

APPENDIX A – DIRECTORATE COMMENTARY

Social Care, Health and Housing

1. The directorate General Fund provisional outturn position at March 2015 is an overspend of £1.5M (£1.7M February) after the use of reserves.

Month: March 2015	Year (2014/15)			
Director	Budget	Actual	Net Use of Earmarked Reserves	Variance
	£000	£000		£000
Social Care Health and Housing				
Director of Social Care, Health, Housing	193	420	(203)	24
Housing Solutions (GF)	1,324	1,404	(73)	7
Adult Social Care	57,460	61,717	(995)	3,262
Commissioning	11,121	11,074	(133)	(180)
Resources - SCH&H	(7,196)	(8,780)	(78)	(1,662)
Total Social Care and Health	62,902	65,835	(1,482)	1,451

2. The Adult Social Care service is overspent by £3.262M 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.
3. Within the Older People 65+ package budgets, there were overspends on residential and nursing placements of £2.4M partially offset by additional customer income which exceeded the budget by £0.8M. There was also an overspend on non-residential packages of £0.346M largely offset by additional Fairer Charging income of £0.297M.
4. In respect of former self funders, these continued to exert pressure on residential and nursing placements budgets. Seventeen have required Council support during 2014/15 at a net cost of £0.176M.
5. Within Learning Disabilities, the outturn position is an overspend after use of reserves of £1.5M. Additional budget of £0.8M was provided to cover the impact of new transitions in 2014/15 and the full year effect of new transitions in 2013/14 Challenging efficiency targets were also been set for this area amounting to £1.3M.
6. The Learning Disability service experienced 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 had to use more expensive out of county respite due to lack of provision in the Council area resulting in an overspend of £0.258M. It also seeing increased costs as a result of the Winterbourne View

programme.

7. Both the Ordinary Residence (OR) and the Campus Closure reserves have now been fully utilised. There have, however, also been significant OR gains which have contributed towards the over-achievement of the packages efficiency.
8. The Commissioning service has underspent by £0.180M. The key variances after reserves are an overspend on the S75 Mental Health Agreement of £0.114M (due to an efficiency shortfall), offset by an underspend of £0.154M on the Dementia Quality Mark budget, £0.124M on the Rapid Intervention and Intermediate Care Contract, and a range of smaller value under spends against various contracts and against staff costs.
9. The Resources division is showing an under spend of £1.7M, the majority of which relates to an over achievement of customer contributions.
10. HRA is subject to a separate report.

Children's Services

11. The Children's Services provisional outturn position (after use of and proposed transfer to reserves for unspent revenue grants) for 2014/15 is £135K overspend.

Month: March 2015	Year (2014/15)			
Director	Budget	Actual	Net Use of Earmarked Reserves	Variance
	£000	£000		£000
Children's Services				
Director of Children's Services	410	502	(142)	(50)
Children's Services Operations	32,207	33,310	227	1,330
Learning & Strategic Commissioning	4,434	2,525	1,487	(422)
Joint School Commissioning Service (Transport)	7,640	7,214	-	(426)
Partnerships	601	585	8	(8)
School Improvement (incl Music)	1,260	48	1,027	(185)
Total Children's Services (ex Schools / Overheads)	46,552	44,184	2,607	239
DSG Contribution to Central Support	(719)	(720)	-	(1)
ESG Contribution to Central Support	(1,157)	(1,260)	-	(103)
Total Children's Services (excluding Schools)	44,676	42,204	2,607	135

12. The provisional outturn of £135K overspend is a combination of an overspend in the Operations Directorate (£1.327M) offset by efficiencies in Transport (£426k), Commissioning and Partnerships (£421K), Access and Inclusion and Out of County

placements (£141K), savings in discretionary spend (£50K) and a reduction in the number of schools transferring to Academy status (£103K), leading to a smaller reduction than anticipated in the Education support Grant.

13. The overspend in the Operations Directorate is mainly due to the following:

- Children in Care & Care Leavers and Intake & Family Support (£946K) increased agency covering substantive posts and increases in placements and allowances on Looked after Children.
- Fostering and Adoption (£724K) increased Special Guardianship Orders (£429K), Residential Orders (£101K) and Adoption costs offset by savings in Independent Foster Agency (£87K).
- Assistant Director Operations (£197K) due to the use of agency staff and an advertising campaign to attract newly qualified and experienced social workers.

Offset by savings in Children with Disabilities (£352K) and Early Intervention & Prevention (£268K).

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

	March 2014		March 2015		% increase / (decrease)
Number of LAC :		268		272	1.5%
In House Foster Placements	99		105		6%
Independent Foster Placements	108		90		(17%)
Residential Homes & Schools (both in & out of County)	26		18		(28%)
Semi - Independent Living including Unaccompanied Asylum Seeking Children	14		26		85%
Placed for Adoption/ with Parents	14		26		85%
Children with Disabilities (CWD)	6		4		(33%)
Secure Accommodation, Young Offenders & NHS	1		1		n/a
Mother & Baby Units	0		2		n/a
Non care placements :					
Special Guardianship Orders		81		114	41%
Residential Orders		45		46	2%
Other information:					
Child Protection Plan		196		165	(15.8%)
Children in Need		1508		1446	(4.1%)
Number of Referrals (YTD)		2598		2439	(6.1%)

	Movement YTD
LAC (April 271)	+1
In House Placements (April 92)	+13
Independent Foster Placements (April 110)	-20
Special Guardianship Orders (April 85)	+29

15. 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 quarter
Children in Care & Care Leavers	54	36	0	18	33%	-7%
Intake & Family Support	120.2	76.4	9	34.8	29%	+2%
CWD	57.3	46.5	7.4	3.4	6%	0%
Quality Assurance	22.9	17.0	1.5	4.4	19%	-9%
Fostering & Adoption	42.0	31.6	1.5	8.9	21%	0%
Early Intervention & Prevention	67.2	56.5	8.7	2	3%	0%

The % change quarter is the % movement between the proportion of agency staff in a particular service between December 2014 (Q3) and March 2015 (Q4).

Community Services

16. Community Services' provisional outturn is £44K over budget (£251K over in February) after net use of earmarked reserves of £348K for one-off specific projects.

Month: March 2015	Year (2014/15)			
Director	Budget	Actual	Net Use of Earmarked Reserves	Variance
	£000	£000		£000
Community Services				
Community Services Director	345	274	-	(71)
Highways Transportation	13,081	13,466	(330)	55
Environmental Services	23,293	23,371	(18)	60
Total Community Services	36,719	37,111	(348)	44

17. Community Services Director cost centre underspent by £71K due to salary savings.

Highways and Transport

18. Highways and Transport was overspent by £55K. Within that is an underspend of £268k in Highways Contracts. This is due to one off income from Bonds, electricity rebate & third parties; an underspend on the maintenance of The Busway which is still relatively new and the first full year of operations maintenance was less than anticipated and achieving an agreed underspend in the works undertaken by the highways provider. There was an overspend on winter maintenance due to the snow event requiring ploughing and the subsequent re-allocation of resources on to the secondary network.
19. There is a underspend of £37k in transport strategy and countryside. This is due to additional income from the following sources: developer s38 and s106 payment contributions, highway search enquiry charges, reimbursement from assets for County Farm work and credits from salary capitalisation.
20. These are offset by an overspend of £348k in Passenger Transport as a result of issues with engaging permanent and bank drivers in the south of the area in addition to long term staff sickness which resulted in an increased reliance on agency staff. A number of the bus stops and shelters have required maintenance and replacement historically there hasn't been a budget for these works. This has now been addressed.

Environmental Services

21. Community Safety underspent by £200k due to a variety of factors. Some of the underspend is from salary related budgets due to vacancies, take up of superannuation and protected salaries ending. Reserves have also been used to cover domestic abuse and IOM costs. CCTV budgets have also seen underspends for the first time, which is linked to reducing some contract costs and changes in billing arrangements from providers.
22. Waste Services saw a large increase in waste for disposal (over 1,300 tonnes more than 13/14) collected from kerbside collections, illegal encampment clearance and additional street cleansing undertaken for the Street Scene project. The income received from recycling collected from the kerbside was lower than expected due to the quality of the material. The resulting overspend was £191k.
23. There was an underspend of £56K in libraries mainly due to staffing costs Throughout the year the service carried a number of vacancies due to staff turnover and maternity. National Insurance and superannuation budgets were also underspent.
24. A shortfall in Parking income was the main cause of the £256k overspend in the Parking service. This was partly due to a change in the interpretation of VAT rules.

Regeneration and Business Support

25. Regeneration and Business Support's provisional outturn is £0.937M below budget (£0.851M in February) after net use of earmarked reserves of £169K for one-off specific projects.

Month: March 2015	Year (2014/15)			
Director	Budget	Actual	Net Use of Earmarked Reserves	Variance
	£000	£000		£000
Regeneration and Business Support				
Director	453	421	-	(32)
Economic Growth Skills & Regeneration	883	1,009	(131)	(5)
Planning	3,757	2,895	(38)	(900)
Programme Delivery	-	-	-	-
Total Regeneration and Business Support	5,093	4,325	(169)	(937)

26. The Planning Division is underspent by £900K (£880K in February). The major elements of this are in three areas:
- On salaries there is an underspend of £172K due to vacancies and maternity leave.
 - There has been an overachievement of planning income; nearly £303K was a result of unexpected solar farm applications and the remainder reflects market improvements.
 - There is an underspend of £55K in professional services due to a decision to put some projects (Aerial monitoring of minerals & waste sites) on hold.

Public Health

27. Public Health provisional 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 provisional outturn before reserves is an underspend of £569K, a combination of Bedford Borough Council, Shared Service and CBC activities.

The outturn position of £569K underspend has arisen due to vacancy savings throughout the service, savings on general expenses within the Assistant Director cost centre, savings on the South Essex Partnership Trust (SEPT) contract within Children & Young People, and savings on the Shared Services led by Bedford Borough Council including Obesity Programmes, Healthchecks and Tobacco Services.

Offsetting this has been overspends on Public Health activities in other Directorates (funded by savings/reserve), the Drug Intervention Programme (funded by 2013/14 underspend) and Sexual Health Shared Service.

Month: March 2015	Year (2014/15)			
Director	Budget	Actual	Net Use of Earmarked Reserves	Variance
	£000	£000		£000
Public Health				
Director of Public Health	(9,458)	(9,539)	81	-
Assistant Director of Public Health	9,458	8,970	488	-
Total Public Health (Excl overheads)	-	(569)	569	-
Contribution to Central Support	-	-		-
Total Public Health	-	(569)	569	-

Improvement and Corporate Services (ICS)

28. The Improvement and Corporate Services (ICS) outturn position is an underspend of £135K, largely as a result of higher than budgeted Housing Revenue Account (HRA) recharges of £164K (income to General Fund).

Month: March 2015	Year (2014/15)			
Director	Budget	Actual	Net Use of Earmarked Reserves	Variance
	£000	£000		£000
Improvement and Corporate Services				
Improvement and Corporate Services Leadership	247	255	-	8
Communications and Insight	764	891	(110)	17
Customer Services	1,813	2,055	(19)	223
Programme and Performance	427	391	(42)	(78)
Policy & strategy	189	175	-	(14)
Customer & Community Insight	-	-	-	-
Procurement	80	60	-	(20)
People	2,528	2,451	(137)	(214)
Information Technology	6,848	7,097	(62)	187
Legal & Democratic Services	3,886	3,631	103	(152)
Assets	4,597	4,594	(89)	(92)
Total Improvement and Corporate Services	21,379	21,600	(356)	(135)

29. Customer Services overspent by £223K, a combination of an unachievable efficiency related to Customer First (£150K), an overspend of £96K due to lower than budgeted capitalising of staffing costs & delays in generation of income from joint Job Centre Plus working partly offset by a £56K underspend as a result of higher than budgeted recharges to HRA.
30. IT overspent by £187K, a combination of minor under and overspends across numerous cost centres.
31. People underspent by £214K, largely due to higher than budgeted recharges to HRA.
32. Legal & Democratic Services underspent by £152K with overspends in Legal relating to external child protection court and staff costs, offset by higher than budgeted income.

Corporate Resources and Costs

33. The full year budget of £15.2M is made up of:

- Corporate Resources £5.0M
- Corporate Costs £10.2M

The provisional outturn is an underspend of £762K (£404K in February).

Month: March 2015	Year (2014/15)			
Director	Budget	Actual	Net Use of Earmarked Reserves	Variance
	£000	£000		£000
Corporate Resources				
Chief Executive	302	290	-	(12)
Finance	5,217	4,915	71	(231)
Housing Benefit Subsidy	(477)	(1,342)	-	(865)
Total Corporate Resources	5,042	3,863	71	(1,108)
Corporate Costs				
Debt Management	12,592	11,776	-	(816)
Premature Retirement Costs	2,855	2,711	(14)	(158)
Corporate Public Health Recharges	(631)	(631)	-	-
Corporate HRA Recharges	(90)	(120)	-	(30)
NDR Levy	-	99	(99)	-
Efficiencies	244	(89)	-	(333)
Contingency and Reserves*	(4,811)	(5,858)	2,730	1,683
Total Corporate Costs	10,159	7,888	2,617	346
Total Corporate	15,201	11,751	2,688	(762)

Corporate Resources

34. There is a net saving in Finance of £231K, largely in Revenues and Benefits relating to savings due to higher than budgeted costs recovered from Revenue court cases, an underspend on staffing mainly as a result of unbudgeted grants received from Central Government to fund additional workload caused by welfare reforms, and further underspends due to planned Single Person Discount Review being delayed until 2015/16.
35. Housing Benefit (HB) Subsidy is underspent by £865K. This is made up of a number of elements including:
- £1.112M overspend due to lower than budgeted HB Subsidy claimed from Central Government.
 - £1.326M underspend due to higher than budgeted recovery of overpaid HB.
 - £371K underspend due to a provision for Department for Work & Pensions (DWP) accrued last year end no longer required (reflected in the final HB Subsidy Claim).

Corporate Costs

36. Debt management costs are forecast to be £816K 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.
37. Efficiencies includes a reduced requirement for the superannuation past service deficit, a saving of £589K, offset by an unachievable element of the Passenger Transport Review efficiency, £250K. This has been addressed in the 2015/16 budget.
38. Contingency & Reserves is overspent by £1.683M. The main components of this include:
- Following a ruling in the “Isle of Wight” case, it has been determined that VAT is payable for 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.
 - New proposed Earmarked Reserves due to be recommended to Executive on the 7th July 2015 total £2.7M.
 - Offset by the release of the £2.1M contingency which was budgeted, and for which there was no call in 2014/15.

Appendix B – Earmarked Reserves

Description	Opening Balance 2014/15 £000	Spent £000	Technical Movements (Grants in Advance) £000	Balance before new transfers £000	New Proposed transfers	Proposed Closing Balance 2014/15 £000	MEMO: Net movement after proposals	Description of EMR
Social Care Health and Housing Reserves								
Social Care Reform Grant	157	(157)		-		-	(157)	Balance of previous specific grant to implement Personalisation in ASC
Deregistration of Care Homes	281	(281)		-		-	(281)	Funding to address costs of residents moving into the area and becoming the financial responsibility of CBC - base budget provision in 15/16
LD Campus Closure	345	(345)		-		-	(345)	Reserve for transitional costs of capital re-provision of former Campus Homes - CBC schemes now completed
Deprivation of Liberty Safeguards	881	(262)		619		619	(262)	New legislation from March 2014 - additional assessment and legal costs
Winter Pressure 12/13 "Care Act"	50	(50)	20	20		20	(30)	Residual DoH funding - re-badged to fund Care Act implementation
Winter Pressure 13/14 "Care Act"	103	(48)		55		55	(48)	Residual DoH funding - re-badged to fund Care Act implementation
Mental Health Action Plan	115	(55)		60		60	(55)	Reserve to address outstanding improvements re personalisation, refund of charges to S117 customers
Outcome Based Commissioning	3,505	(266)		3,239		3,239	(266)	Residential Futures programme - funds the development team and will also fund transitional costs of re-provision ie. double running costs, site security etc
Step Up /Step Down	490		(20)	470		470	(20)	Required for 15/16 one-off efficiency
NHS Grant 2013/14 - Better Care Fund	280	(14)	219	485		485	205	balance of unapplied NHS grant due to underspends including delayed schemes. Underspend earmarked and to be used for risk mitigation in 15/16 re BCF efficiencies
Welfare Reform - local welfare provision grant	340			340		340	-	Required in 16/17 after expected withdrawal of Govt funding
Zero Base Review grant	59	(15)		44		44	(15)	Grant to support revised performance and financial reporting for 14/15 - spend mainly on systems development and report writing - ongoing
NHS Grant - Strategic Transitions Project underspend	86	(86)		-		-	(86)	Project concluded
Total Social Care, Health and Housing	6,692	(1,579)	219	5,332	-	5,332	(1,360)	
Children's Services Reserves								
Fostering & Adoption	998	-499		499		499	(499)	Foster Carer's Fee Scheme
Children's Homes Co-location	232	-116		116		116	(116)	
Performance Reward Grant	144			144		144	-	
LSP Sustainable Neighbourhoods	47			47		47	-	
"Working Together" - new National Guidance	50	(40)		10		10	(40)	LSCB
CWD	70	(61)		9		9	(61)	Refurbishment of flat at Maythorn & South Hub settlement costs, delays therefore balance needed 15/16
Transformation Challenge Award	150	(95)		55		55	(95)	
Support and Aspiration Grant	65	(58)	301	308		308	243	SEN Reform Grant unspent income
Children's Services Unspent Grant Income	311	(1)	84	394		394	83	AYSE and Supporting Troubled Families
Assets of Community Value	13		8	21		21	8	New Burdens Grant
Supporting Disadvantaged Children			18			-	-	Pupil Premium Grant
Parent Partnership (QA)			29			-	-	Grant from National Children's Bureau
The Central Bedfordshire Academy of Social Work and Early Intervention	118	(67)		51		51	(67)	Additional Practice Educator to support an increased cohort of newly qualified social workers, project support and leadership qualification funding
Children's & Families Act	200	(29)		171		171	(29)	Development of communications and implementation materials to present whole of CBC's offer to families
Total Children's Services	2,398	(966)	439	1,824	-	1,824	(574)	

Appendix B – Earmarked Reserves (Cont)

Description	Opening Balance 2014/15 £000	Spent £000	Technical Movements (Grants in Advance) £000	Balance before new transfers £000	New Proposed transfers	Proposed Closing Balance 2014/15 £000	MEMO: Net movement after proposals	Description of EMR
Social Care Health and Housing Reserves	-	-	-	-	-	-	-	
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	-	-	116	-	116	-	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.
Libraries Greenhouse	-	-	4	4	-	4	4	
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 BLRF
Financial Investigation Unit	237	(183)	780	834	-	834	597	now earmarked reserve not RIA/ GIA
Community Safety Grant	204	(85)	-	119	-	119	(85)	now earmarked reserve not RIA/ GIA (additional income from probation that they had over in 2013/14 for work in 2014/15)
Biggleswade wind farm	23	-	-	23	-	23	-	ringfenced income
countryside access grant	16	-	7	23	-	23	7	Linslade Wood income for Phone Masts and Grant of Easement for Shefford - both Ring fenced income
Woodside connection options appraisal	50	(11)	-	39	-	39	(11)	
Rural Payments	-	-	3	3	-	-	-	
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	1,411	(581)	794	1,624	-	1,621	210	
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	(38)	-	327	-	327	(38)	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	(2)	-	32	-	32	(2)	
Business growth grants	51	-	-	51	-	51	-	
Flood Defence	315	-	240	555	-	555	240	now earmarked reserve not RIA/ GIA
Natural England	10	(10)	-	-	-	-	(10)	now earmarked reserve not RIA/ GIA
Building control	205	-	91	296	-	296	91	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	60	-	60	30	ringfenced grant
Total Regeneration	1,948	(382)	361	1,927	-	1,927	(21)	
Public Health Reserves	-	-	-	-	-	-	-	
Public Health Grant Reserve	927	-	569	1,496	-	1,496	569	
Risk reserve	-	-	-	-	-	-	-	
Total Public Health	927	-	569	1,496	-	1,496	569	

Appendix B – Earmarked Reserves (Cont)

Description	Opening Balance 2014/15 £000	Spent £000	Technical Movements (Grants in Advance) £000	Balance before new transfers £000	New Proposed transfers	Proposed Closing Balance 2014/15 £000	MEMO: Net movement after proposals	Description of EMR
Improvement and Corporate Services Reserves								
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	(22)		13		13	(22)	Support allocated to Customer First Revenue activities
Elections Fund	94		54	148		148	54	Build sufficient reserve over four years to run council election
Individual Electoral Registration	19	(19)	68	68		68	49	
Assets	40	(40)		-		-	(40)	Transition - Reduce reliance on Consultants & fund transitional period in staff restructure.
ICT Webcasting	150	(95)		55		55	(95)	
ICS - HR (Apprentices & Graduates)	150	(12)		138		138	(12)	
Total Improvement & Corporate Services	516	(188)	122	450	-	450	(66)	
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		444	946	-	946	444	Receipt of new accounting guidance - will impact 14/15 collection fund
Total Finance	1,002	-	444	1,446	-	1,446	444	
	-			-		-	-	
Corporate Reserves				0		-	-	
Redundancy/Restructure Reserve	2,414	(927)	-	1,487		1,487	(927)	Reserve to cover redundancy and actuarial costs
Insurance reserve	4,404	(775)	649	4,278	-	4,278	(126)	Reserve to cover insurance costs based on actuarial assessment
Welfare Reform	460	(14)		446		446	(14)	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	(14)		187		187	(14)	Reserve to cover authority's potential liability following historic scheme records issue
s31 NNDR Income to offset NNDR discounts	1,018	(99)	2,003	2,922	-	2,922	1,904	
Planning Decisions Legal Challenge	300	-		300		300	-	
Sandy Upper School	-			-	350	350	350	The sum of £0.350M is to fund the shortfall in Sandy Upper school's budget due to the exceptional circumstances created by the DFE withdrawal of an agreed academy sponsor part way through the acadamisation process. The school is preparing a financial recovery plan working and is being closely monitored by the local authority.
Apprentices	-			-	200	200	200	
Rationalisation of Accommodation	-			-	500	500	500	
Cost Reduction including Capital Financing Costs	-			-	680	680	680	
Community Resilience	-			-	500	500	500	
Tackling Safety and Vulnerability					500	500	500	
Weed Spraying	200	(25)		175		175	(25)	Great Places in Central Bedfordshire
Grass Cutting	200	(77)		123		123	(77)	Great Places in Central Bedfordshire
Additional street cleansing / deep cleansing, footpath clearance, spot weed control, graffiti removal / painting, emergency 'streetscene'	300	(283)		17		17	(283)	Great Places in Central Bedfordshire
Street sweeping	130	-		130		130	-	Great Places in Central Bedfordshire
Town Centre jet wash	100	(73)		27		27	(73)	Great Places in Central Bedfordshire
Road Marking Line renewal	70	-		70		70	-	Great Places in Central Bedfordshire
Total Corporate Reserves	9,797	(2,287)	2,652	10,162	2,730	12,892	3,095	
	-			-		-	-	
Total Earmarked Reserves (General Fund)	24,691	(5,983)	5,600	24,262	2,730	26,989	2,297	

Appendix C - Debtors

1. Total general CBC sales debtors for March amounted to £13.5M (£10.7M in February). Of this £4.7M (35%) is over 61 days (£3.8M, 36% February).

Of the Over 61 days - £1.3M is in respect of house Sales, £0.4M is being dealt with through legal channels, £0.1M have instalment arrangements in place.

The balance of £2.9M is managed through the directorates or being actively chased by the Debt Recovery Team.

March Total Debt

Debtors March 2015														
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	1,461	28%	800	15%	166	3%	1,399	27%	321	6%	1,095	21%	5,242	100%
Children's Services	268	37%	359	50%	27	4%	28	4%	43	6%	-2	0%	723	100%
Community Services	524	24%	1,022	46%	52	2%	6	0%	217	10%	404	18%	2,225	100%
Regeneration	949	23%	1,651	39%	890	21%	70	2%	418	10%	216	5%	4,194	100%
I.C.S	123	19%	205	32%	15	2%	3	0%	164	26%	127	20%	637	100%
Finance	17	12%	23	16%	9	6%	-1	-1%	26	19%	66	47%	140	100%
Public Health	201	52%	7	2%	0	0%	0	0%	4	1%	172	45%	384	100%
Unallocated & Non Directorate	0	0%	-5	7%	-3	4%	-14	19%	-24	33%	-27	37%	-73	100%
GRAND TOTAL	3,543	26%	4,062	30%	1,156	9%	1,491	11%	1,169	9%	2,051	15%	13,472	100%
PREVIOUS MONTH	2,605		2,672		1,605		689		1,332		1,816		10,719	

Month on Month Change in Debt over 61 Days £k

DIRECTORATE	March >61 days	February >61 days	Movement
Social Care Health & Housing	2,815	1,649	1,166
Children's Services	69	78	(9)
Community Services	627	638	(11)
Regeneration	704	887	(183)
I.C.S	294	344	(50)
Finance	91	95	(4)
Public Health	176	176	0
Unallocated & Non Directorate	(65)	(30)	(35)
GRAND TOTAL	4,711	3,837	874

2. The largest items of note within the total debt are:
 - SCHH debt at the year end was £5.2M of which £0.2M is HRA related (reported separately in the HRA report). Of the £5.0M General Fund debt, £3.6M is Health Service debt. Of the remaining general debt of £1.4M, £0.915M (66%) is more than 61 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. Excluding Health and house sales debt, there are 28 debtors whose outstanding balance is greater than £0.010M.

- Health Service debt at the year end was £3.6M of which £1.8M or 48% is more than 61 days. Just over £1M of the outstanding debt was settled in early April 2015.
- Total debt for Children's Services is £723k of which £654k is debt over 61 days.
- Community Services total debt is £2.22M. About 28% of debt is over 61 days. All debt recovery is in accordance with Council policy.
- Regeneration total debt at the end of March was £4.194M of which about 84% is less than three months old. Invoices relating to developer contributions secured through planning obligations associated with new developments account for 78% of debt. There is an active programme to recover all outstanding amounts but there are particular cases where developers / clients have gone into liquidation where the ability to recover the outstanding amounts are particularly difficult.
- Overall Corporate debt (ICS & Finance) is £777K. Of which £385K is over 61 days All debt is under active management.
- Public Health debt is £384K of which £176K is over 61 days old.

3. Debts Written off 2014/15

SUMMARY Q4 Jan - Mar

WRITE OFF	NUMBER	VALUE
£0 - £5,000	112	£ 19,088.32
£5,000 - £10,000	1	£ 8,400.94
£10,000 - £50,000	2	£ 66,788.83
>£50,000	0	£ -
TOTAL	115	£94,278.09

(of which legacy £40,723.37)

Appendix D – Treasury Management

Borrowing

1. As at 31 March 2015 the Council's total borrowing was £312.6M. Of this amount, £278.1M was with the Public Works Loan Board (PWLB), £21.0M was short-term fixed rate borrowing from other local authorities and £13.5M was Market Debt from banks. The table below shows the split between the General fund and HRA.

	PWLB Fixed £M	PWLB Variable £M	Temporary Fixed £M	Market (LOBO) £M	Total £M
General Fund	97.0	16.1	21.0	13.5	147.6
HRA	120.0	45.0	0.0	0.0	165.0
TOTAL	217.0	61.1	21.0	13.5	312.6

The profile of debt is split so that overall the Council has 69% Fixed PWLB debt, 20% Variable PWLB debt, 7% Temporary Fixed debt, and 4% Fixed Market (LOBO) debt; this is shown in A1 on the Treasury Management Performance Dashboard.

Based on the latest available 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.

In line with the Council's borrowing strategy, new debt of £21.0M was taken during the last quarter based on an identified cash flow requirement on a short term fixed interest rate of 0.4% (inclusive of brokerage fees). Final repayment of this will be made in June 2015.

2. Investments

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 March 2015. It is important to note that as cash investments are maintained at minimal 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 31 December 2014 compare the Council's performance against 24 other local authorities. B2 of the dashboard shows that the Council's average rate of return on investments of 1.08% is higher than the benchmarked local authority average of 0.82% (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. As at 31 March 2015, the Council held £13.3M of its total cash investments in instant access call accounts and Money Market Funds (MMF) and £0.5m in a 100-day notice account.

In addition to the Lime Fund investment, the Council has cash deposits placed on varying interest rates ranging between 0.4% and 0.8%.

4. Cash Management

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 £41M compared to a benchmark average of £119M. 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.

Following the 2008 financial crisis, governments injected hundreds of billions to bail-out the banks. Bail-outs of failing banks in Greece, Portugal and Iceland were primarily financed by taxpayers. As time has passed and the cost of government bail-outs has risen, the appeal of asking private-sector investors to suffer a greater proportion of losses has increased. A bail-in forces the bank's bondholders and depositors to bear some of the burden by having part of the debt they are owed written off.

The UK is implementing the final bail-in provisions of the EU Bank Recovery and Resolution Directive over the next few months, a year ahead of most other countries. This is expected to lead to credit rating downgrades for a number of UK banks and building societies to reflect the reduction in likely Central Government support.

Aside from maintaining minimal cash levels for operational purposes, the Council also mitigates the higher risk arising from the introduction of the new bank bail-in provisions by spreading its cash balance across a diversified range of investment counterparties.

5. Outlook

The Council's treasury advisers, Arlingclose, do not expect the Bank of England to raise its Base Rate until Quarter 2 of 2016 and the short-term return on cash investments will continue to remain at very low levels. Indeed, the risks to this forecast remain weighted to the downside; in particular, signs of more widespread deflation could prompt a further downward revision to the forecast.

Over the coming financial year, the Council plans to 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.

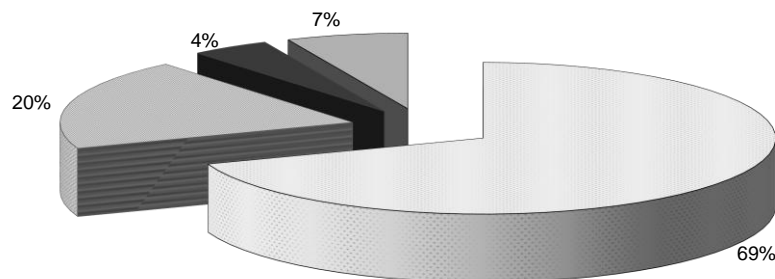
The Council made a saving in 2014/15 of £529K on its interest debt costs compared to budget which was partly offset by an under-recovery of £67K on its investment interest income budget.

TREASURY MANAGEMENT PERFORMANCE DASHBOARD - 31 MARCH 2015

SECTION A: DEBT INFORMATION

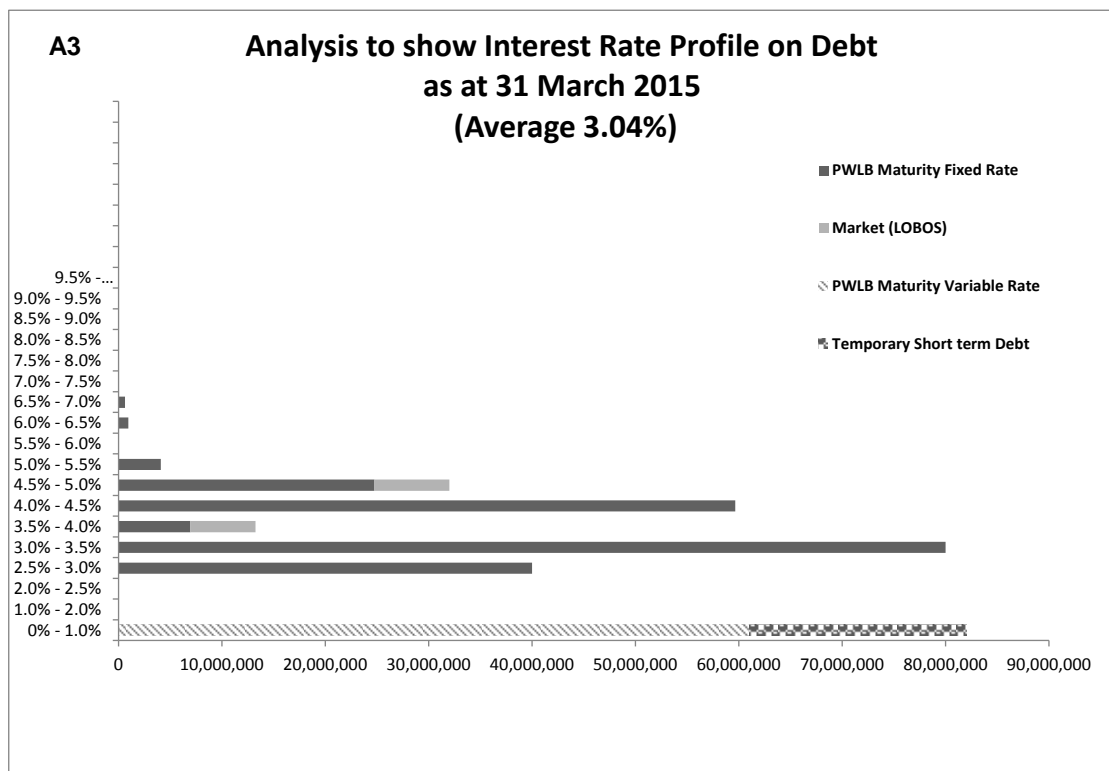
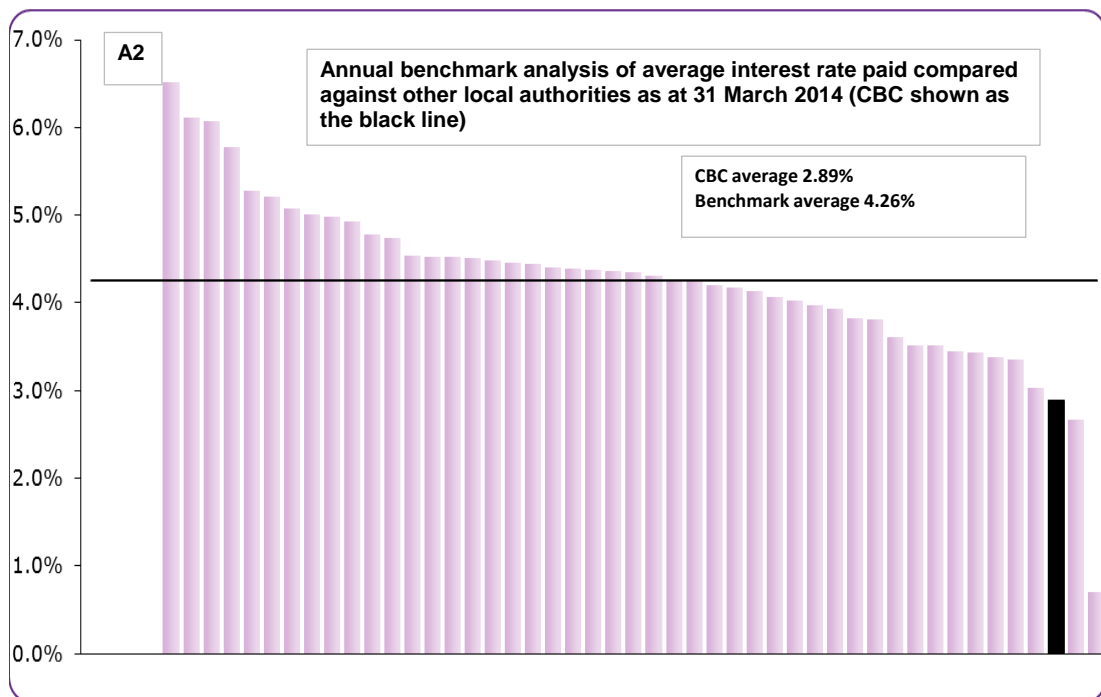
A1

Analysis of Borrowing Type as at 31 March 2015
Total £312.6m



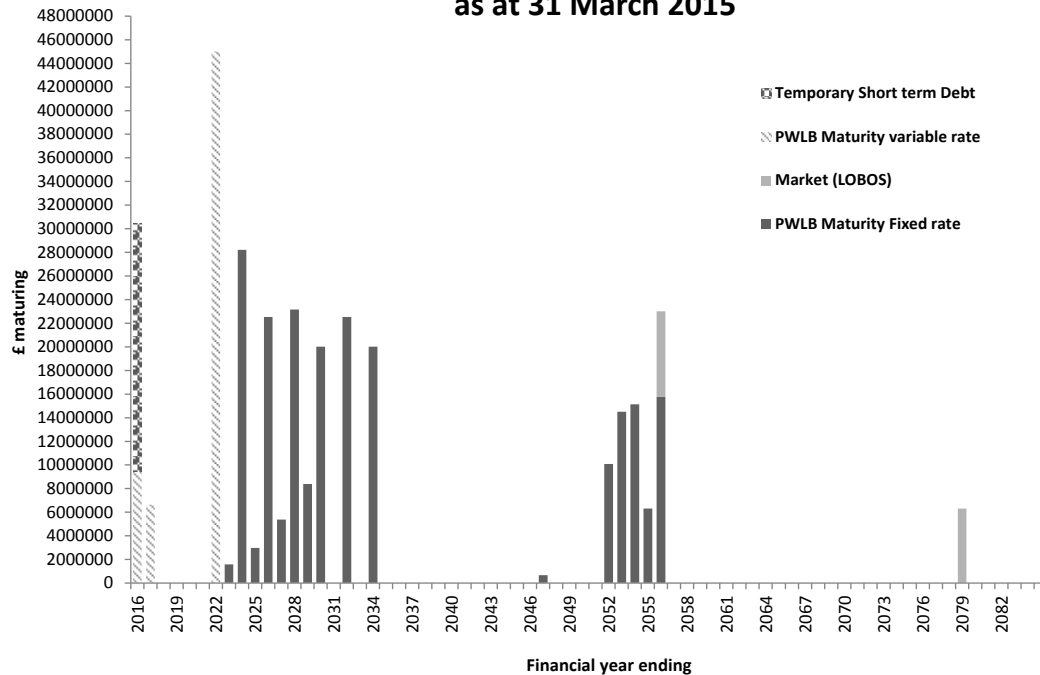
□ PWLB Fixed Borrowing	£217.1m
□ PWLB Variable Borrowing	£61.0m
■ Market Borrowing	£13.5m
□ Temp Borrowing	£21.0m

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



A4

Central Bedfordshire Council: Borrowing Maturity Profile as at 31 March 2015



SECTION B: INVESTMENT INFORMATION

B1

Analysis of Investments as at 31 March 2015 - Total £18.8m

