

APPENDIX A – DIRECTORATE COMMENTARY

Social Care, Health and Housing

1. The General Fund outturn for the directorate is a projected underspend of £0.719m or 1.1%.

| Month: December 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 | 142 | 183 | - | 41 | 190 | 221 | 31 | - | 31 |
| Housing Management (GF) | 1,137 | 1,047 | - | (90) | 1,516 | 1,045 | (471) | - | (471) |
| Adult Social Care | 44,557 | 45,107 | (436) | 115 | 59,374 | 60,451 | 1,077 | (577) | 500 |
| Commissioning | 9,301 | 8,972 | (75) | (404) | 12,400 | 12,184 | (216) | (106) | (322) |
| Business and Performance | (5,679) | (5,811) | (205) | (337) | (7,588) | (7,772) | (184) | (273) | (457) |
| Total Social Care and Health | 49,457 | 49,498 | (716) | (675) | 65,892 | 66,129 | 237 | (956) | (719) |

2. The Adult Social Care service is over spent by £0.5m or 1% of the budget (£0.846m over spend for Quarter Two). The key reasons for this are an over spend in older people's care packages of £1.8m due to efficiency shortfalls and a projected over spend of £0.133m in under 65 mental health packages due to volume increases.

These are offset by projected under spends of £0.632m on Reablement, £0.170m on in-house learning disability services and £0.216m on under 65 physical disability packages.

The Quarter Three spend is extrapolated indicates a full year forecast outturn after reserves of £65m which is broadly in line with the forecast.

3. Older People external care package costs are over spent by £1.9m which is equivalent to 7% of the budget allocation of £26.7m. Within this, there are overspends in Residential and Home Care partially offset by underspends in Nursing care, 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 33 net placements (7% increase) since 1 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 under spending by £0.239m on care packages after use of a reserve to offset Ordinary Residence pressures. The under spend is offset by a significant under achievement of other local authority income of £0.367m. Efficiencies are exceeding the target.
6. Within the Older People client service group, the impact of former self funders continues to be tracked. In the first three quarters of 2013/14 24 service users in this category have required council support at an estimated cost of £0.248m. If the trend continues, the net cost for 2013/14 will be £0.269m with a full year equivalent cost of £0.539m.

The customer numbers are similar to last year's – a continuing pressure, which given the current financial climate, 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 Care Bill.

7. The Commissioning service is under spending by £0.322m (£0.114m in Quarter Two) after contributions from reserves. This is due to small over and under spends on contracts. Of the £0.200m set aside for the residential dementia fee uplift, only £0.040m is assumed to be used in the forecast.
8. Customer income is over budget by £0.457m (6%) 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 December 2013 is over budget by £2.622m (£2.633m Quarter Two). Although there has been little movement overall since Quarter Two, increased pressures due to a rise in the number of looked after children (£0.89m), have been managed within the directorate. Had the pressure for the directorate not been managed in year by reserves set aside from the 2012/13 financial year the total overspend would be forecast at £6.430m).

| Month: December 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 |
| Children's Services | | | | | | | | | |
| Director of Children's Services | 289 | 445 | (188) | (32) | 385 | 597 | 212 | (250) | (38) |
| Children's Services Operations | 21,468 | 24,892 | (2,499) | 925 | 28,681 | 33,466 | 4,785 | (3,280) | 1,505 |
| Commissioning & Partnerships | 3,014 | 2,608 | (33) | (439) | 4,425 | 4,121 | (304) | (38) | (342) |
| Joint School Commissioning Service (Transport) | 4,992 | 5,433 | (24) | 417 | 7,012 | 7,617 | 605 | (24) | 581 |
| Partnerships | 533 | 546 | (30) | (17) | 610 | 643 | 33 | (40) | (7) |
| School Improvement (incl Music) | 1,490 | 1,484 | (58) | (64) | 1,218 | 1,221 | 3 | (58) | (55) |
| Total Children's Services (ex Schools / Overheads) | 31,786 | 35,408 | (2,832) | 790 | 42,331 | 47,665 | 5,334 | (3,690) | 1,644 |
| DSG Contribution to Central Support | (1,175) | (539) | - | 636 | (1,567) | (719) | 848 | - | 848 |
| ESG Contribution to Central Support | (1,169) | (1,071) | - | 98 | (1,558) | (1,428) | 130 | - | 130 |
| Total Children's Services (excluding Schools) | 29,442 | 33,798 | (2,832) | 1,524 | 39,206 | 45,518 | 6,312 | (3,690) | 2,622 |

11. At the time of writing there have been 46 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 December 2012 | Total December 2013 | % increase / (decrease) |
|---------------------------|---------------------|---------------------|-------------------------|
| Number of LAC | 238 | 279 | 17.2% |
| In House Placements | 85 | 90 | 5.9% |
| Independent Placements | 87 | 108 | 24.1% |
| Child Protection Plan | 249 | 264 | 6% |
| Children in Need | 1,711 | 1,562 | (8.7%) |
| Number of Referrals (YTD) | 1,798 | 1,982 | 10.2% |

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 the fostering and adoption support to ensure a successful placement.
14. The overspend in Transport is a combination of mainstream transport (164k) and SEN transport (£467k). 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 £33.798m, over budget by £1.524m after in year use of reserves. This is a lower spend to date variance when compared with the projected full year forecast overspend of £2.622m. This is mainly due to Children with Disabilities (£438k), where it is expected that the rate of spend will increase in the last quarter with a transfer to capital for building works that are on-going at the hub, and Early Intervention and Prevention (£266k) panel meetings.

17. 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 and School Support including Education Psychology, Access and Inclusion and provision for Looked after Children in the Music Service
 - Commissioning for Youth Service
 - Early Intervention and Prevention.
18. 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 and Earmarked reserve of £1.193m but will be a pressure for the MTFP in the budget year 2014/15.

Community Services

19. Community Services' overall financial position was £265k under budget after the use of earmarked reserves of £693k for one-off specific projects.

| Month: December 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 |
| Community Services | | | | | | | | | |
| Community Services Director | 188 | 135 | - | (53) | 251 | 184 | (67) | - | (67) |
| Highways Transportation | 7,359 | 7,470 | (11) | 100 | 10,504 | 10,525 | 21 | (11) | 10 |
| Environmental Services | 16,227 | 16,639 | (459) | (47) | 22,093 | 22,637 | 544 | (682) | (138) |
| Libraries | 1,990 | 1,808 | - | (182) | 2,926 | 2,856 | (70) | - | (70) |
| Total Community Services | 25,764 | 26,052 | (470) | (182) | 35,774 | 36,202 | 428 | (693) | (265) |

20. Highways and Transport has projected an outturn of £10k overspend.

There is an underspend on salaries due to vacant posts and superannuation which has mostly offset the overspends detailed below.

There is an overspend of £57k 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 an £56k overspend due to winter maintenance, of which £26k relates to the additional salt bins.

There is a total overspend of £170k on fleet costs including maintenance and leasing costs due to an ageing fleet.

These are offset by underspends on salaries and consultancy.

21. Environmental Service is forecasting an underspend of £137k.

There is a forecast under spend of £29k on emergency planning on salaries and supplies and services.

There is a forecast underspend of £99k on community safety down to salary savings and one-off income being received.

22. Libraries are forecasting an underspend of £70k, this is primarily against the staffing budget and mainly relates to unfilled vacancies and higher levels of staff churn in the first six months of the year following a Library Service Staffing re- structure.

Regeneration and Business Support

23. Regeneration and Business Support's overall financial position was £439k under budget after the use of earmarked reserves of £245k for one-off specific projects.

| Month: December 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 |
| Regeneration and Business Support | | | | | | | | | |
| Service Development | 402 | 335 | - | (67) | 536 | 526 | (10) | - | (10) |
| Planning | 4,555 | 4,029 | (30) | (556) | 6,341 | 5,784 | (557) | 118 | (439) |
| Economic Growth, Skills & Regeneration | 574 | 652 | (265) | (187) | 1,163 | 1,536 | 373 | (363) | 10 |
| Total Regeneration and Business Support | 5,531 | 5,016 | (295) | (810) | 8,040 | 7,846 | (194) | (245) | (439) |

24. Service Development is forecasting an under spend of £10k due to salary savings.

25. Economic Growth Skills & Regeneration has projected an outturn of £10k overspend. The Adult Skills & Community Learning service is currently showing a full year overspend of £72k – this is a interim position and is subject to continuing budget re-alignment that is seeking to deliver a balanced position by the end of the year.

This is offset by underspends on consultancy £40k and £20k vacancies.

26. The Planning Division is forecasting an underspend of £439k.

The major elements of this are:

A forecast under spend on salaries of £240k due to vacancies, maternity leave and take up of pensions offset by temporary staff.

A forecast underspend of £300k in development plan and strategic housing of professional fees as a result of delays to key strategic planning documents, including the Development Strategy, which were due to be at Public Examination in this financial year, but will now not reach examination until the new financial year.

Some of the underspend currently forecast maybe reduced at year end by a request to CMT to approve the creation of an Earmarked Reserve to pay for those examinations in the new financial year.

There is a forecast overspend of £130k relating to the flood defence grant which has previously been advised.

Public Health

27. The full year forecast is an underspend of £0.63m (7.3%) as a contribution from Public Health to offset the Councils overheads.

An element of the Public Health funding will be used to make a contribution to offset the cost of the relevant Council overheads. As this was unbudgeted it shows up as a forecast underspend in the report.

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.

| Month: December 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 |
| Public Health | | | | | | | | | |
| Director of Public Health | (6,482) | (6,874) | - | (392) | (8,643) | (8,643) | - | - | - |
| Assistant Director of Public Health | 6,482 | 6,111 | (40) | (411) | 8,643 | 8,486 | (157) | 157 | - |
| Total Public Health (Excl overheads) | - | (763) | (40) | (803) | - | (157) | (157) | 157 | - |
| Contribution to Central Support | - | (473) | - | (473) | - | (631) | (631) | - | (631) |
| Total Public Health | - | (1,236) | (40) | (1,276) | - | (788) | (788) | 157 | (631) |

28. The YTD spend is a £1.3m underspend. The majority of which relates to the unspent reserve that is forecast to be fully utilised and the contribution to overheads.

Improvement and Corporate Services

29. Improvement & Corporate Services (ICS) are forecasting to overspend by £0.3m (1.3%).

| Month: December 2013 | Year to date | | | | Year | | | | |
|-------------------------------------------------|---------------|---------------|--------------|--------------|---------------|---------------|------------|--------------|------------|
| Improvement and Corporate Services | | | | | | | | | |
| Improvement and Corporate Services Leadership | 146 | 256 | (73) | 37 | 195 | 317 | 122 | (73) | 49 |
| Communications | 665 | 660 | - | (5) | 887 | 852 | (35) | - | (35) |
| Customer Services | 1,443 | 1,533 | - | 90 | 1,924 | 2,131 | 207 | - | 207 |
| Programme and Performance | 419 | 420 | (3) | (2) | 559 | 641 | 82 | (76) | 6 |
| Policy & strategy | 124 | 104 | - | (20) | 165 | 151 | (14) | - | (14) |
| Customer & Community Insight | - | - | - | - | - | - | - | - | - |
| Procurement | 278 | 265 | - | (13) | 371 | 371 | - | - | - |
| People | 2,012 | 1,983 | - | (29) | 2,683 | 2,719 | 36 | - | 36 |
| Information Assets | 5,277 | 5,357 | (10) | 70 | 7,036 | 7,117 | 81 | (10) | 71 |
| Legal & Democratic Services | 2,730 | 2,677 | (38) | (91) | 3,807 | 4,143 | 336 | 57 | 393 |
| Assets | 4,669 | 4,182 | (49) | (536) | 6,225 | 6,019 | (206) | (220) | (426) |
| Total Improvement and Corporate Services | 17,763 | 17,437 | (173) | (499) | 23,852 | 24,461 | 609 | (322) | 287 |

30. £393k overspend within Legal & Democratic Services, mainly due to pressures in Legal Services. There are pressures caused by unbudgeted posts as a result of restructure (£200k), unachievable vacancy factor (£51k), increase Children's Services cases (£227k), recruitment costs (£30k) and unbudgeted Copyright Licence (£64k).
31. 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). A review is under way to establish if full cost recovery is in place for capital and Housing Revenue Account (HRA) works.

Corporate Resources and Costs

32. The full year budget of £16.2m is made up of:

- Corporate Resources £5.188m
- Corporate Costs £14.245m
- Contingency & Reserves (£3.233m)

| Month: December 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 |
| Corporate Resources | | | | | | | | | |
| Chief Executive | 224 | 243 | - | 19 | 299 | 299 | - | - | - |
| Finance | 3,665 | 3,391 | - | (274) | 5,301 | 5,188 | (113) | - | (113) |
| Housing Benefit Subsidy | (309) | (309) | - | - | (412) | (412) | - | - | - |
| Total Corporate Resources | 3,580 | 3,325 | - | (255) | 5,188 | 5,075 | (113) | - | (113) |
| Corporate Costs | | | | | | | | | |
| Debt Management | 8,783 | 8,320 | - | (463) | 11,710 | 11,093 | (617) | - | (617) |
| Premature Retirement Costs | 2,216 | 2,104 | - | (112) | 2,954 | 2,830 | (124) | - | (124) |
| Corporate HRA Recharges | (68) | (68) | - | - | (90) | (90) | - | - | - |
| Efficiencies | 225 | (75) | - | (300) | (329) | (99) | 230 | - | 230 |
| Contingency and Reserves* | (3,740) | (3,637) | - | 103 | (3,233) | (3,108) | 125 | - | 125 |
| Total Corporate Costs | 7,416 | 6,644 | - | (772) | 11,012 | 10,626 | (386) | - | (386) |
| Total Corporate | 10,996 | 9,969 | - | (1,027) | 16,200 | 15,701 | (499) | - | (499) |

33. There is an overall saving of £113k 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; £59k saving in Financial Performance & Support due to lower than budgeted staff costs; £43k saving in Audit staff costs as a result of vacancy savings and a team member on long term sickness; £139k saving in Revenues and Benefits as a result of receiving unbudgeted grant from central government for Welfare Reform.

34. 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.

35. 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.
36. £230k pressure in Cross Cutting Efficiencies. There have been unachievable prior years' efficiencies in Channel Shift (£145k) and 2013/14 Customer First Efficiencies (£485k). These have been mitigated slightly by a £380k saving due to unused superannuation increase budget provision and £20k higher than budgeted savings from staff purchase of additional annual leave.
37. Forecast pressure of £125k in Contingency & Reserves as a result of Vacant Property Review carried out to optimise future years' New Homes Bonus.