

APPENDIX A1 – DIRECTORATE COMMENTARY

Social Care, Health and Housing

1. The directorate General Fund projected outturn position at Quarter 3 is an overspend of £1.7M after the use of reserves.

Month: December 2014	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	144	181	(23)	14	193	209	16	-	16
Housing Solutions (GF)	993	1,090	(73)	24	1,324	1,378	54	(73)	(19)
Adult Social Care	43,039	46,459	(742)	2,678	57,352	62,342	4,990	(1,140)	3,850
Commissioning	8,422	8,239	(45)	(228)	11,229	10,789	(440)	(105)	(545)
Business and Performance	(5,407)	(6,520)	(270)	(1,383)	(7,210)	(8,404)	(1,194)	(385)	(1,579)
Total Social Care and Health	47,191	49,449	(1,153)	1,105	62,888	66,314	3,426	(1,703)	1,723

2. The Year to date (YTD) spend of £49.5M indicates a forecast full year outturn spend of £66M which is £0.3M less than the current forecast position.
3. The Adult Social Care service is forecast to overspend by £3.8M after the use of reserves. Within this division is the risk of increases in the Older People, Physical and Learning Disability package costs. People are living longer and the costs of dementia are on the increase. Demographic pressure of £1.5M has been built into the budget to reflect this, however, efficiency targets for this area total just over £2.0M.
4. Within the Older People 65+ package budgets, a projected over spend of £3.3M is forecast mainly on residential placements. This pressure was offset by non-recurring underspends in 2013/14 and also by additional customer income which continues to exceed budget in 2014/15 by £1.4M. There is also a projected overspend on external home care packages reflecting increased customer numbers together with increased weekly costs as need becomes more complex as customers live longer.
5. In respect of former self funders, these continue to exert pressure on residential and nursing placements budgets. Ten have required council support during April to December. If this trend continued it would generate a forecast pressure of £0.187M by March 2015 (with a £0.348M full year cost) that the Council has to support.
6. Within Learning Disabilities, the current position is a projected overspend after use of reserves of £1.5M. Additional budget of £0.8M has been provided to cover the impact of new transitions in 2014/15 and the full year effect of new transitions in 2013/14 but there continues to be uncertainty around the costs of children transferring into Adult Social Care. Challenging efficiency targets have also been set for this area amounting to £1.3M.
7. The Learning Disability service is experiencing increasing costs due to family carer breakdown as 42% of customers with a Learning Disability are supported by carers who are 65+ years old. In addition the service is having to use more expensive out of county respite care due to lack of provision in the Council area.

8. The earmarked reserve supporting the addition costs of Ordinary Residence has been fully utilised and there is a risk of additional costs as more providers deregister services within the Central Bedfordshire area.
9. The Commissioning service is reporting a projected under spend of £545K. The key variance after reserves is a projected overspend on the S75 Mental Health Agreements of £114K (due to an efficiency shortfall). This is offset by projected underspends of £160K on the Dementia Quality Mark budget (slower than anticipated take up of the scheme), £66K on the equipment pooled budget and £189K on the Learning Disability Transfer budget.
10. The Resources division is showing a projected under spend of £1.6M the majority of which relates to a projected over achievement of customer contributions (volume related).
11. The forecast does include the recently announced Winter Pressures funding from the government of £325K. This grant funding has been made available to create additional Adult Social Care capacity to support more timely discharge from the local hospitals, all of which needs to be spent by 31 March 2015.
12. HRA is subject to a separate report.

Children's Services

13. The full year forecast outturn position for 2014/15 as at December 2014 is £56K under budget. This is after £1.143M use of reserves set aside at the end of the 2013/14 financial year.

Month: December 2014	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	328	411	(75)	8	410	489	79	(113)	(34)
Children's Services Operations	23,681	24,588	(379)	528	32,207	33,563	1,356	(674)	682
Commissioning & Partnerships	2,640	2,673	(153)	(120)	4,439	4,536	97	(296)	(199)
Joint School Commissioning Service (Transport)	5,541	5,224	-	(317)	7,640	7,280	(360)	-	(360)
Partnerships	543	580	(40)	(3)	601	657	56	(60)	(4)
School Improvement (incl Music)	1,484	1,485	-	1	1,260	1,222	(38)	-	(38)
Total Children's Services (ex Schools / Overheads)	34,217	34,961	(647)	97	46,557	47,747	1,190	(1,143)	47
DSG Contribution to Central Support	(539)	(539)	-	-	(719)	(719)	-	-	-
ESG Contribution to Central Support	(868)	(945)	-	(77)	(1,157)	(1,260)	(103)	-	(103)
Total Children's Services (excluding Schools)	32,810	33,477	(647)	20	44,681	45,768	1,087	(1,143)	(56)

14. The underspend is mainly due to savings in Transport (£360K), Children with Disabilities (£218K) and the Education Services Grant (£103K) offsetting pressures in Fostering and Adoption (£594K) and Intake & Family Support (£166K).

The increased costs in Fostering and Adoption (£594K) relate to increased Special Guardianship Orders (£402K), Residential Orders (£93K) and Adoption costs. Intake & Family Support (£166K) have increased agency costs to cover vacant substantive posts.

15. The tables below reflects the increased number of looked after children.

	Dec 2013		Dec 2014		% increase / (decrease)
Number of LAC made up of:		276		264	(4%)
In House Foster Placements	86		104		21%
Independent Foster Placements	109		91		(17%)
Residential Homes & Schools (both in & out of County)	29		20		(31%)
Semi - Independent Living	15		12		(20%)
Placed for Adoption/ with Parents	23		21		(8%)
Children with Disabilities (CWD)	8		4		(50%)
Unaccompanied Asylum Seeking Children	5		10		200%
Secure Accommodation, Young Offenders & NHS	1		2		200%
Non care placements for which we have responsibilities:					
Special Guardianship Orders		76		106	39%
Residential Orders		44		45	2%
Other information:					
Child Protection Plan		264		174	(34%)
Children in Need		1,562		1,385	(11%)
Number of Referrals (YTD)		1,982		1,767	(11%)

	Movement for 2014/15 YTD
LAC (April 271)	-7
In House Placements (April 92)	12
Independent Placements (April 110)	-19
Special Guardianship Orders (April 85)	+21

16. The pressure attributed to the use of agency staff covering substantive posts across Children Services Operations is demonstrated in the table below.

	Staff FTE	No. of Perm	Vacant	No. of Agency	% of Agency	% change month
Children in Care & Care Leavers	55.0	30	3	22	40%	+3%
Intake & Family Support	115.9	69.75	14.30	31.81	27%	-5%
CWD	57.29	44.07	9.82	3.4	6%	-2%
Quality Assurance	23.27	15.86	1.00	6.41	28%	-1%
Fostering & Adoption	41.8	31.4	1.57	8.83	21%	+11%
Early Intervention & Prevention	65.79	52.19	11.6	2.0	3%	+3%
Total	359.0	243.3	41.3	74.5	21%	+3%

The % change on month is the % movement between the proportion of agency staff in a particular service in December compared to the proportion in November.

Community Services

17. Community Services' forecast outturn is £188K over budget after the use of earmarked reserves of £1.175M for one-off specific projects.

Month: December 2014	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	259	197	-	(62)	345	285	(60)	-	(60)
Highways Transportation	9,560	9,868	(257)	51	13,085	13,534	449	(318)	131
Environmental Services	17,433	17,877	(411)	33	23,301	24,275	974	(857)	117
Total Community Services	27,252	27,942	(668)	22	36,731	38,094	1,363	(1,175)	188

18. Highways and Transport has a projected £131K overspend mainly arising from use of agency staff in passenger transport services.
19. Environmental Service is forecasting an overspend of £117K, mainly due to less than budgeted parking income, offset by underspends in Libraries and Community Safety staff costs.

Regeneration and Business Support

20. Regeneration and Business Support's forecast outturn is £613K below budget after the use of earmarked reserves of £567K for one-off specific projects.

Month: December 2014	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									
Director	346	315	-	(31)	461	461	-	-	-
Business Support & Skills	228	277	(125)	(76)	883	1,140	257	(144)	113
Planning	2,661	2,336	(375)	(700)	3,752	3,449	(303)	(423)	(726)
Programme Delivery	-	-	-	-	-	-	-	-	-
Total Regeneration and Business Support	3,235	2,928	(500)	(807)	5,096	5,050	(46)	(567)	(613)

21. The main area of underspend is the Planning Division which is forecasting to underspend by £726K. This is due to underspends on staffing of £148K, consultancy costs of £116K and additional income from planning activities of £473K.

Public Health

22. Public Health forecast outturn is to achieve a balanced budget after proposed reserves. The Public Health grant is currently ringfenced so any under/overspend results in a movement against the carried forward reserve from 2013/14.

The forecast before reserves is an underspend of £284K, a combination of BBC, Shared Service and CBC activities.

Month: December 2014	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	(7,093)	(7,150)	-	(57)	(9,458)	(9,458)	-	-	-
Assistant Director of Public Health	7,093	6,820	-	(273)	9,458	9,174	(284)	284	-
Total Public Health (Excl overheads)	-	(330)	-	(330)	-	(284)	(284)	284	-

Improvement and Corporate Services (ICS)

23. The directorate is currently forecasting an underspend of £168K, largely as a result of expected additional HRA recharges of £200K (income to ICS).

Month: December 2014	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
Improvement and Corporate Services									
Improvement and Corporate Services Leadership	185	192	-	7	247	250	3	-	3
Communications and Insight	573	708	(70)	65	764	880	116	(114)	2
Customer Services	1,473	1,567	(5)	89	1,963	2,088	125	(5)	120
Programme and Performance	320	284	(20)	(56)	427	422	(5)	(48)	(53)
Policy & strategy	130	127	-	(3)	173	154	(19)	-	(19)
Customer & Community Insight	-	-	-	-	-	-	-	-	-
Procurement	60	419	-	359	80	175	95	-	95
People	1,906	1,865	(112)	(153)	2,542	2,544	2	(124)	(122)
Information Technology	5,136	5,143	(33)	(26)	6,848	6,706	(142)	(33)	(175)
Legal & Democratic Services	2,788	2,529	(19)	(278)	3,886	3,777	(109)	95	(14)
Assets	3,448	3,424	(38)	(62)	4,597	4,630	33	(38)	(5)
Total Improvement and Corporate Services	16,019	16,258	(297)	(58)	21,527	21,626	99	(267)	(168)

24. Human Resources is forecast to underspend by £122K largely due to higher than budgeted recharges to HRA (£112K) & savings resulting from managed delays recruiting to vacancies. These savings have been partly reduced by a delay in savings associated with Trade Union Facilities which will be achieved but to a different timescale (£27K).
25. IT are forecast to underspend by £175K, mainly due to a net refund from Virgin Media generated through payments audit (£220K), higher than budgeted recharges to HRA (£41K), savings in IT training costs (£34K) & other IT budgets (£37K). These savings have been slightly reduced by a pressure on Schools Network service as a result of higher than budgeted network costs (£92K) and lower than budgeted income from Schools & Academies (£63K).

Corporate Resources and Costs

26. The full year budget of £15.0M is made up of:

- Corporate Resources £5.0M
- Corporate Costs £10.0M

The forecast outturn is an underspend of £576K.

Month: December 2014	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	227	217	-	(10)	302	302	-	-	-
Finance	3,598	3,152	283	(163)	5,212	4,712	(500)	431	(69)
Housing Benefit Subsidy	(358)	(508)	-	(150)	(477)	(677)	(200)	-	(200)
Total Corporate Resources	3,467	2,861	283	(323)	5,037	4,337	(700)	431	(269)
Corporate Costs									
Debt Management	9,444	8,799	-	(645)	12,592	11,652	(940)	-	(940)
Premature Retirement Costs	2,141	2,070	-	(71)	2,855	2,801	(54)	-	(54)
Corporate Public Health Recharges	(473)	(454)	-	19	(631)	(631)	-	-	-
Corporate HRA Recharges	(68)	(80)	-	(12)	(90)	(107)	(17)	-	(17)
Efficiencies	383	(68)	-	(451)	94	(206)	(300)	-	(300)
Contingency and Reserves*	(5,212)	(4,912)	-	300	(4,811)	(3,807)	1,004	-	1,004
Total Corporate Costs	6,215	5,355	-	(860)	10,009	9,702	(307)	-	(307)
Total	9,682	8,216	283	(1,183)	15,046	14,039	(1,007)	431	(576)

27. Corporate Resources

Within Revenues and Benefits, there is a forecast underspend of £345K largely resulting from an expected increase in recovered Housing Benefit overpayments. There are also some forecast savings on staffing and professional services due to an expected review of Single Person Discounts now to be completed next financial year. Internal Audit are forecast to underspend by £62K, largely as a result of savings against external audit costs. This is offset by an overspend in Financial Control of £186K largely as a result of a pressure in insurance following a below budgeted uptake of insurance buy back from schools and academies.

Corporate Costs

- 28 Debt management costs are forecast to be £940K lower than budgeted, largely as a result of lower borrowing and Minimum Revenue Provision costs following prior year underspends against the Capital Programme. The cash position continues to be tightly managed to reduce borrowing costs further.
29. Efficiencies includes a reduced requirement for the superannuation past service deficit, a saving of £550K is included in the forecast. An unachievable element of the Passenger Transport Review efficiency is also forecast at £250K resulting in a net £300K underspend in Cross Cutting Efficiencies.
30. Contingency & Reserves is forecast to overspend by £1.0M. Following a ruling in the "Isle of Wight" case, it has been determined that VAT is payable on off street car parking charges. Due to the prompt and full disclosure of this issue to Her Majesties Revenue & Customs (HMRC), the Council has not incurred any penalty charges. The cost has been accounted for within Corporate Costs for all the prior year charges (£779K), with the current year element allocated to Community Services (£108K). The proposed Budget for 2015/16 has been adjusted to reflect the change.

There is also a pressure of £223K in Contingency relating to an adjustment for the Capital Redistribution Grant receipt in advance from 2013/14.

Appendix B – Earmarked Reserves

Description	Opening Balance 2014/15 £000	Spent £000	Released £000	Technical Movements £000	Balance before new transfers £000	New Proposed transfers	Proposed Closing Balance 2014/15 £000	MEMO: Net movement after proposals	For Information: Description of EMR (this is the 13/14 narrative, for info)
Social Care Health and Housing Reserves									
Social Care Reform Grant	157	(157)			-		-	(157)	Reserve to fund multi year Transforming People's Lives project. Includes SWIFT/AIS implementation.
Deregistration of Care Homes	281	(281)			-		-	(281)	Reserve to fund costs associated with deregistering of a national care provider
LD Campus Closure	345	(345)			-		-	(345)	Reserve for the smoothing of double running costs resulting from reprovision of Learning Disabilities services.
Deprivation of Liberty Safeguards	881	(381)		(500)	-		-	(881)	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
Winter Pressure 12/13	50	(50)			-		-	(50)	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	-	Underspend of CCG Winter Pressures Funding
Mental Health Action Plan	115	(55)			60		60	(55)	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	3,505	(218)			3,287		3,287	(218)	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		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
Zero Base Review grant	59	(10)			49		49	(10)	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)	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	6,692	(1,583)	-	(500)	4,609	-	4,609	(2,083)	
Children's Services Reserves									
Fostering & Adoption	998	-419			579		579	(419)	As per MTFP £499k x 2 years Fostering Fee Scheme
Children's Homes Co-location	232	-116			116		116	(116)	As per MTFP £116k x 2 years Children Centres
Performance Reward Grant	144				144		144	-	LPSA Grant ring fenced
LSP Sustainable Neighbourhoods	47				47		47	-	LPSA Grant ring fenced
"Working Together" - new National Guidance	50	(39)			11		11	(39)	Existing Reserve held for increasing costs of LSCB due to new Government requirements.
CWD	70	(39)			32		32	(39)	Refurbishment of flat at Maythorn & South Hub Settlement costs, pressure for MTFP
Transformation Challenge Award	150	(95)			55		55	(95)	Income received March 14 Transformation Challenge Award Earmarked and carried forward
Support and Aspiration Grant	65	(58)			7		7	(58)	Support and Aspiration Grant Earmarked
Children's Services Unspent Grant Income	311	(107)			204		204	(107)	ASYE Grant Programme to train & develop newly qualified SW's £7k, Troubled Families Grant £304k Earmarked
Assets of Community Value	13				13		13	-	New Burdens Grant for Assets of Community Value Earmarked
The Central Bedfordshire Academy of Social Work and Early Intervention	118	(80)			38		38	(80)	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	2,398	(953)	-	-	1,445	-	1,445	(953)	
Community Services Reserves	0				0		-	-	
Leisure Centre Reinvestment Fund	179	-			179		179		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	116	(25)			91		91	(25)	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	100	(6)			94		94	(6)	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.
Financial Investigation Unit	237	(171)			66		66	(171)	now earmarked reserve not RIA/ GIA
Community Safety Grant	204	(85)			119		119	(85)	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	-	ringfenced income
countryside access grant									Unslade Wood income for Phone Masts and Grant of Easement for Sheffield - both Ring fenced income
flood recovery - highways	296	(296)			-		-	(296)	allocation from central government received late march - part rev part capital in relation to work needed as result of bad weather
Total Community Services	1,345	(583)	-	-	762	-	762	(583)	

Appendix B – Earmarked Reserves (Cont)

Description	Opening Balance 2014/15 £000	Spent £000	Released £000	Technical Movements £000	Balance before new transfers £000	New Proposed transfers	Proposed Closing Balance 2014/15 £000	MEMO: Net movement after proposals	For Information: Description of EMR (this is the 13/14 narrative, for info)
Regeneration Reserves	-				-		-	-	
Career Development framework	33				33		33	-	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	340	(30)			310		310	(30)	
Local Development Framework	365	(7)			358		358	(7)	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.
Pre-application service development	302	(302)			-		-	(302)	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	34	(15)			19		19	(15)	
Woodside connection options appraisal	50				50		50	-	
Business growth grants	51				51		51	-	
Flood Defence	315	(45)			270		270	(45)	now earmarked reserve not RIA/ GIA
Natural England	10	(10)			-		-	(10)	now earmarked reserve not RIA/ GIA
Building control	205				205		205	-	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	159				159		159	-	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	-				-		-	-	
neighbourhood planning grant	30				30		30	-	ringfenced grant
Total Regeneration	1,998	(409)	-	-	1,589	-	1,589	(409)	
Public Health Reserves	-				-		-	-	
Transitional Grant Reserve	927				927	284	1,211	284	
Risk reserve	-				-		-	-	
Total Public Health	927	-	-	-	927	284	1,211	284	
Improvement and Corporate Services Reserves	0				0		-	-	
Pan Public Sector Funding	28	(28)			-		-	(28)	Partnership Funding to facilitate the successful delivery of the Implementation of Total Place in Luton and Bedfordshire through Projects.
Customer First	35				35		35	-	Support allocated to Customer First Revenue activities
Elections Fund	94				94	95	189	95	Build sufficient reserve over four years to run council election
Individual Electoral Registration	19	-			19		19	-	
Deprivation of Liberty Safeguards	-			500	500		500	500	
Assets	40				40		40	-	Transition - Reduce reliance on Consultants & fund transitional period in staff restructure.
ICT Webcasting	150	(30)	(70)		50		50	(100)	
ICS - HR (Apprentices & Graduates)	150	(12)			138		138	(12)	
Total Improvement & Corporate Services	516	(70)	(70)	500	876	95	971	455	
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	444	946	444	Receipt of new accounting guidance - will impact 14/15 collection fund
Total Finance	1,002	-	-	-	1,002	444	1,446	444	
Corporate Reserves					0		-	-	
Redundancy/Restructure Reserve	2,414	(581)	-	-	1,833		1,833	(581)	Reserve to cover redundancy and actuarial costs
Insurance reserve	4,404				4,404		4,404	-	Reserve to cover insurance costs based on actuarial assessment
Welfare Reform	460	(74)			386		386	(74)	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.
Teachers Pensions	201				201		201	-	Reserve to cover authority's potential liability following historic scheme records issue
s31 NNDR Income to offset NNDR discounts	1,018				1,018		1,018	-	
Planning Decisions Legal Challenge	300	(10)			290		290	(10)	
Weed Spraying	200	(100)			100		100	(100)	Great Places in Central Bedfordshire
Grass Cutting	200	(100)			100		100	(100)	Great Places in Central Bedfordshire
Additional street cleansing / deep cleansing, footpath clearance, spot weed control, graffiti removal / painting, emergency 'streetscene'	300	(150)			150		150	(150)	Great Places in Central Bedfordshire
Street sweeping	130	(65)			65		65	(65)	Great Places in Central Bedfordshire
Town Centre jet wash	100	(50)			50		50	(50)	Great Places in Central Bedfordshire
Road Marking Line renewal	70	(35)			35		35	(35)	Great Places in Central Bedfordshire
Total Corporate Reserves	9,797	(1,165)	-	-	8,632	-	8,632	(1,165)	
Total Earmarked Reserves (General Fund)	24,675	(4,763)	(70)	-	19,842	823	20,665	(4,010)	

Appendix C - Debtors

1. Total general CBC sales debtors for December amounted to £7.5M (£9.1M in November). Of this £2.6M is less than 30 days old.

Of the £3.9M Over 60 days – £2.9M is actively being chased. £0.2M have instalment arrangements in place. £0.4M is being dealt with through legal channels. The balance is under investigation.

The less than 14 days debt is unusually low this period due to the Christmas and New Year holiday period.

Debtors December 2014													
DIRECTORATE	1 to 14 Days		15 to 30 Days		31 to 60 Days		61 to 90 Days		91 to 365 days		1 year and over		Total Debt
	£k	%	£k	%	£k	%	£k	%	£k	%	£k	%	£k
Social Care Health & Housing	25	1%	373	15%	455	18%	146	6%	726	29%	821	32%	2,546
Children's Services	0	0%	131	59%	45	20%	7	3%	33	15%	5	2%	221
Community Services	0	0%	271	20%	199	15%	82	6%	399	29%	413	30%	1,364
Regeneration	13	1%	1,490	60%	333	13%	111	4%	299	12%	241	10%	2,487
I.C.S	16	3%	218	38%	12	2%	31	5%	159	27%	144	25%	580
Finance	4	3%	4	3%	34	23%	29	19%	10	7%	68	46%	149
Public Health	0	0%	16	8%	0	0%	0	0%	4	2%	172	90%	192
Unallocated & Non Directorate	0	0%	-4	6%	-22	34%	-2	3%	-16	25%	-21	32%	-65
GRAND TOTAL	58	1%	2,499	33%	1,056	14%	404	5%	1,614	22%	1,843	25%	7,474
PREVIOUS MONTH	1,279		1,717		1,747		468		1,941		1,952		9,104

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

- SCHH debt at the end of Quarter 3 was £2.5M of which £0.2M is HRA related (reported separately in the HRA report). Of the £2.3M General Fund debt, £1.2M is Health Service debt. Of the remaining general debt of £1.1M, £903K (81%) is more than 60 days old. Of this, all is under active management (with solicitors, payable by instalments etc). with none under query or scheduled to be written off.
- Health Service debt at the end of Quarter 3 was £1.2M of which £700K or 53% is more than 60 days. All debts are under active management.
- Total debt for Children's Services is £200K of which £45K is over 61 days and is being actively pursued.
- Community Services total debt is £1.4M. About 65% of debt is over 61 days. All debt recovery is in accordance with Council policy.
- Regeneration total debt at the end of December was £2.5M. Invoices relating to developers legal contributions to deliver planning requirements associated with new developments account for 76% of debt. About 78% of debt is less than three months old (of which 70% relates to developer legal contributions). All debt recovery is in accordance with Council
- Overall Corporate debt (ICS & Finance) is £730K. Of this there is £440K is over 60 days old. All debt is under active management.

- Public Health debt is £192K most of which is over one year old. The debt is prior to the transfer of Public Health and is under investigation.

3. Q3 Bad Debts Write Off

SUMMARY Q3 Oct – Dec 2014

WRITE OFF	NUMBER	VALUE
£0 - £5,000	41	£ 8,126.99
£5,000 - £10,000	2	£ 15,293.30
£10,000 - £50,000	2	£ 31,801.36
>£50,000	0	£ -
TOTAL	45	£ 55,221.65

(£10,824.23 of which relates to legacy authority debt)

Appendix D – Treasury Management

Borrowing

1. As at 31 December 2014 the Council's total borrowing was £291.6M. Of this amount, £278.1M was with the Public Works Loan Board (PWLB) and £13.5M was Market Debt. The table below shows the split between the General fund and HRA.

	PWLB Fixed £m	PWLB Variable £m	Market (LOBO) £m	Total £m
General Fund	97.1	16.0	13.5	126.6
HRA	120.0	45.0	0.0	165.0
TOTAL	217.1	61.0	13.5	291.6

The profile of debt is split so that overall the Council has 74% Fixed PWLB debt, 21% Variable PWLB debt and 5% Fixed Market (LOBO) debt; this is shown in A1 on the Treasury Management Performance Dashboard.

Based on annual benchmark analysis conducted by the Chartered Institute of Public Finance and Accountancy (CIPFA), A2 of the dashboard shows that at an average interest rate of 2.9% as at 31 March 2014 the Council's cost of borrowing is significantly lower than the 4.3% interest rate faced by other local authorities, which is mainly due to a higher proportion of variable rate debt.

During the last quarter the Council repaid £16.4M of its variable rate debt which reached maturity. The average rate on this variable rate debt on maturity had been 0.7% and its repayment has had the effect of increasing the Council's cost of borrowing to an average interest rate of 3.1% as at 31 December 2014 – see A3 of the dashboard.

In line with the Council's borrowing strategy, new debt of up to £30M may need to be taken out over the next quarter as cash flow dictates on a short term fixed interest rate of around 0.5%. As a result, the average interest rate paid on the Council's total debt portfolio is likely to decrease over the next quarter.

Investments

2. When investing, the Council gives priority to security and liquidity and aims to achieve a yield commensurate with these principles. To diversify its investment portfolio, the Council continues to invest in a range of funds such as notice accounts, call accounts and Money Market Funds as well as using a number of different financial institutions. B1 of the dashboard shows the breakdown by investment counterparty as at 31 December 2014. It is important to note that as cash investments are maintained at minimum levels for operational purposes, the long term investment in the UK property based Lime Fund now represents a higher proportion of total investments even though the cash amount invested in it has not changed.

3. The latest available CIPFA Treasury Management benchmarking results which cover the quarter ended 30 September 2014 compare the Council's performance against 22 other local authorities. B2 of the dashboard shows that the Council's average rate of return on investments of 1.06% is higher than the benchmarked local authority average of 0.81% (which is largely due to the Lime Fund).

The Council holds its investments in highly liquid form to readily recall funds when these are required, such as to fund the Council's capital expenditure programme. B3 of the dashboard shows the maturity portfolio of the Council's investments.

4. As at 31 December 2014, the Council held £2.2M of its total cash investments in call accounts and Money Market Funds (MMF) which equates to 27%, and notice has been given to recall £5.6M or 67% of total cash investments from UK banks to cover expenditure in February 2015. Currently, in addition to the Lime Fund investment, the Council has deposits placed on varying interest rates ranging between 0.4% and 0.8%.

Cash Management

5. The average cash balance the Council holds is considerably lower than other benchmarked authorities. The 12-month rolling average cash balance for the Council was £49M compared to a benchmark average of £125M. This reflects the Council's long-standing strategy of holding low cash balances to reduce investment counterparty risk and contain its borrowing costs by utilising internal cash balances in lieu of borrowing externally.
6. As at 31 March 2014, the Council was internally borrowed to the tune of £92M.

Cash levels held by the Council have fallen by £37M over the year compared to this time last year.

Outlook

7. The Council's treasury advisers, Arlingclose, do not expect the Bank of England to raise its Base Rate until Quarter 3 of 2015 and the short-term return on cash investments will continue to remain at very low levels.

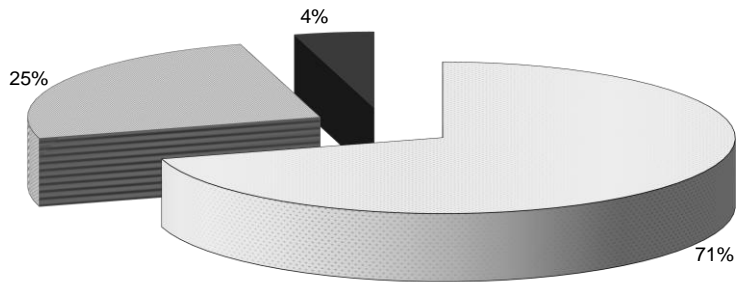
Over the next quarter the Council plans to maintain minimum cash levels for operational purposes and source its borrowing needs from other local authorities on a short-term rolling basis in order to achieve significant revenue cost savings over the more traditional route of borrowing long term from the PWLB. This borrowing strategy assumes that interest rates will continue to remain low for longer than previously envisaged.

However, the Council will continue to monitor long term rates with a view to fixing a portion of its borrowing if rates are favourable.

Currently, the Council is forecasted to make a saving in 2014/15 of £680K on its interest debt costs compared to budget which is partly offset by an expected under-recovery of £85K on its investment interest income budget.

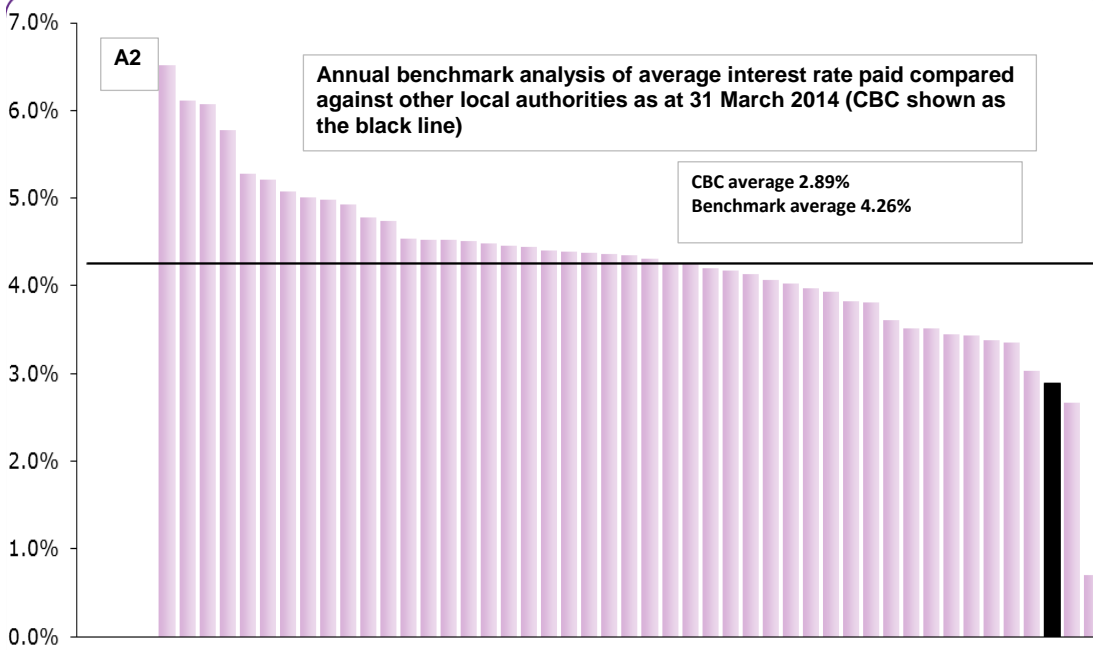
A1

Analysis of borrowing type as at 31 December 2014
Total £291.6m



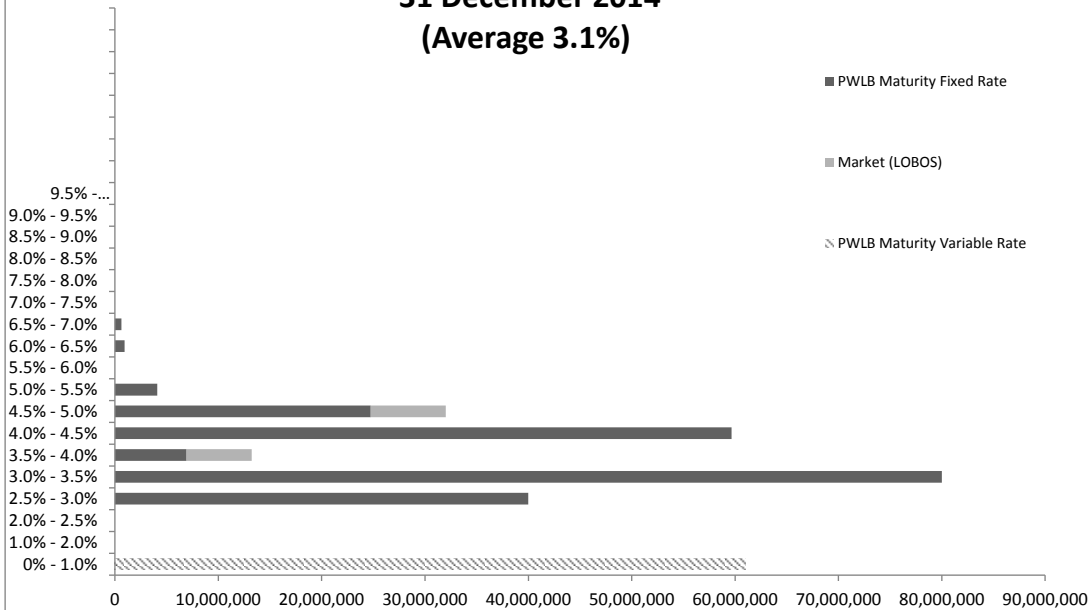
□PWLB Fixed Borrowing	£217.1m
▒PWLB Variable Borrowing	£61.0m
■Market Borrowing	£13.5m

Authorised Limits
 - Fixed Rate Borrowing 100%
 - Variable Rate Borrowing 40%



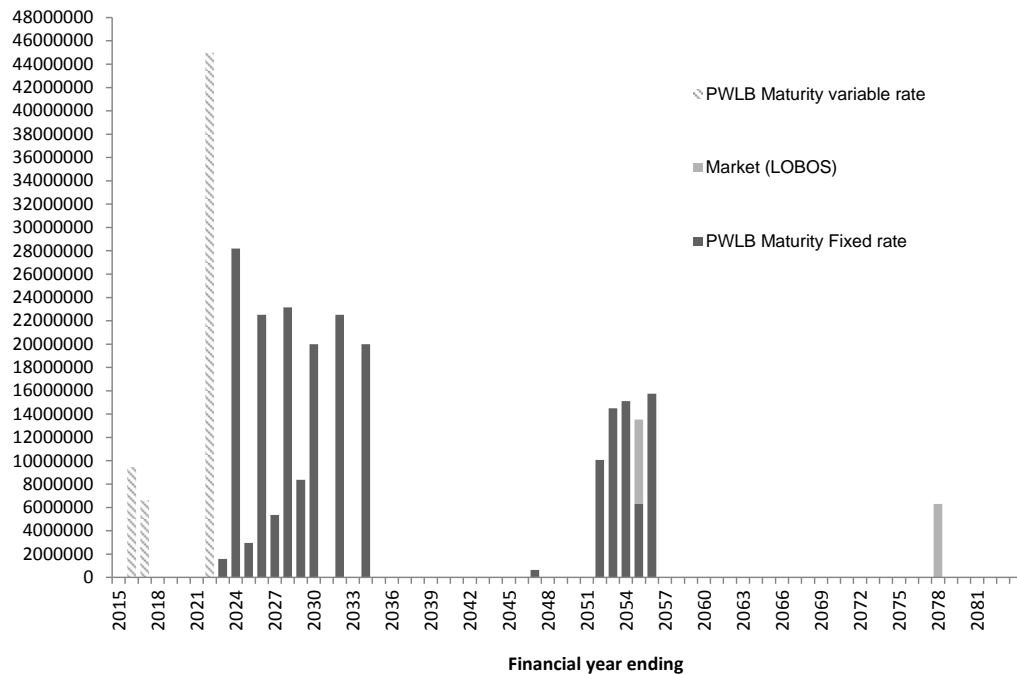
A3

Analysis to show interest rate profile on debt as at 31 December 2014 (Average 3.1%)



A4

Central Bedfordshire Council: Borrowing maturity profile as at 31 December 2014



LOBO assumption : the loans are not called prior to maturity

B1

