

Appendix A – Earmarked Reserves

Description	Opening Balance 2013/14 €000	Spent €000	Released €000	Technical Movements €000	Agreed transfers as at Dec €000	Balance before new transfers €000	New Proposed transfers	Proposed Closing Balance 2013/14 €000	MEMO: Net movement after proposals	Description of EMR
Social Care Health and Housing										
Social Care Reform Grant	187	(30)				157		157	(30)	Reserve to fund multi year Transforming People's Lives project. Includes SWIFT/IAIS implementation.
Deregistration of Care Homes	433	(152)				281		281	(152)	Reserve to fund costs associated with deregistering of a national care provider
LD Campus Closure	421	(76)				345		345	(76)	Reserve for the smoothing of double running costs resulting from reprovision of Learning Disabilities services.
Deprivation of Liberty Safeguards	81	-				81	800	881	800	Grant given in 12/13 to implement Deprivation of Liberty assessments in hospitals – roll forward of unused balance. Further €500k addition proposed re Supreme Court ruling in April 2014
Reablement	100	(100)				-		-	(100)	NHS Funding to support joint working with other Local Authorities and partners to facilitate seamless care for patients
Winter Pressure 12/13	152	(102)				50		50	(102)	12/13 Winter Pressures grant and Falls Prevention Pilot health funding carry forward of unspent balance net of expenditure met from 10/11 & 11/12 grant reserve
Winter Pressure 13/14	-	-		103		103		103	103	Underspend of CCG Winter Pressures Funding
Mental Health Action Plan	138	(23)				115		115	(23)	To fund improvements identified in the Mental Health Improvement Plan to be jointly delivered with SEPT. Reserve to cover possible S117 repayments
Outcome Based Commissioning	3,067	(62)				3,005	500	3,505	438	To fund costs associated with Residential Futures Programme and also the 2014-15 costs associated with the BUPA homes (includes property maintenance)
Step Up / Step Down	490	-				490		490	-	To be used to fund the Step-up, Step Down unit at Greenacres unspent grant monies from 2011/12
NHS Grant 2013/14 - Better Care Fund	-			280		280		280	280	13/14 NHS Grant - projects not completed by 31st March 14. Agreed with NHS Commissioning Board to be applied to Better Care Fund programme in 14/15 to fund development of joint delivery plan, reporting and governance arrangements.
Welfare Reform - local welfare provision grant	-					-	340	340	340	New reserve for unspent local welfare provision grant and Housing Solutions underspend. Linked to the development of a credit union in Central Beds
Homelessness	-					-		-	-	Housing Solution under spend to be combined with 14/15 Homelessness funding to deliver on services to prevent homelessness. Linked to agreed delivery plan.
Zero Base Review grant	-	-	-	59	-	59		59	59	Grant awarded in 13/14 to develop new performance and financial reporting - report development resource not available until 2014/15
NHS Grant - Strategic Transitions Project underspend	-	-	-	86	-	86		86	86	Funding has been allocated in 13/14 for the Strategic Transitions project and for the Ageing Well Project - likely to be some slippage
Total Social Care, Health and Housing	5,069	(545)	-	528	-	5,052	1,640	6,692	1,623	

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Community Services Reserves						0		-	-	
Leisure Centre Reinvestment Fund	89			35	55	179		179	90	Contractual requirement for share of profits from leisure contracts in North area for the reinvestment in building and worn out equipment. The reserve does hold a one off of £26k for an insurable risk assessment fund which in 13/14 is being funded by the base budget
Integrated consumer protection	140	(24)				116		116	(24)	This money is being held to assist with additional costs associated with protection of consumers either through specialist investigation costs or costs for legal proceedings. Without these monies specialist investigations will be extremely limited which may result in the inability to achieve a successful outcome in relation to consumer protection
Transport Fund	125					125		125	-	Parking income directed to transport infrastructure improvements.
Community Safety partnership fund	159	-		67		226		226	67	Contributions from community safety partners, Home Office (IOM), and money held on behalf of HMCS relating to cash seizures.
Bedford & Luton Resilience Forum	65					65		65	-	Contributions from partners with CBC acting as treasurer to Forum and arising from subscriptions made by each of the partnership organisations to fund work undertaken by BLLRF.
PTR2 Business Process Reengineering	11	(11)				-		-	(11)	Delivery of new IT solution and business processes.
Arts and theatre service reviews						-		-	-	
Waste	449	(449)				-		-	(449)	BEaR project delayed due to additional requests made which was not reflected in the MTFP. More definite figures will be known part way through the year when preferred bidder announced but know project and therefore savings will not commence until 2014/15. amount of the proposed reserve comes from the saving in the waste contracts
DEFRA grant	53	(53)				-		-	(53)	This money has been provided by DEFRA to help fund the remediation of a contaminated land site occupied by a residential premises. These monies are due to be spent from April onwards following procurement of contractors etc. to undertake the work. It cannot be treated as grant in advance as it is not ringfenced.
arts and theatre review	7	(7)				-		-	(7)	reserve split between CS and Regen
Financial Investigation Unit	275	(38)				237		237	(38)	now earmarked reserve not RIA/ GIA
Community Safety Grant	85	(22)		15		78		78	(7)	now earmarked reserve not RIA/ GIA (additional is income from probation that they handed over in 2013/14 for work in 2014/15)
Biggleswade wind farm				23		23		23	23	ringfenced income
countryside access grant				16		16		16	16	Linslade Wood income for Phone Masts and Grant of Easement for Sheffield - both Ring fenced income
flood recovery - highways				296		296		296	296	allocation from central government received late march - part rev part capital in relation to work needed as result of bad
Total Community Services	1,458	(604)	-	452	55	1,361	-	1,361	(97)	

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Children's Services Reserves						0		-	-	
Fostering & Adoption						0	398	998	998	As per MTFP £493k x 2 years Fostering Fee Scheme
Childrens Homes Co-location						0	232	232	232	As per MTFP £116k x 2 years Children Centres
School Specific Contingency	853	(225)		2,439		3,067		3,067	2,214	DSG Ringfenced
Performance Reward Grant	144					144		144	-	LPSA Grant ring fenced
LSP Sustainable Neighbourhoods	47					47		47	-	LPSA Grant ring fenced
SEN Evaluation & positioning for additional duties when SEN Green paper becomes an Act	75	(75)				-		-	(75)	Green Paper late summer requires new duties that were flagged as risk last year that were not included as pressures
"Working Together" - new National Guidance	50					50		50	-	Existing Reserve held for increasing costs of LSCB due to new Government requirements.
OFSTED Action Plan	180	(180)				-		-	(180)	To be developed following publication of the OFSTED Action Plan, work needed in Health and to address adequate judgement on equalities. £180K held to fund pressures in MTFP for 2013/14
OFSTED Action Plan	70	(70)				-		-	(70)	Carried forward EIG - OFSTED action, Information management and compliance posts - fixed term
Fostering & Adoption	300	(300)				-		-	(300)	Possible risk should disaggregation with BB go ahead. Analysis is ongoing. This figure is subject to discussion with BB about staffing compliments. Continued rising IFA's
Looked After Children / Safeguarding	1,200	(1,200)				-		-	(1,200)	Emergent budget issues, which account for the 22 per cent rise in children coming forward at risk of significant harm
CWD	143	(143)				-		-	(143)	Carried forward EIG - OFSTED action, Information management and compliance posts - fixed term
Impact of future funding cuts (CS - EIG)	1,193	(1,193)				-		-	(1,193)	EIG Reduction
Threshold Review	500	(500)				-		-	(500)	Threshold Review
CWD						-	70	70	70	Refurbishment of flat at Maythorn & South Hub Settlement costs, pressure for MTFP
Transformation Challenge Award				150		150		150	150	Income received March 14 Transformation Challenge Award Earmarked and carried forward
Support and Aspiration Grant				65		65		65	65	Support and Aspiration Grant Earmarked
Children's Services Unspent Grant Income				311		311		311	311	ASYE Grant Programme to train & develop newly qualified SW's £7k, Troubled Families Grant £304k Earmarked
Assets of Community Value				13		13		13	13	New Burdens Grant for Assets of Community Value Earmarked
The Central Bedfordshire Academy of Social Work and Early Intervention						-	118	118	118	Additional Practice Educator to support an increased cohort of newly qualified social workers, project support and leadership qualification funding
Children's & Families Act						-	200	200	200	Development of communications and implementation materials to present whole of CBC's offer to families
Total Children's Services	4,755	(3,886)	-	2,978	-	3,847	1,618	5,465	710	

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Regeneration Reserves						-		-	-	
Career Development framework	68	(35)				33		33	(35)	This reserve is to fund 2 two year planning trainee 'apprenticeship' posts in partnership with Westminster University . These posts sit in Development Management division .
External Funded Regeneration reserve	434	(94)				340		340	(94)	
Local Development Framework	100					100	265	365	265	To support the examination hearings of development strategy, gypsy and traveller and CIL which had been due to take place in 2013/14. The 2014/15 budget had been reduced in the MTFP process to reflect this.
Physical Regeneration Projects	31	(31)				-		-	(31)	
Pre-application service development	288	(146)		60	100	302		302	14	This reserve is used to resource and support Planning Performance Agreements specifically enabling external technical expertise to be secured to deliver against the milestones set out in the signed agreements. PPAs are entered into by Developers for an assured level of service and bring income into the Authority. Failure to deliver the levels of service set out in the agreement will result in reductions in income levels from PPAs and loss of reputational issues for the Council
Minerals and Waste partnership funds	104					104		104	-	
NIRAH	50	(16)				34		34	(16)	
Woodside connection options appraisal	50					50		50	-	
Business growth grants	84	(33)				51		51	(33)	
Flood Defence	264			51		315		315	51	now earmarked reserve not RIA/ GIA
Natural England	10					10		10	-	now earmarked reserve not RIA/ GIA
Building control	76			129		205		205	129	Previously this has been treated as a receipt in advance - however as building control is a trading account it needs to be treated as an earmarked reserve
Unauthorised Development	50			109		159		159	109	Previously this has been set up as a provision but the correct treatment is as an earmarked reserve.
Broadband						-		-	-	To support the second phase of the broadband project for additional coverage within the area as match funding is required
arts and theatre review	3	(3)				-		-	(3)	
neighbourhood planning grant				30		30		30	30	ringfenced grant
Town centre regeneration						-		-	-	Regeneration of town centres - This would be available to support the priority work of the new Regeneration Programme Delivery Team in the Regeneration Directorate. This would support the delivery of other priority projects in Dunstable and other town centres (Leighton Buzzard, Houghton Regis, Flitwick and Biggleswade).
Total Regeneration	1,612	(358)	-	379	100	1,733	265	1,998	386	
Public Health Reserves						-		-	-	
Transitional Grant Reserve	65		(65)	927		927		927	862	
Risk reserve	-					-		-	-	
Total Public Health	65	-	(65)	927	-	927	-	927	862	

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Improvement and Corporate Services Reserves						0		-	-	
Pan Public Sector Funding	43	(15)				28		28	(15)	Partnership Funding to facilitate the successful delivery of the Implementation of Total Place in Luton and Bedfordshire through Projects.
Customer First	33	-		2		35		35	2	Support allocated to Customer First Revenue activities
SAP Optimisation	73	(73)				-		-	(73)	To support revenue activities of the SAP Optimisation project.
Elections Fund	12				82	94		94	82	Build sufficient reserve over four years to run council election
Local Land Charges (LLC)	-					-		-	-	Digitise and create electronic database of documents relating to LLC enquiries
Individual Electoral Registration	-			19		19		19	19	
Assets	-					-	40	40	40	Transition - Reduce reliance on Consultants & fund transitional period in staff restructure.
ICT Webcasting	-					-	150	150	150	
ICS - HR (Apprentices & Graduates)	-					-	150	150	150	
Total Improvement & Corporate Services	161	(88)	-	21	82	176	340	516	355	
Finance										
Housing Benefit Subsidy Audit Reserve	500					500		500	-	Reserve to cover outcome of Housing Benefit Subsidy audits
NNDR Discretionary Relief & NNDR Bad Debts	-			502		502	-	502	502	Receipt of new accounting guidance - will impact 14/15 collection fund
Total Finance	500	-	-	502	-	1,002	-	1,002	502	
Corporate Reserves						0		-	-	
Redundancy/Restructure Reserve	3,168	(754)	-	-	-	2,414		2,414	(754)	Reserve to cover redundancy and actuarial costs
Insurance reserve	3,338	(214)		780		3,904	500	4,404	1,066	Reserve to cover insurance costs based on actuarial assessment
Welfare Reform	500	(40)				460		460	(40)	The Government has introduced a range of changes to benefits and other welfare payments, with effect from 1 April 2013. This includes abolition of Council Tax Benefit, replaced with a localised Council Tax Support system and the Under Occupancy Charge for those benefit claimants deemed to be occupying a greater number of bedrooms than is required. There have also been changes in the transfer of the former Social Welfare Fund payments to local authorities. The Council has budgeted for these changes but is aware that the full implications and the impact on vulnerable groups of people has yet to be fully understood. This Earmarked Reserve has been created to provide scope to support any additional initiatives which the Council may wish to take as the position develops during the financial year.

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Teachers Pensions	186			15		201		201	15	Reserve to cover authority's potential liability following historic scheme records issue
s31 NDR Income to offset NDR discounts	-			1,018		1,018		1,018	1,018	
Planning Decisions Legal Challenge	300					300		300	-	
Funding for Transition	321	(321)				-		-	(321)	This Earmarked Reserve has been created to provide additional flexibility during the 13/14 year as we transition to new ways of working more efficiently and implement significant office rationalisation in consolidating into two principal offices. It will be used to support one-off activities necessary to implement these and other efficiencies.
Weed Spraying							200	200	200	Great Places in Central Bedfordshire
Grass Cutting							200	200	200	Great Places in Central Bedfordshire
Additional street cleansing / deep cleansing, footpath clearance, spot weed control, graffiti removal / painting, emergency 'streetscene'							300	300	300	Great Places in Central Bedfordshire
Street sweeping							130	130	130	Great Places in Central Bedfordshire
Town Centre jet wash							100	100	100	Great Places in Central Bedfordshire
Road Marking Line renewal							70	70	70	Great Places in Central Bedfordshire
Total Corporate Reserves	7,813	(1,329)	-	1,813	-	8,297	1,500	9,797	1,984	
Total Earmarked Reserves	21,433	(6,810)	(65)	7,600	237	22,395	5,363	27,758	6,325	

Appendix B General Fund Balances and Reserves Analysis

Background	
1.1	The Chief Finance Officer has a statutory duty under Section 25 of the Local Government Finance Act 2003 to comment annually on the adequacy of the Council's General Fund Reserves. This is reported as part of the annual budget papers to Executive and Full Council and the analysis within this document supports the Chief Finance Officer's opinion.
1.2	<p>The purpose of General Fund reserves are to act as:</p> <ul style="list-style-type: none"> • A working balance to help cushion the impact of volatility in net expenditure or income across financial years • To smooth the flow of funds eg. When faced with funding cuts a GF Reserve enables the Council to draw down on reserves whilst a more permanent efficiency saving is implemented. • A contingency to cushion the impact of unexpected events or emergencies; • A means of building up funds to meet known or predicted requirements. Funds can also be set aside in the form of specific earmarked reserves, which are accounted for separately but legally form part of the General Fund balance.
1.3	When considering whether the level of General Fund reserves is both adequate and necessary, the Chief Finance Officer considers the strategic, operational and financial risks facing the Council and balances this against utilising the maximum resources available to the Council to achieve its objectives and ensuring that current resources are used to the benefit of the current tax payer.
1.4	<p>The Chartered Institute of Public Finance and Accountancy (CIPFA) released a Local Authority Accounting Panel (LAAP) Bulletin 77 (November 2008) outlining key areas to consider when assessing the adequacy of reserves including:</p> <ul style="list-style-type: none"> • The robustness of the financial planning process (including treatment of inflation and interest rates, estimates of locally raised income and timing of capital receipts) • How the Council manages demand led service pressures • The treatment of planned savings / productivity gains • The financial risks inherent in any major capital project, outsourcing arrangements or significant new funding changes • The strength of the financial monitoring and reporting processes • Cash flow management and the need for short term borrowing • The availability of reserves, Government grants and other funds to deal with major contingencies • The general financial climate to which the Council is subject to and its previous record in budget and financial management.
1.5	<p>In November 2013 the Audit Commission stated that:</p> <p><i>“Reserves are an essential part of councils’ strategic, financial and risk management. Councils hold reserves either as a contingency fund in the event of unforeseen circumstances, such as unexpected demand for services or a shortfall in income, or to smooth the impact of planned spending requirements over time, for example, setting aside funds for staff redundancies or to invest in large-scale capital projects. Our 2012 report on councils’ decision making on reserves encouraged councils to:</i></p> <ul style="list-style-type: none"> • <i>examine routinely how much they hold in reserves, and the purposes for which reserves are held; and</i>

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	<ul style="list-style-type: none"> ensure their decisions on reserves are clearly explained to local taxpayers to promote accountability.”
1.6	The analysis in Table 1 examines the Council's balances against the criteria outlined in LAAP Bulletin 77 and is based on the Council's procedures and structures. However, the assessment does necessarily include an element of subjectivity and in acknowledgement of this incorporates a range. The calculated range for recommended general fund balances is £11.5m to £25m. The upper end of the range includes the maximum unallocated balances the Council could justify holding, and if balances were at this level, the Chief Finance Officer may recommend that plans were developed to use balances to enhance the Council's expenditure plans in the current year.
1.7	The Council currently holds General Fund reserves of £14.2m, which is 3% of gross income and within the recommended range. Additionally £21.4m has been set aside as earmarked reserves for specific identified purposes.

Table 1 Assessment of Required General Fund Reserve Balances

Area of Risk	Details	Minimum	Maximum
The general financial climate to which the Council is subject	<p>Indications are that Local Government will see sustained reductions in Central Government Funding beyond 2014/15. The Chancellor has stated the Government's aim of running a budget surplus over the next parliament, which would mean approximately a 7% reduction in borrowing as a percentage of Gross Domestic Product (GDP). The Chancellor has committed to achieving this without increasing taxes and has indicated that ring-fencing of NHS and Schools Funding will continue. It follows that Local Government may expect to face significant further cuts in future years following the general election in May 2015.</p> <p>This is against a backdrop of early signs that the UK economy is recovering, with unemployment down to almost 7% and continuous period on period growth. The Bank of England has maintained Quantitative Easing at £375bn and low interest rates awaiting stronger signs of recovery, particularly with the wider European economy still facing difficulties.</p> <p>Locally, Central Bedfordshire Council has included identified Central Government funding reductions within its Medium Term Financial Plan (MTFP). Grant funding accounts for approximately 60% of Council gross income. The potential social effects of recent Central Government reductions in Housing benefit and Council Tax Support Scheme will become clearer in future years, together with any impact upon the Council's finances. Additionally the Council has new statutory duties for Public Health,</p>	£2m	£4m

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	<p>which may result in additional responsibilities and financial implications in future.</p> <p>Schools continue to convert to Academy status placing them outside the Council's control. Education Support Grant funding is provided to Councils on a per pupil basis and is reduced with every Academy conversion. The anticipated reduction is built into the MTFP.</p>		
The overall financial standing of the authority	<p>From commencing with reserves of £5.1m on 31 March 2010, Central Bedfordshire Council has steadily increased reserves to £14.2m as at 31 March 2013, which is 3% of gross income. This reflects continuous improvement in the financial strength of the Council. Additionally the Council has £21.4m in earmarked reserves set aside for specific purposes. A balanced budget has been set for 2014/15 which includes funding a £2.1m comprehensive risk and development contingency.</p>	£0m	£1m
Estimates of level of locally raised income	<p>In 2013/14 the administration of Council Tax Support Scheme was localised with a 10% reduction in funding and National Non-Domestic Rates (NNDR) moved to a retention system, where Councils keep an element of business rates raised.</p> <p>The reduction in Council Tax Support Scheme funding has been built into the Medium Term Financial Plan (MTFP) of the Council. However it is not clear what impact the reductions in council tax support scheme and housing benefits will have on future collection rates and the ability of individuals to pay their bill. The Council currently has a bad debt provision of £2.3m against a total of £10.7m Council Tax arrears and the changes could result in higher arrears and a higher provision required to be set aside.</p> <p>Retention of an element of Business Rates by Councils means the organisation would benefit from higher Rates income than expected, but also suffer the consequences if Business Rates income was to reduce. The Government had introduced a safety net payment to prevent excessive losses and a levy on gains and Central Bedfordshire Council would be funded for NNDR losses above £1.9m in a financial year and would have to pay 24% of their share of any gains above their baseline funding as a levy back to Central Government.</p> <p>Any surplus NNDR collected is accounted for via the Collection Fund and the General</p>	£1m	£3m

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	<p>Fund would have the benefit of this in the subsequent year. However in such a situation the levy would be payable in year resulting in a timing difference between the expenditure and income.</p> <p>The new NNDR retention system requires Councils to determine a provision for NNDR appeals in future years, where individuals may successfully challenge their NNDR rating. It is the first time Councils have had to set this provision which directly affects NNDR income and necessarily involves an element of subjectivity.</p> <p>Both NNDR and Council Tax income forecasts are based on the estimation of property bandings and rateable properties by valuation professionals in each respective area.</p>		
The treatment of planned efficiency savings/productivity gains	<p>The Council has set a balanced budget for 2014/15 which includes £17.4m of efficiencies. A further £25.6m of efficiencies are required over the subsequent 3 years to achieve the Medium Term Financial Plan (MTFP).</p> <p>The Council has a successful track record of achieving efficiency savings having achieved £19.3m in 2011/12, £11.3m in 2012/13 and £16.1m in 2013/14. Efficiencies are monitored in the Council by the Efficiencies Implementation Group (EIG) chaired by the Chief Finance Officer.</p>	£1m	£2m
The treatment of inflation and interest rates	<p>Limited inflation has currently been included in the 2014/15 budget and price inflation has remained fairly constant with both RPI and CPI measures close to 2%. However, there do remain specific risks in relation to contracts and fuel.</p> <p>Low interest rates have been in place for a number of years, with the Bank of England base rate at 0.5%, resulting in the Council receiving low returns on its investments, which has been factored into the budget.</p> <p>The General Fund has externally borrowed £141m, 97% of which is from the Public Works Loan Board (PWLb) which is a Central Government loan facility. £36m of this borrowing is based on a variable rate of interest with the remainder fixed. In recent years the Council has been borrowing from internal cash balances in lieu of borrowing externally and this is currently £75.4m.</p> <p>An increase in interest rates would</p>	£2m	£3m

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	<p>therefore have a direct and immediate cost on variable borrowing. Where amounts which have been internally borrowed are required to be spent, external borrowing may be required at that time to fund these and this would be at a cost to the organisation at that time depending on the rate of interest.</p> <p>The Council has a significant capital programme which forecasts £133m of borrowing over the next 4 years. At present the MTFP has calculated revenue implications on current interest rates and debt taken out on a short term basis. If interest rates were to increase, the revenue implications of this debt would increase when borrowing or refinancing the debt in future years.</p> <p>In 2010/11 the PWLB increased its interest rates by 1%. Whilst borrowing from the PWLB remains the preferred option due to the comparatively low interest rate on borrowing, there is a risk that the PWLB may refuse further borrowing or increase its rates, forcing Councils to the financial markets for borrowing at greater cost.</p>		
<p>The financial risk inherent in any major outsourcing / insourcing arrangements</p>	<p>The Council has a number of large agreements with external providers.</p> <p>The largest of these are contracts for: waste management, highways, passenger transport, social care for residential and nursing care provision, temporary accommodation, agency staff and grounds maintenance.</p> <p>Some of these suppliers are reliant on private finance linked to asset values for their viability. In the current financial climate this poses an increased risk of service failure to the Council.</p> <p>The Council has also engaged with a supplier to run its leisure centres, in a contract which creates a residual risk to be managed by the Council.</p>	<p>£1m</p>	<p>£2m</p>
<p>The treatment of demand led pressures</p>	<p>The Council faces significant population growth over the next few years with:</p> <ul style="list-style-type: none"> • an 8% increase in the total population; • an 11% increase in the over 75's population; • a 16% increase in the over 80's population; and • a 20% increase in the over 85's population <p>Over the next 20 years projections</p>	<p>£1m</p>	<p>£2m</p>

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	<p>estimate the trend to continue with a 187% increase in those over 90 years old over the period and a 26% increase in those over 65 with a long term illness.</p> <p>The Council has a robust Medium Term Financial Plan (MTFP) process embedded across the organisation. Through this process, reasonable assumptions about demand and funding pressures have been made and a prudent view of volatile areas has been taken. All known pressures across the Council are included as funded items in the MTFP, with additional funding in future years linked to forecast demand. The budget contingency is largely to take account of potential demand led pressures on key expenditure and income streams.</p>		
The financial risks inherent in any major capital developments	<p>The Capital Programme includes expenditure over the next 4 years of £330m with substantial investment in primary schools places, enhanced waste disposal facilities and Woodside Link. A further £55.3m of expenditure is on the capital reserve list, to be included in the main programme if the project can be accommodated within the Council's financing constraints. There is also expected to be significant investment through the Housing Revenue Account.</p> <p>Increased capital activity and development will result in a corresponding increase in financial risk.</p>	£0.5m	£1.5m
Estimates of the level and timing of capital receipts	<p>Capital Receipts are forecast to be £33.3m over the next four years, based on a schedule of land and properties that have been identified for disposal and form an important source of financing for the capital programme. If disposals are lower than projected than alternative options to achieve disposals or compensatory improvements to asset utilisation will be considered.</p>	£2m	£3m
The availability of reserves, Government grants and other funds to deal with major contingencies and the adequacy of provisions	<p>In the event of a major emergency it is possible that aside from general reserves, Central Government may provide funding to support the Council via the Belwin scheme. However Councils will only be able to access this funding if they have already spent 0.2% of their budget on repairs and thus may incur direct costs as a result.</p>	£0m	£0.5m
The Council's capacity to manage in year budget pressures, and its strategy for managing	<p>There is a well-developed monthly budget monitoring process in place, ensuring adverse variations are identified promptly by service managers. The monthly challenge and review process ensures the early identification and resolution of issues.</p>	£0m	£1m

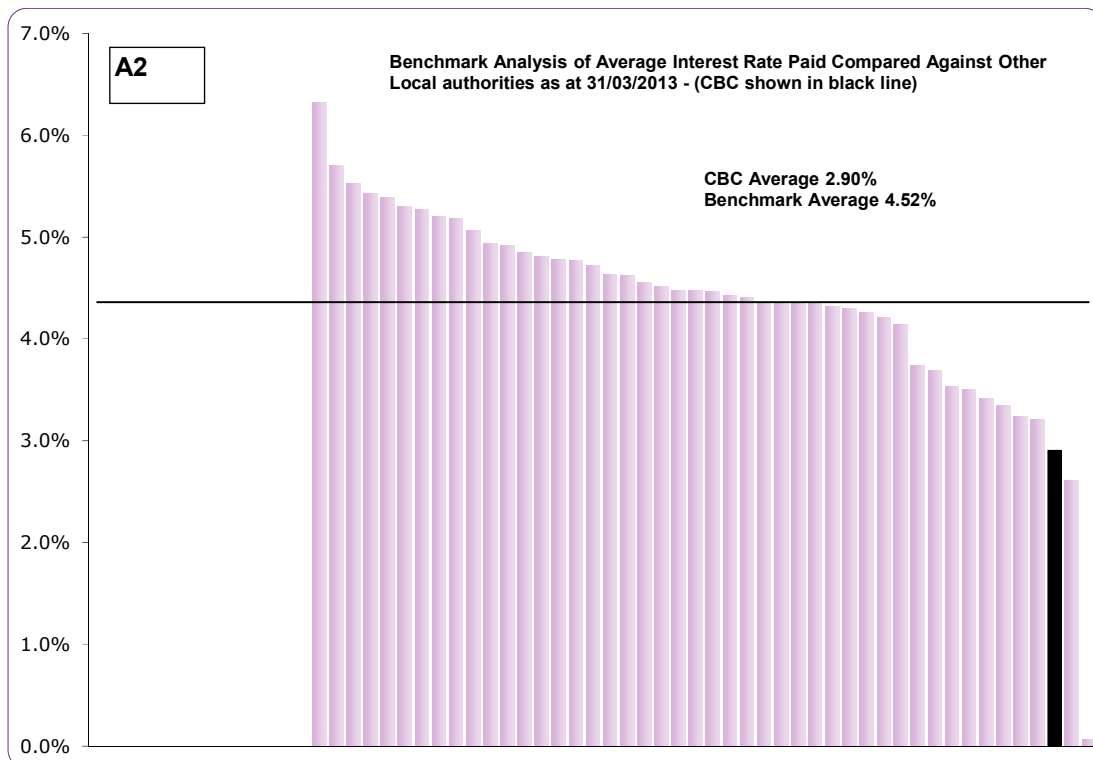
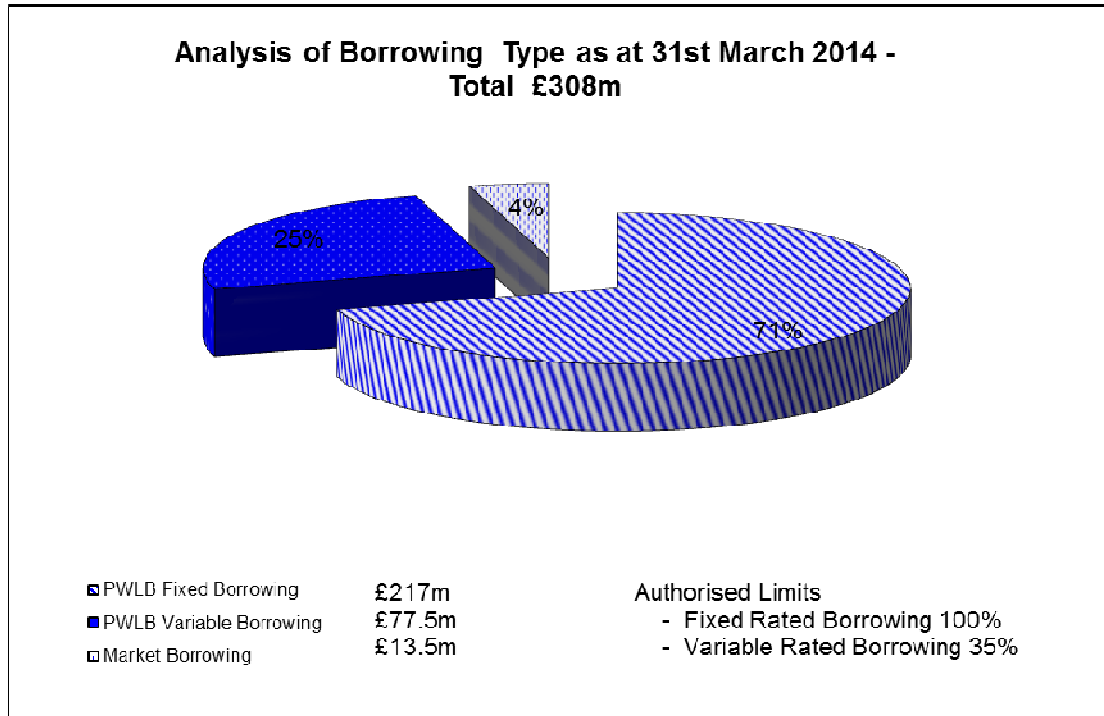
Appendix B General Fund Balances and Reserves Analysis

both demand and service delivery in the longer term	Additionally the 2014/15 budget includes a £2.1m risk and development contingency to potentially support any in year issues.		
Miscellaneous	<p>There are a number of risks that face the Council which have a low likelihood of occurring but would have a high impact if the risk was actualised. This includes risks of substantial flooding, disease outbreak or a serious service failure for example in Children's' Services or Adult Social Care. There is also the risk of widespread ICT failure and the Council has strong internal mechanisms for identifying, monitoring and reporting risks on a regular basis.</p> <p>Recent changes in legislation have brought about new community rights and alternative methods of delivering services traditionally provided by the Council. This has led to more and different supply chain partnerships being entered into sharing risks across private, public and voluntary organisations.</p> <p>The Council may also face from time to time potential legal actions. Funds in excess of budgetary provision may be required to defend the Council against such actions.</p> <p>The Council has funds set aside to cover insurance claims which fall within the Council's excess based on an estimated level of future claims. Additionally Mutual Municipal Insurance (MMI) Ltd are a Local Government insurance company currently in administration but still receiving claims, particularly for mesothelioma, and where they do not have sufficient funds to cover their claims the company is able to claw back funds previously paid out to Local Authorities. In January 2014 the company clawed back 15% of amounts paid out, which amounted to £348k for Central Bedfordshire Council. It is possible that further claw backs of funds may be required in future years.</p>	£1m	£2m
Total		£11.5m	£25m

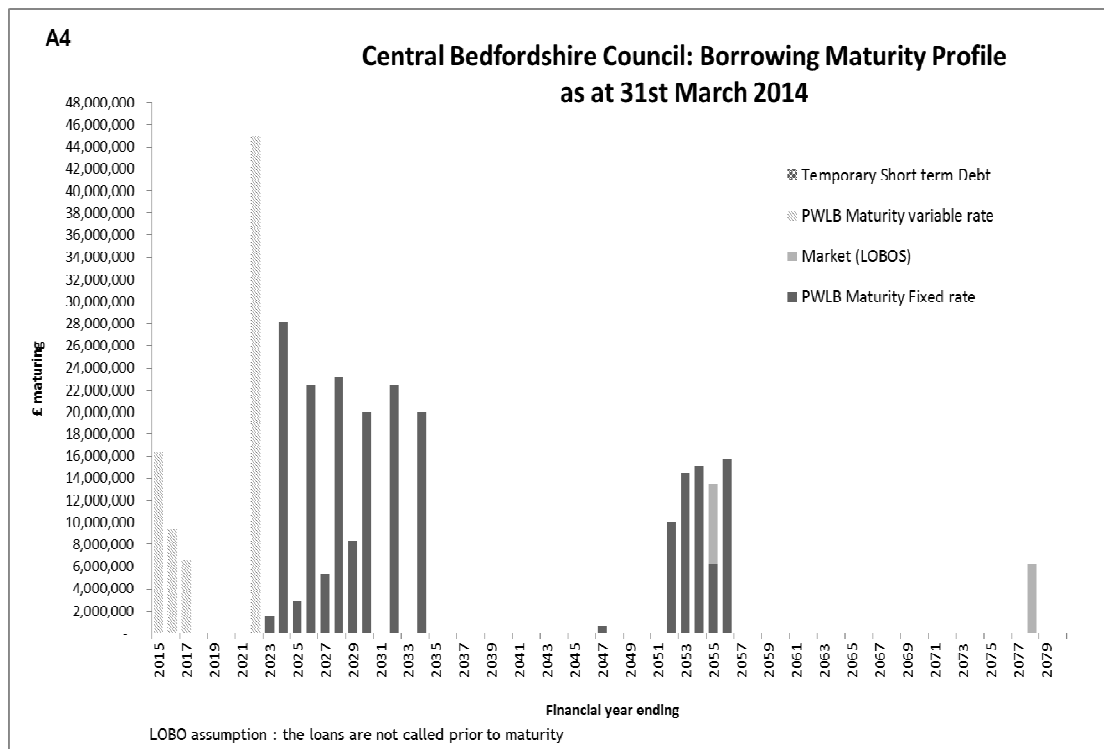
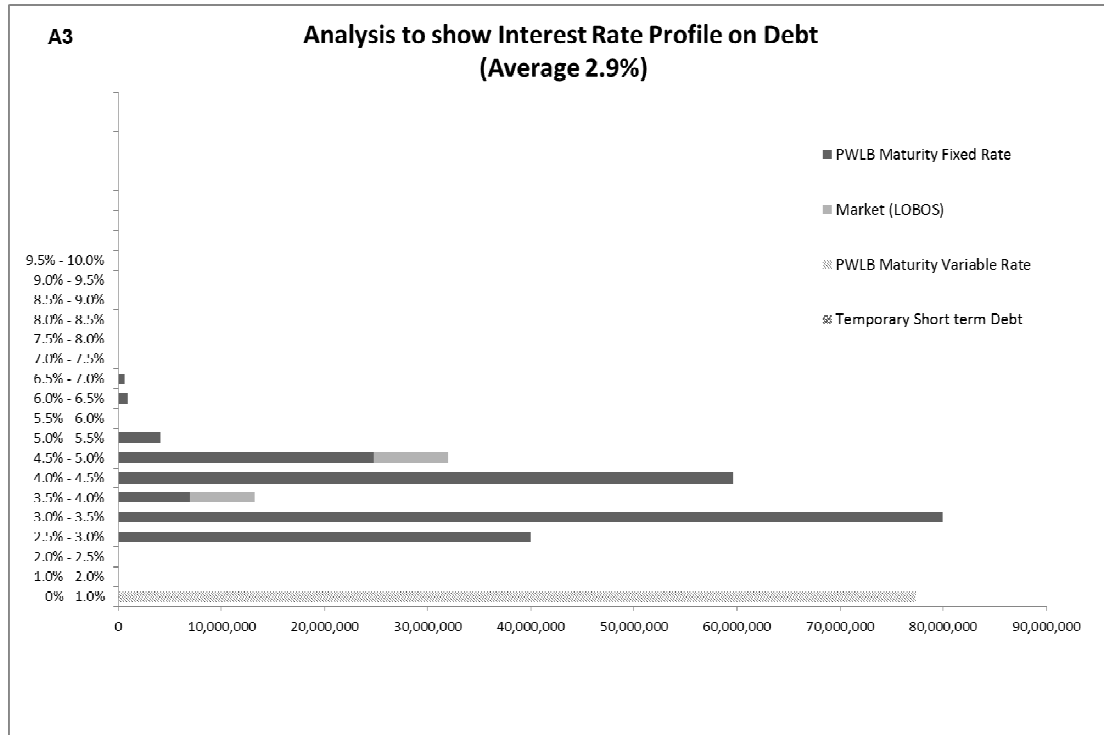
Appendix C – Treasury Management

SECTION A: DEBT INFORMATION

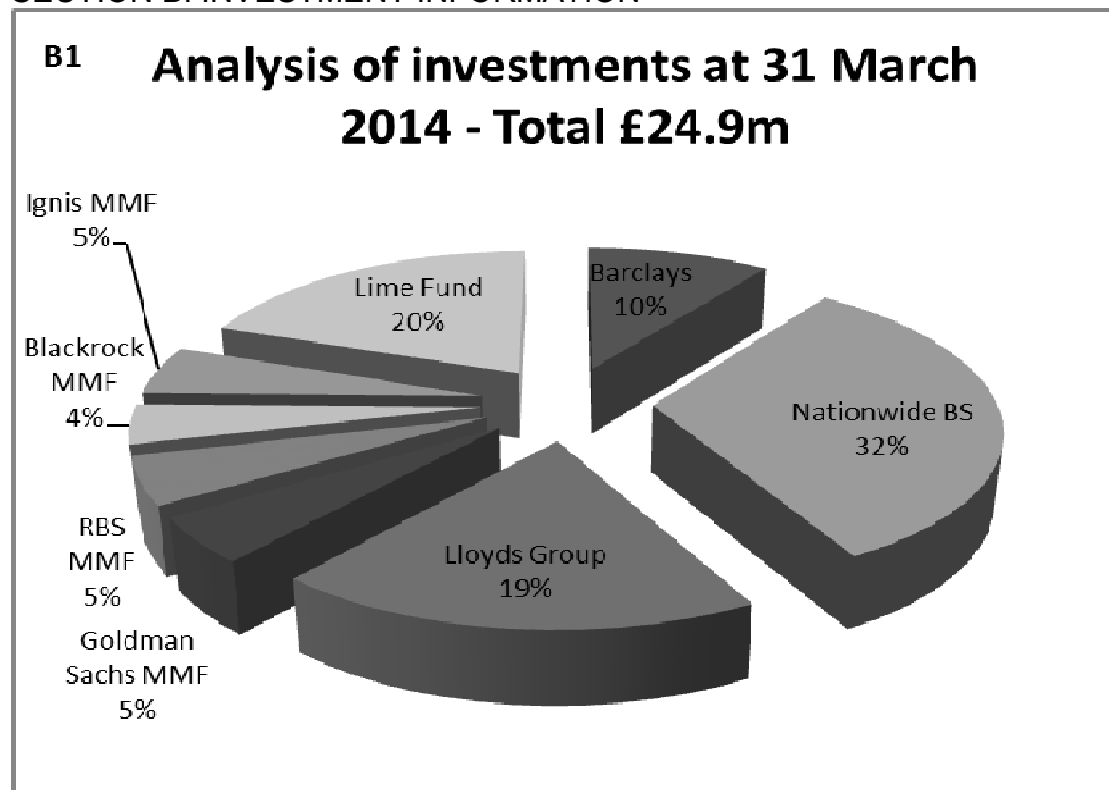
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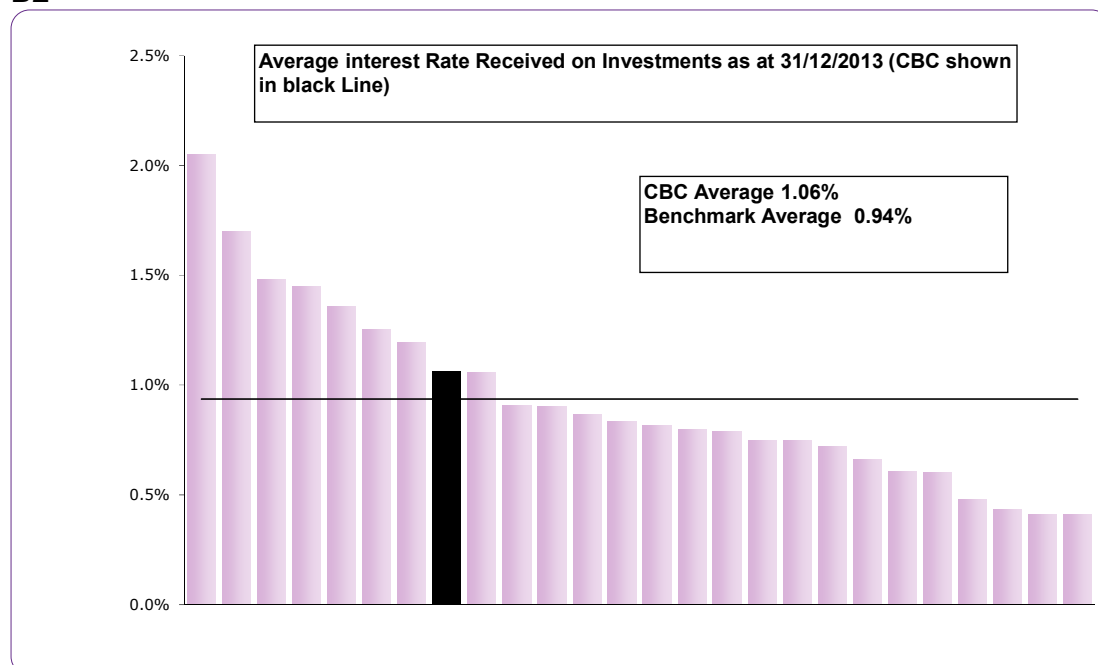
Appendix C – Treasury Management



SECTION B: INVESTMENT INFORMATION



B2



B3

Maturity Profile - Internal Investments at 31 March 2014

