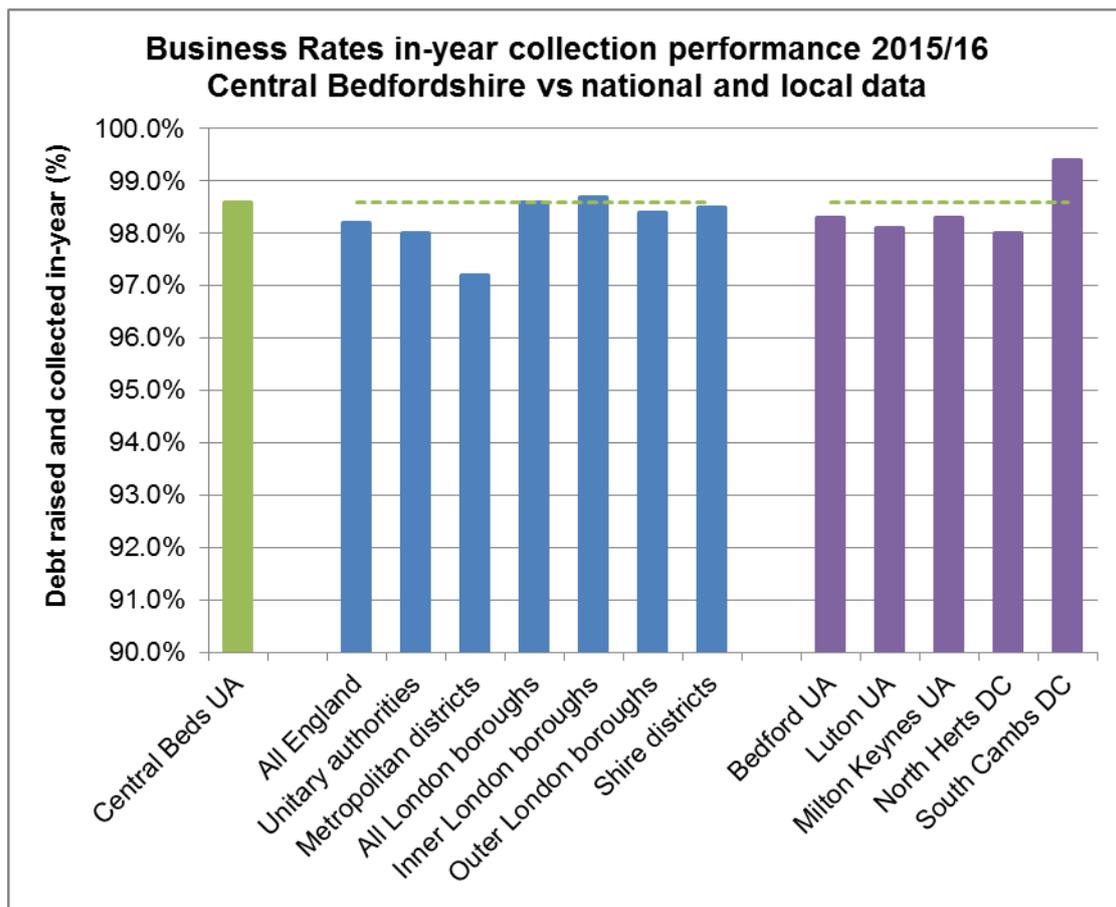
CBC Business Rates in-year collection performance (Debt raised and collected in the financial year)							
2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
97.00%	98.30%	98.71%	98.65%	98.52%	98.95%	98.55%	53..53%



44. In 2015/16 authorities nationally had collected £23.6 billion in business rates that related to 2015/16 and achieved an average in-year collection rate of 98.2%, an increase of 0.1% over 2014/15. Authorities also collected £602m in business rate arrears and wrote of £2014m of uncollectable business rates in 2015/16.

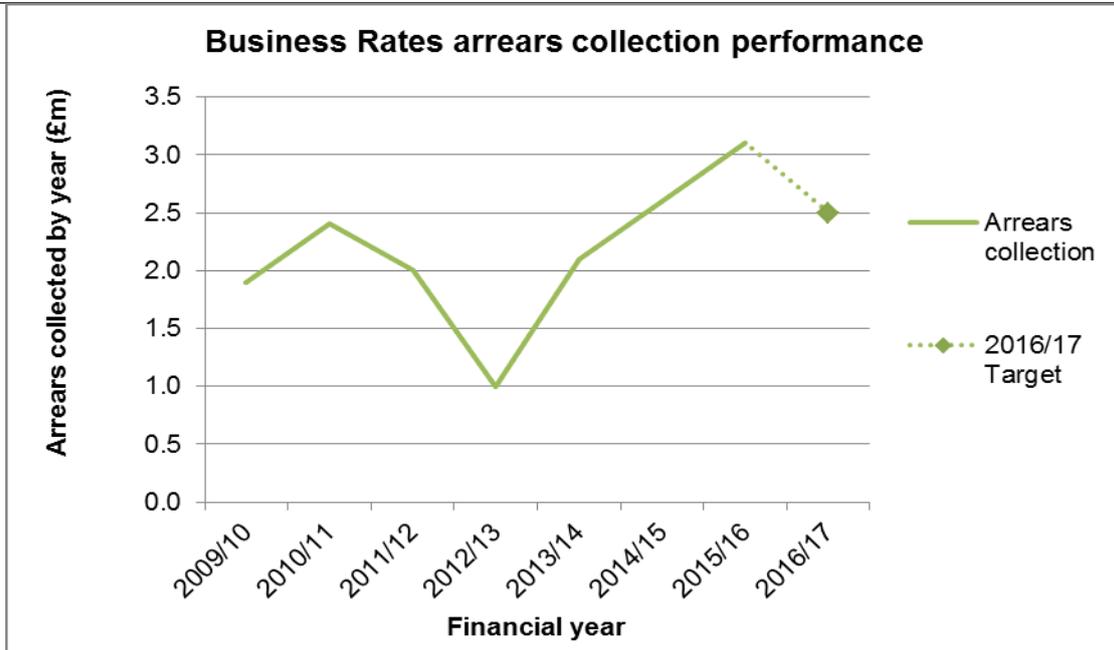
45. The table below shows the average in-year collection rates nationally as well as some of our neighbouring local authorities.

Business Rates in year collection rates 2015/16	NNDR
All England	98.2%
Unitary authorities	98.0%
Metropolitan districts	97.2%
All London boroughs	98.6%
Inner London boroughs	98.7%
Outer London boroughs	98.4%
Shire districts	98.5%
CBC	98.6%
Bedford	98.3%
Luton	98.1%
Milton Keynes	98.3%
North Hertfordshire DC	98.0%
South Cambridgeshire DC	99.4%



46. Each financial year the Council collects several million pounds in Business Rate arrears from previous years. Details are as follows:

Business Rates arrears collection performance							
Amount of CBC Business Rate arrears collected by year							
2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
£1.9m	£2.4m	£2m	£1m	£2.1m	£2.6m	£3.1m	£1.6m



52.0% of 2015 debt recovered by 30 September 2016

Debt Recovery Activity

47. The table below shows how many reminders and summonses that have been issued and the number of Magistrates Court Liability Orders that have been granted, as well as how many cases have been referred to bailiffs (now called Enforcement Agents) for collection.

Business Rates Debt Recovery Activity							
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Reminders	6,133	5,998	4,656	5,237	3,937	3,471	2,075
Summonses	937	928	803	766	821	749	554
Liability Orders	661	611	540	561	496	465	295
Cases to the Bailiffs	331	152	452	398	396	300	233

48. The level of debt recovery activity from summons stage has remained fairly consistent, although the number of reminders has reduced quite significantly since 2014/15 due to the removal of one reminder stage which has speeded up the collection process. This has not appeared to have had any detrimental effect on the businesses and we received very few complaints following the removal of one of the reminder stages.

Proactive Debt Recovery Team

49. In 2014 three additional staff were employed in the Revenues Team on a temporary contact basis to focus entirely on the collection of “hard to collect” Council Tax debts which had been through our standard recovery process.
50. The staff were all given a caseload of several hundred debts which our Enforcement Agents (bailiffs) had been unable to collect, and to date over £600,000 of Council Tax arrears have been collected which can be directly attributable to the action of this small team.
51. Due to the success of this exercise the staff have now been employed on a permanent basis and they continue to focus their activities on proactive collection techniques which range from the traditional methods of telephoning and ringing our debtors, to searching debtors Face Book and Twitter accounts to try to obtain information, such as employment details, which may help us collect their outstanding Council Tax.

Debt Recovery Case studies

52. **Mr M – Council Tax debt.** Case passed to our proactive team February 2015, for debts running from 2008 to 2014 inclusive for approximately £7,500 in total. Normal recovery route had been followed including reminders, and summonses. Enforcement Agent action had proved unsuccessful as well.

Social media and database searches led us to find Mr M's employer and an attachment of earnings order was issued to his employer for the 2013 debt of £1,615. Attachment of Earnings Orders are subject to statutory deductions in accordance with schedule 4 of the Council Tax (administration and enforcement) regulations 1992, with deductions being on average about 12% of pay rising to 17% for net pay in excess of £1,420, rising to 17% for the first £2,020 and 50% for the remainder of net pay.

When we issue the Order we generally have very little idea of the monthly yield/deduction we can expect. In this case we were pleasantly surprised to receive the first cheque from the employer of £1,077, which represented 2/3rd of the total debt for that year. Subsequent Orders were issued and payments received over the course of the following 8 months which have cleared all of the arrears. It is interesting to note that during this whole time the debtor has made no contact with us at all. We will now write to Mr M to suggest that he sets up a direct debit for next year to avoid further orders being issued in the event he defaults on payments, thus spreading his debt over a reasonable period and saving him additional court costs of £83.

Mr J – Council Tax debt. Substantial debt accrued over 6 years with sporadic payments which were not enough to make progress or to stop recovery action, together with broken arrangements and rejected direct debit payments. A visit to the property revealed that it had been sold and from enquiries made we were able to ascertain that the sale had not yet gone through. Immediate steps were taken to secure the outstanding balance by means of a Charging Order on the property via County Court proceedings. As the sale was nearing completion and possible charging order might not be in place in time, negotiations between our solicitor and the debtor's solicitor resulted in an unconditional undertaking being given for the debt to be cleared upon completion of the sale.

Mr W – Council Tax debt. A substantial debt of £11,000 had built up over a 5 year period for an empty property which was registered in executor's names. No contact had been received from the executors. We worked together with our CBC Housing team who were proposing to do a Compulsory Purchase of the property as it had been left empty for a prolonged period and the owner would not engage with them to bring the property back into use. We obtained a Charging Order on the

property covering all the Council Tax arrears which will be discharged in full once the Compulsory Purchase Order is in place. This is expected to be in early 2017.

Mr E – Council Tax debt. Arrears had accrued and contact with the debtor was very limited as he lived abroad. Contact was finally made with him via a chance phone call made to his mobile out of office hours. He agreed to come into the office to discuss the arrears on the basis that a petition for his bankruptcy would otherwise be issued in order to secure payment of the debt. He eventually agreed to come into the offices and discuss arrears. Following the interview in the offices when our recovery options were pointed out to him a debit card payment of in excess of £18,000 was made which cleared the debt in full. A direct debit has been set up and has since cleared instalments as they have fallen due.

Sundry Income Collection

53. Other than the specific sources of income described above, the Council also collects sums charged for Sundry services such as Community Care fees, Residential fees, Respite fees, Telecare fees, Commercial Rents, DBS checks, CRB checks, Course fees, Music lessons, Bin collections, Licence Fees, Rent Deposit Scheme repayments, Re-charges for damage to street furniture, re-charges for damage to our properties, insurance payments, Building Control fees, planning fees, Section 106 fees, Section 278 fees and other miscellaneous items.

54. Detail of CBC Sundry Debts Year ended 31 March 2016

CBC Sundry Debt 2015/16	Invoices raised in 2015/16	Debt brought forward at 01/04/15	Net debit in 2015/16	Amount collected in 2015/16	Amount written off in 2015/16	Debt outstanding 31/03/16
		£'000	£'000	£'000	£'000	£'000
Residential care	4,271	1,991	4,073	5,379	10	675
Non-residential care	24,737	4,489	4,412	6,736	40	2,125
Social care direct payments	335	159	626	475	22	288
Developers contributions	37	3,313	1,399	2,019	0	2,693
Social fund loan recovery	14	7	16	6	0	17
Ground rents/service charges	1,808	65	208	173	0	100
Other Sundry debtors	16,170	5,964	51,403	50,042	195	7,130
Total	47,372	15,988	62,137	64,830	267	13,028

55. Unlike local taxes, the means available to pursue non-payment are limited. If reminders are unsuccessful and dependent upon the value and type of debt it is referred, after liaison with the originating department, onto the next step for recovery action. The next step can include referring to legal for advice, sending on to a third party recovery agent, commencing a County Court judgement online, offering and setting up an instalment plan with the customer, placing a Local Land Charge.
56. The Sundry Debt team has been proactive in introducing cost effective ways to resolve unpaid debts after the relevant cycle of Council debt chasing letters have been issued. Recent changes include both the use of the Credit Protection Association plc to correspond with individuals and the use of specialist technical support to progress the recovery of costs associated with the damage to Council property by third parties.
57. During 2015/16 there were 47,372 invoices were raised totalling £62m. This compares to 48,018 invoices in 2014/15 totalling £47m.

Options for consideration

None

Reason for urgency

58. None.

Council Priorities

59. The timely billing and collection of Council Tax, Business Rates and Sundry Income maximises the Council's income and thus underpins the deliver of all of the Council's priorities which are:
- Enhancing Central Bedfordshire
 - Great Resident Services
 - Improving education and skills
 - Protecting the vulnerable; improving wellbeing
 - Creating stronger communities
 - A more efficient and responsive Council

Corporate Implications

Risk Management

60. None from directly from this report.

Staffing

61. Not applicable, for information purposes only.

Legal Implications

62. None from this report, for information purposes only.
Council Tax is collected and administered in accordance with The Council Tax (Administration and Enforcement) Regulations 1992.
Business Rates is collected in accordance with the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989.

Financial Implications

63. None directly from this report but failure to collect Council Tax, Business rates and Sundry Income would have a major impact on the Council's ability to deliver services.

Equalities Implications

64. 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.

Conclusion and next Steps

65. The report is for information purposes only, no decisions are required.

Appendices

66. Appendix 1 – table of Council Tax properties per parish.

Background Papers

67. None.

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Appendix 1 Council Tax Bands									
Parish	A	B	C	D	E	F	G	H	Grand Total
Amphill	214	472	941	702	527	420	130	10	3,416
Arlesey	293	607	938	310	245	105	15	1	2,514
Aspley Guise	41	54	310	106	107	151	182	38	989
Aspley Heath	6	40	34	37	37	57	90	19	320
Astwick	1	0	0	3	1	4	4	0	13
Battlesden	0	1	0	5	5	1	4	1	17
Biggleswade	758	2,547	2,180	1,508	1,022	285	48	3	8,351
Blunham	32	44	104	58	89	53	72	5	457
Brogborough	4	71	63	10	4	1	2	0	155
Campton and Chicksands	1	9	434	105	38	34	17	2	640
Clifton	164	113	359	227	238	146	82	4	1,333
Clophill	34	30	202	120	144	123	87	1	741
Cranfield	206	306	620	455	387	166	38	3	2,181
Dunton	4	39	90	32	52	36	26	0	279
Edworth	2	3	10	6	4	1	3	1	30
Eversholt	5	15	42	27	30	28	36	5	188
Everton	2	7	71	47	38	25	25	2	217
Eyeworth	0	0	10	6	3	12	11	0	42
Flitton and Greenfield	9	30	84	94	105	95	123	12	552
Flitwick	250	1,319	1,855	863	869	331	56	2	5,545
Gravenhurst	2	23	62	53	42	33	31	2	248
Harlington	40	41	290	302	157	88	46	0	964
Haynes	30	48	91	76	107	66	86	3	507
Henlow	99	254	538	364	241	151	55	4	1,706
Houghton Conquest	18	109	232	127	103	64	35	2	690
Hulcote and Salford	6	13	13	16	9	13	19	4	93
Husborne Crawley	2	3	36	33	8	13	14	4	113
Langford	37	182	338	300	216	172	98	1	1,344
Lidlington	18	166	176	61	77	40	20	2	560
Marston Moretaine	109	582	588	472	343	114	53	1	2,262
Maulden	93	167	228	148	287	227	140	5	1,295
Meppershall	14	55	151	156	123	149	46	3	697
Millbrook	2	3	12	17	9	3	9	3	58
Milton Bryan	1	5	12	11	7	3	23	5	67
Moggerhanger	11	48	71	55	38	41	10	2	276
Northill	30	83	220	178	219	132	99	13	974
Old Warden	16	5	30	23	24	15	20	4	137
Potsgrove	1	0	0	4	2	2	5	3	17
Potton	262	402	642	341	336	165	79	2	2,229
Pulloxhill	3	14	114	51	61	93	76	2	414
Ridgmont	8	37	41	42	22	18	11	3	182
Sandy	445	1,641	1,192	835	721	226	64	5	5,129
Shefford	289	484	786	446	565	205	54	1	2,830
Shillington	37	109	223	166	147	125	60	8	875
Silsøe	12	84	262	245	198	199	174	6	1,180
Southill	12	36	190	63	86	81	29	4	501
Steppingley	3	7	5	29	8	13	26	1	92
Stondon	225	159	285	116	91	170	91	4	1,141
Stotfold	146	569	943	1,043	607	254	61	0	3,623
Sutton	1	13	35	11	18	21	23	2	124
Tempsford	4	29	65	47	38	25	29	2	239
Tingrith	1	1	9	13	4	12	27	3	70
Westoning	18	87	231	176	89	108	136	13	858
Woburn	9	56	172	94	50	42	59	8	490
Wrestlingworth and Cockayne Hatley	7	6	85	55	86	42	44	2	327
Fairfield	2	28	228	399	245	90	131	0	1,123
Barton-le-Clay	51	90	688	612	299	218	128	4	2,090
Billington	69	4	29	26	16	12	41	4	201
Caddington	225	54	540	415	278	169	57	2	1,740
Chalgrave	13	14	53	40	21	26	42	2	211
Dunstable	2,377	3,142	4,901	4,229	1,216	455	181	7	16,508
Eaton Bray	41	91	294	164	166	232	164	3	1,155
Eggington	3	6	6	29	24	15	24	4	111
Heath and Reach	16	66	174	127	81	105	47	14	630
Hockcliffe	20	76	176	87	60	14	11	4	448
Houghton Regis	947	3,895	1,474	672	234	57	17	4	7,300
Hyde	1	1	55	44	29	15	14	4	163
Kensworth	47	16	199	101	124	72	67	13	639
Leighton-Linslade	1,395	4,169	5,522	3,136	2,206	773	262	20	17,483
Stanbridge	7	17	18	47	91	70	60	1	311
Streatley	3	71	314	154	111	66	42	4	765
Studham	12	7	28	64	47	119	218	8	503
Sundon	20	37	93	16	18	21	8	1	214
Tilsworth	8	20	41	30	21	22	26	3	171
Toddington	87	194	629	351	351	202	148	5	1,967
Totternhoe	92	32	148	61	97	84	46	1	561
Whipsnade	105	2	3	11	10	16	66	15	228
Chalton	5	6	38	77	54	20	20	0	220
Slip End	248	17	153	245	133	68	11	1	876
Grand Total	9,831	23,283	32,519	22,027	15,016	8,140	4,734	360	115,910

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Central Bedfordshire Council

Corporate Resources Overview & Scrutiny Committee

25 October 2016

Shared Legal Service – Operations Update

Advising Officers: **Georgina Stanton**, Assistant Director Service Development (Georgina.stanton@centralbedfordshire.gov.uk) and **Chris Rushworth**, Legal Services Business Relationship Manager (Chris.rushworth@centralbedfordshire.gov.uk)

Purpose of this report

To update the Committee on the first 6 months operation of the Shared Legal Service

RECOMMENDATIONS

The Committee is asked to

1. Consider and comment upon the implications of the new service delivery model in light of progress against key indicators.

Issues

1. None

Options for consideration

2. As part of the Council's Medium Term Financial Plan, the authority committed to introduce a new operating model for Legal Services.
3. Following a procurement exercise which involved three potential providers of the service, the Council entered into a new arrangement with LGSS Law on March 1st 2016.
4. This arrangement is designed to ensure the Council has continuity in its well established relationships with the former legal team, whilst also benefiting from access to a wider pool of professionals and generating efficiency savings.
5. The attached presentation presents an update for Members on the Council's progress with the new service including:

- An explanation of the new operating model
- An account of performance to date in relation to efficiency savings, customer satisfaction and staff experience
- Plans and ambitions for the future.

Reason/s for decision

To provide the Committee with an update as requested at a previous meeting.

Council Priorities

Good quality and cost effective Legal advice is a critical corporate service on which the Council is dependent. It is, therefore, fundamental to the Council's delivery of all of its priorities and this report provides Members with an opportunity to critically review its performance to date.

Corporate Implications

Legal Implications

6. None

Financial Implications

7. The introduction of the new service was predicted to generate an efficiency saving of £225k, based on a 10% reduction in operating costs. This saving has been built into the Medium Term Financial Plan and its achievement is monitored on a monthly basis.

Equalities Implications

8. None. No Decision required.

Conclusion and next Steps

9. The Shared Legal Service target operating model has been implemented effectively and compliantly on the schedule start date of 01.04.16.
10. Operational issues arising from the implementation of new working systems have been resolved and the service has moved into a Business As Usual (BAU) state.

Appendices

The following Appendix is attached.

Update Presentation (ppt).

Background Papers - None

Legal Services

An introduction to and update on the new operating model
Chris Rushworth – Legal Services Relationship Manager
Quentin Baker – Asst. Dir Legal and Monitoring Officer

October 2016

What is LGSS Law?

- A social Enterprise legal practice.
- Roots in a shared legal service formed in 2011 through the merger of two County Council in-house legal teams.
- Converted and launched as an ABS in 2015.
- Comprises a team of 145 lawyers and support staff.
- Four branch offices (Cambridge, Huntingdon, Shefford & Northampton).
- Continued growth since launch – 30% increase in turnover during last 12 months.
- Many Similarities with any private sector law firm.

What's so Innovative About LGSS Law?

- There are no Equity Partners –
- The Clients own the firm - Creates a **Virtuous Circle**.
- Company Limited by Shares.
 - Ideal platform for 'shared services'
- Flexible to fit variety of partners
 - Share mechanism is infinitely adaptable to different types/sizes of partner organisations.
- Simple and transparent.
 - Benefits and costs are clearly visible.
 - Tangible ownership and influence for the partners.
- Focussed exclusively on the Public and NfP sectors.

What are the key benefits?

- Improves cost efficiency through increased opportunities to exploit economies of scale -
 - Enables shared services.
 - Spread costs over larger income base.
- Improves service levels -
 - More effective Business Support team and ICT systems.
 - More resilience and ability to accommodate peaks of demand.
- Enables income generation through trading surplus capacity -
 - SRA Licence enables trading with wider client base.
 - The company model fosters a more business-like approach and culture.
- More attractive place to work –
 - More opportunities to pursue career aspirations.
 - More supportive working environment – specialist teams.

How is it working?

- Between 2012-2015 - Income from external clients increased by 290%. £850k
- 15-16 - ABS Turnover of £6.5 million p/a. £100k profit & 20% cut in fee rates to shareholder clients.
- 16-17 – 30% increase in turnover - Projected profits = £500k.
- Providing legal advice and representation to more than 100 client organisations within public and NFP sectors.
- Described by The Lawyer as:-
 “....a force to reckon with” May 2015

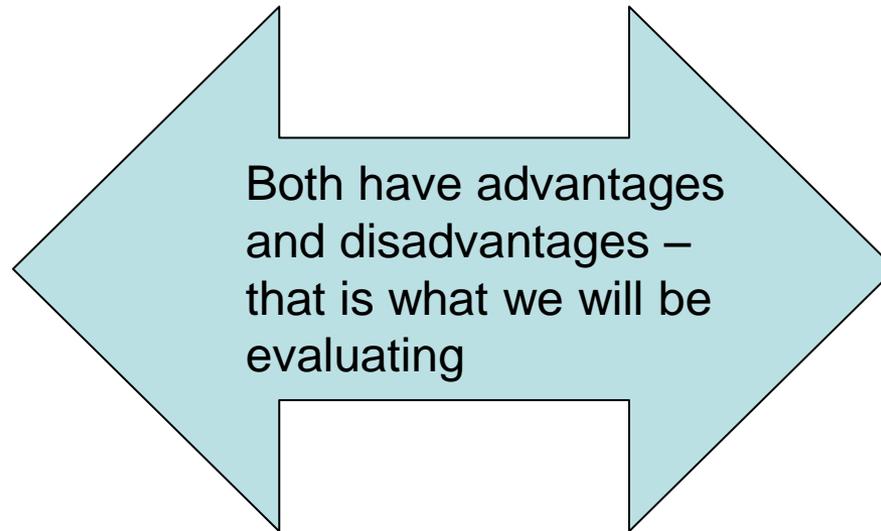
Rationale for Change

- **Opportunity** - to develop a new operating model with access to a broader range of legal professionals
- **Efficiency** - to deliver savings to contribute to our Medium Term Financial Plan
- **Experience** - to broaden professional experience of our Legal Services colleagues
- **Continuity** - to retain our team within Central Bedfordshire offices, maintaining their relationships, accessibility and specialisms

When we last met – December 2015

- We were in the midst of a procurement process and exploring a range of operating models.

A shared service, via some form of legal agreement



A formal joint ownership of a separate legal entity

Our journey this year

- Following Executive approval and a procurement exercise involving three potential bidders – Central Bedfordshire entered into a new arrangement with LGSS Law
- LGSS Law is legal entity which is separate from the three Local Authorities who jointly own it, including Central Bedfordshire Council, Cambridgeshire and Northamptonshire County Councils.
- 29 former Central Bedfordshire colleagues were transferred to LGSS Law under TUPE regulations
- New service went live on target in April 2016

Strategic Governance

- Chief Exec and Member representation at the Strategic Partner Board – Richard Carr and Cllr Wenham
- A Shareholder Representative on the Shareholder Board- Cllr Wenham
- A Non-Exec Director on the Management Board – Charles Warboys
- Officer representation at the Operational Partner Board – Chris Rushworth

Operating arrangements

- Legal staff remain at Priory House, contactable on the same numbers and emails.
- Legal services remain available to Town and Parish Councils as well as CBC (under the Localism Act).
- Day to day relationship between LGSS Law and the Council is managed by Chris Rushworth, with Quentin Baker, our Monitoring Officer and Managing Director of LGSS Law

The story so far: Financial

- Target operating model aims to deliver a Year 1 saving of £240k.
- Year to Date actuals are on profile to deliver this.
- Looking ahead, we aim to further reduce operating costs and Year 3 of our partnership may yield a dividend payment from LGSS Law.

The story so far: Service Quality

- Clearly defined service standards published
- Service users customer satisfaction surveys show positive experience
- Key Performance Indicators on target – e.g. care cases completed within statutory time limits
- Looking ahead, we expect the Lexcel Legal Quality Mark to be retained and more comprehensive customer feedback mechanisms.

The story so far: Staff Experience

- Transferred Staff census on the LGSS Law working experience planned for early 2017
- But we do have anecdotal feedback;

“For me it is business as usual. The only real difference is liaising with colleagues across CBC, Cambridgeshire and Northamptonshire and the opportunity to build up a new network of ‘go to’ people.”

Alexis Crossland

The story so far: Staff Experience

“Overall the working conditions have been very similar but there have been challenges along the way such as some processes not being clear at the start.

But on a positive note I've been able to gain confidence by developing our case management system. I've been meeting staff from other offices, and providing them with training. So although it was a challenge - I've been able to rise to it!”

Nicola Kyle-Finn

Further ambitions

- Improved forward planning, resource and demand management.
- Supporting business development.
- Deploying the learning from our shared service experience, internally and externally.

Questions?

Corporate Resources Overview & Scrutiny Committee 25th October 2016

Financial Results for Period 3 (Q1) – June 2016

Slide 1

June 2016

Revenue Position

Key Points to Note :

Full Year Forecast

- Forecast outturn position as at June 2016 is £1.9M over budget (£0.5M over in May, £2.5M over last year). The year to date spend is £1.0M below budget and so the rest of year forecast is effectively over by £2.9M.
- Social Care Health & Housing forecast overspend is £1.9M (£0.5M in May). This forecast overspend is mainly due to flowthrough of overspends from 2015/16 and unachievable efficiencies against Care Act funding (£0.75M) and Care Packages (£0.7M) which were highlighted as risks last month.
- Children's Services are over by £0.3M which relates to Children with Disability numbers being higher than budget. Community Services are under by £0.2M which is spread across a number of cost centres. Regeneration are slightly under (£0.1M) due to salary underspends. All other Directorates are forecasting to achieve budget at present.
- We are holding a contingency of £2.1M against which no call has yet been made. If this contingency is released then this results in an underspend of £0.2M.

Year to Date

- YTD Spend excluding Schools & HRA is £1.0M behind budget , same as last month (£1.1M over budget in June 2015). This is spread across a number of Directorates and will be explained further in the full report to follow.

Reserves

- The general fund full year forecast position includes a **net** £3.2M increase in reserves (excluding Schools).
- In terms of use of general fund earmarked reserves, SCHH are forecast to use £0.2M, Children's Services £0.4M, Community Services £0.9M, Public Health £0.2M, ICS £0.2M and Regeneration £0.2M. Note that these reserves are being used for the purpose for which they were set aside last year.
- This is offset by the creation of a £4.7M EMR for the New Homes Bonus (NHB) which we will receive in 2016/17. This was a conscious decision within the MTFP to both reduce reliance on NHB and to build a fund for investment. This leaves the NHB reserve at £6.8M including carry forward from 2015/16.
- There is also a budgeted transfer to EMR of £500k to top up the Redundancy Reserve.

Debt

- Overall debt is £10.6M compared to £12.6M in May. Debt over 61 days is £4.3M (41%). May was £5.1M (41%).
- Work is continuing to analyse the debt and ensure effective and efficient recovery procedures are followed.

Risks and Upsides

- Quantified Risks and Opportunities indicate a net risk of £1.4M (£2.1M in May).
- Quantified Risks total £2.4M. The main risks (>£0.05M) are;
 - £0.36M Development of Independent Living Schemes (SCHH)
 - £0.26M Care Transitions costs as Children move to adulthood (SCHH)
 - £0.16M Loss of Learning Disability Income (SCHH)
 - £0.14M Increased Voids SCOPE/Roman Gardens (SCHH)
 - £0.50M Digital Transformation (ICS)
 - £0.10M Increase in Mortuary Fees from the L&D Hospital (ICS)
 - £0.15M Winter Maintenance (Community)
 - £0.38M Higher than budgeted Independent Fostering (Children's)
 - £0.18M Higher than budgeted Occupational therapy/equipment costs – Children with Disabilities (Children's)
 - £0.07M Unaccompanied Asylum Seeking Children (Children's)
- Quantified opportunities total £1.0M. The main opportunities(>£0.05M) are;
 - £0.22M Ordinary Residence gains and Continuing Health Care dispute (SCHH)
 - £0.15M Underspend in AYSE costs (Children's)
 - £0.19M Past Service costs (Corporate)
 - £0.15M Highways vacancies (Community)
 - £0.30M Waste vacancies (Community)

2016-17 Revenue forecast outturn

Table 1

Directorate	Year to Date - June P2			Full Year			Rest of Year Variance £m
	Budget £m	Actual £m	Variance £m	Budget £m	Forecast Outturn £m	Variance £m	
SCHH	17.0	17.0	0.1	67.9	69.8	1.9	1.8
Childrens Services	9.1	9.1	(0.0)	36.4	36.7	0.3	0.3
Community Services	12.0	11.5	(0.5)	47.4	47.2	(0.2)	0.3
Regeneration	1.0	0.5	(0.5)	5.1	5.1	(0.1)	0.4
Public Health	0.0	0.1	0.1	0.0	0.0	0.0	(0.1)
Improvement & Corporate Services	3.8	3.8	0.0	15.2	15.2	0.0	(0.0)
Corporate Resources	1.1	1.0	(0.1)	4.9	4.9	0.0	0.1
Corporate Costs	2.2	2.2	(0.0)	12.2	12.2	0.0	0.0
Total Excl Landlord Business	46.2	45.3	(1.0)	189.2	191.1	1.9	2.9
Schools	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Landlord Business	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	46.2	45.3	(1.0)	189.2	191.1	1.9	2.9

Note: 1. Any minor rounding or signage differences are due to linking to detailed appendices.

Key Points to Note :

Full Year Forecast

- The approved budget including HRA and also deferred spend from 2015/16 (approved by Executive in June) is £140.2M (gross). The gross forecast is below budget by £15.4M (£13.8M last year against a higher budget of £160.3M). The net forecast is £1.5M over budget due to less grant forecast to be received than budgeted (£7.7M over last month, £8.6M under last year).
- The main reasons are: Community Services are only forecasting £1.0M spend against the £7M budget for the A421 project until the position regarding the external funding of the remaining £6M is clearer. Luton & Dunstable Busway is currently forecast to be £3.4M under budget. Woodside link is currently £1.6M over budget on spend. Thorn Turn Waste Park is currently £3.2M below budget.
- Children's Services are also expecting to spend £3.5M (net) more than budgeted on New School Places. This is due to a combination of less than expected S106 Grants and a £2M reduction to the budget which was due to be mitigated through value engineering but that has not yet identified cost reductions.
- Croft Green (HRA) is currently proposing to slip £3.3M to 2017/18.
- The difference between the £15.4M Gross spend below budget and the £1.5M net spend above is due to reduced external funding for the A421 (£6m) and also Woodside Link (£7.7M).

Key Points to Note :

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Year to Date

- YTD Gross Spend is £11.8M below budget (£10.4M last year). Actual spend is £21.1M compared to £29.5M last year.
- The reason the YTD variance looks high compared to forecast is due to business cases not having been approved and so spend not taking place, but this is expected to be caught up.

Capital Receipts

- The overall budget for Capital receipts is £10.5M. The current forecast is £10.5M. The major anticipated receipts are Fairfield £4.7M and £4.8M from Bedford Borough for Bell Farm and County Hall as part of the disaggregation agreement.
- To date we have received £0.727M which is the balance of £0.109M for the properties that were auctioned at the end of the last financial year and Deposits of £0.618M from third parties in respect of developments in the east of the area.

June 2016

Capital Forecast

Table 2

Directorate	Year to Date P3			Full Year 2016/17			Year to Date P3			Full Year 2016/17		
	Gross Budget	Gross Actual	Gross Variance	Gross Budget	Gross Forecast	Gross Variance	Net Budget	Net Actual	Net Variance	Net Budget	Net Forecast	Net Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
CS	8.0	7.9	(0.1)	21.5	23.6	2.1	1.3	0.1	(1.1)	1.5	4.9	3.5
Community Service	17.5	10.2	(7.3)	83.1	72.1	(10.9)	9.6	6.3	(3.3)	52.8	59.1	6.4
Improvement & Corporate Services	0.7	0.4	(0.3)	5.0	5.0	0.0	0.7	0.4	(0.3)	5.0	5.0	0.0
Corporate Resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Regeneration	1.3	0.0	(1.3)	5.7	3.1	(2.6)	0.9	0.3	(0.6)	3.5	1.5	(2.0)
ASCHH	3.4	0.9	(2.5)	9.4	8.7	(0.7)	2.7	(0.5)	(3.2)	7.4	4.4	(3.1)
Total Exc HRA	30.9	19.5	(11.5)	124.6	112.5	(12.1)	15.2	6.6	(8.6)	70.2	75.0	4.8
HRA	2.0	1.7	(0.4)	15.6	12.3	(3.3)	2.0	1.7	(0.4)	15.6	12.3	(3.3)
Total	33.0	21.1	(11.8)	140.2	124.8	(15.4)	17.2	8.3	(8.9)	85.7	87.2	1.5

This gross position reflects the level of activity to deliver the Councils capital programme. The net position reflects the Council's commitment to fund the capital programme.

Note: 1. Any minor rounding or signage differences are due to linking to detailed appendices.

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- Revenue year to date (YTD) under budget by £0.265M before movements to reserves is mainly due to project related costs yet to be incurred (£0.108M) and reduced maintenance expenditure (£0.081M). This is reported as on budget after reserve movements.
- Forecast outturn surplus of £5.031M compared to budget of £5.363M a reduction of £0.332M. Again, reported on budget following movements to reserves.
- This is due to projected increased spend within Housing Operations due mainly to under achievement of vacancy saving target and other minor variances. Reduced income due to reduced Supported Housing contribution from the General Fund (GF) in order to achieve GF efficiency. and an increase in void loss, partially due to delayed occupation at Priory View.
- Capital YTD under spend £0.354M due to out of profile expenditure within Roof Replacement (£0.045M), Rewiring (£0.067M), Structural Repairs (£0.046M) and Priory View (£0.168M). These projects are forecast to outturn on budget.
- Capital budget £15.589M, includes slippage from 2015-16 of £4.280M. Forecast outturn £12.250M, proposed slippage to 2017/18 Croft Green (£3.239M) Major Renewals (£0.100M).

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