

## APPENDIX A – DIRECTORATE COMMENTARY

### Social Care, Health and Housing (SCHH)

- The Directorate General Fund provisional outturn is above budget by £0.443M as at March 2018. The Social Care element of the Directorate (in total) was underspent by £0.222M but this was offset by overspends in Procurement and Customer Services due to less than expected Comensura rebate (less usage of agency staff across the Council) and an unachieved efficiency in Customer Services. General Fund Housing also overspent by £0.286M due to the costs of increases in homelessness cases.

Month: March 2018		Outturn					
Director	Budget	Actual	Proposed Transfer to Earmarked Reserves	Proposed Use of Earmarked Reserves	Net (Use) of / Transfer to Earmarked Reserves	Revised Outturn	Variance to Budget
	£000	£000	£000	£000	£000	£000	£000
<b>Social Care Health and Housing</b>							
Director of Social Care, Health, Housing	260	728	-	(480)	(480)	248	(12)
Procurement and Customer Services	1,024	1,413	-	(7)	(7)	1,406	382
Housing Solutions (GF)	3,103	3,389	-	-	-	3,389	286
Adult Social Care	69,023	70,693	-	(10)	(10)	70,683	1,660
Commissioning	9,894	8,310	-	-	-	8,310	(1,584)
Resources	(10,454)	(12,477)	2,928	(1,194)	1,734	(10,743)	(289)
<b>Total Social Care and Health</b>	<b>72,850</b>	<b>72,056</b>	<b>2,928</b>	<b>(1,691)</b>	<b>1,237</b>	<b>73,293</b>	<b>443</b>

- The Adult Social Care service is overspent by £1.660M after the use of reserves but excluding customer contributions.
- This division had to absorb the risk of increasing Older People, Physical and Learning Disability package volumes and costs. People are living longer and the costs of dementia are on the increase. Pressure of demographic changes and the cost of complex needs amounting to £4.038M had been built into the budget to reflect the impact of both an ageing population and the additional costs associated with the transition of younger people with disabilities into Adult Social Care. There were, however, significant efficiency targets for this area totalling just short of £1.264M.
- Within the Older People 65+ external package budgets, there was an overspend on residential and nursing placements of £0.642M offset by additional customer income which exceeded the budget by £0.419M. There was an over spend on non-residential packages of £1.474M. For non-residential services there was an overachievement of customer income of £0.683M. This left Older People package expenditure presenting a net £1.014M overspend compared to budget. Additional placement costs of £0.131M relating to The Birches re-provision were funded from the Outcome Based Commissioning Reserve.

6. Within Learning Disabilities, additional budget of £1.798M was provided to cover the impact of transitions in 2017/18 which included the full year effect from 2016/17 new customers and the part year effect of 2017/18 new customers. The budget was also increased to reflect carer breakdown costs for mid life customers. Efficiency targets for this service area amounted to £0.893M.
7. Housing General Fund budgets have a provisional overspend of £0.286M. To support the pressure around Transitional accommodation (TA) and the usage of private accommodation, the Council agreed to invest £3.7M in purchasing properties to use as TA over the last 3 years. 17 purchases have been completed, one of which is to be developed to provide multiple units. In addition, lower cost “leasing” options are being progressed to provide further bed spaces for TA. A “guaranteed rent” model is being trialled for private accommodation, which could save around £0.007M per property used per year.
8. The service is also using private self-contained accommodation on a nightly let basis where the net cost is significantly lower than Bed & Breakfast (B&B) accommodation but still costly. The Council are utilising an additional 28 “satellite” properties and 5 Aragon properties as TA, as well as specific supported accommodation in Houghton Regis and Leighton Buzzard. The previous peak of November 2017, of 205 households in TA, has decreased slightly at the end of March 2018 to 170. The reduction is welcome but the high number is due to the large number of households approaching the Council for housing advice, and also the limited supply of permanent affordable housing to move people into. 1,740 households have approached the Council for advice and assistance during 2017/18, many of whom are approaching as homeless on the day and many with complex needs.
9. The Commissioning Service was underspent by £1.584M. The key variances were an underspend within the Learning Disability Block Contract, an underspend against the Dementia Premium budget and underspends against both the Contract and Commissioning Teams’ staff budgets.
10. The Resources division was underspent by £0.289M due to higher than expected customer income.

### **Better Care Fund (BCF)**

11. The overall BCF pooled fund for 2017/18 is £22.900M including the iBCF and capital resources. The BCF Plan 2017-2019 was approved by NHS England on 21st December 2017. Previously agreed schemes are ongoing with the Clinical Commissioning Group paying on account based on 2016/17 contribution levels. The Section 75 Agreement is close to completion and signature. Health resources into the BCF have increased by 1.79% in 2017/18 and 1.9% in 2018/19 including continued protection for Adult Social Care and the Care Act elements of the BCF.
12. The improved BCF (iBCF) equated to £1.810M for 2017/18. Schemes progressed during the financial year whereby quarter three reporting to the DCLG showed schemes as being on track. The underspend in 2017/18 was £1.227M – this has been transferred to reserves and earmarked as a carry-forward to 2018/19.

13. HRA is subject to a separate report.

### **Children's Services**

14. The Directorate outturn position is £0.3M below budget as at March 2018.

15.

Month: March 2018		Outturn					
Director	Budget	Actual	Proposed Transfer to Earmarked Reserves	Proposed Use of Earmarked Reserves	Net (Use) of / Transfer to Earmarked Reserves	Revised Outturn	Variance to Budget
	£000	£000	£000	£000	£000	£000	£000
<b>Children's Services</b>							
Director of Children's Services	241	273	-	(69)	(69)	204	(37)
Children's Services Safeguarding & Early Help	23,077	21,859	533	(291)	242	22,101	(976)
LAC Placement Costs	8,988	9,873	-	(95)	(95)	9,778	790
Education and Transformation	5,245	4,775	1,067	(655)	412	5,187	(58)
Partnerships	534	589	-	(55)	(55)	534	-
Education Services (Now reported in Education & Transformation)	-	-	-	-	-	-	-
<b>Total Children's Services (ex Schools / Overheads)</b>	<b>38,085</b>	<b>37,369</b>	<b>1,600</b>	<b>(1,165)</b>	<b>435</b>	<b>37,804</b>	<b>(281)</b>
DSG + ESG Contribution to Central Support	(1,724)	(1,821)	97	-	97	(1,724)	-
<b>Total Children's Services (excluding Schools)</b>	<b>36,361</b>	<b>35,548</b>	<b>1,697</b>	<b>(1,165)</b>	<b>532</b>	<b>36,080</b>	<b>(281)</b>

16. Looked After Children (LAC) Placement costs (£0.790M): this area includes all direct costs for looked after children (Fostering, Residential Care Homes, Secure Accommodation etc.) Special Educational Needs & Disabilities (SEND, £0.234M): the use of agency and locum staff filling vacant posts, additional plan writing and a complex case consultant for six months and £0.355M additional remand costs, due to seven young people having been on remand since April 2017.
17. The outturn overspend for LAC placement costs is mainly due to the non achievement of an ongoing efficiency related to the 'invest to save' pressure that was funded in 2015/16 to increase the number of in-house foster carers and reduce the expensive independent fees. Over a 3 year period, although there has been success in increasing the proportion of children in CBC in-house foster care which has reduced reliance on IFAs (Independent Fostering Agencies), the efficiency was to be achieved by moving IFA placements into in-house. This has not been possible either due to the individual needs of the child or sibling groups.
18. The overspends above are offset by the following in-year savings (£1.658M):
- 19.
- £0.325M Intake and family support salary savings.
  - £0.404M underspend in Fostering and Adoption; mainly due to fewer than expected Special Guardianship Orders (SGO) and Residential Orders and salary savings across the team.
  - £0.225M underspend in Early Intervention & Prevention as a result of salary savings across the team.

- £0.042M Deputy Director Education & Transformation, savings in staffing budget.
- £0.662M other savings across all of Children's Services, mainly additional income and/or salary savings.

20. The comparative data in the tables below show the summary of placements for March 2017 and March 2018. (As per Resource and Placement Report Panel 10th April 2018).

21.

	March 2017		March 2018		% change
<b>Number of LAC :</b>		<b>257</b>		<b>272</b>	5.8%
In House Foster Placements	124		122		-1.6%
Independent Foster Placements (Inc. Mother & Baby IFA's)	69		81		17.4%
Residential Homes & Schools	10		6		-40.0%
Parent & Baby (Inc. mother & baby IFA's)	3		3		0.0%
St Christopher's (Clophill & Bunyan Road)	7		7		0.0%
St Christopher's (Stewartby)	1		0		-100.0%
Semi - Independent Living (aged 16 & 17)	11		14		27.3%
Supported Lodgings (16-18)	0		1		0.0%
Placed for Adoption/ with Parents	19		27		42.1%
Children with Disabilities (Maythorn, Children's homes and Residential School)	5		6		20.0%
Young Offenders serving custodial sentences /Temp Accom / Youth Offending/ NHS	8		5		-37.5%

22.

<b>Unaccompanied Asylum Seeking Children:</b>		<b>50</b>		<b>40</b>	-20.0%
In House Foster Placements	10		9		-10.0%
Independent Foster Placements	6		3		-50.0%
Semi Independent Living (aged 16 & 17)	34		28		-17.6%
<b>Total Number of LAC:</b>		<b>307</b>		<b>312</b>	1.6%

23.

(including UASC)	<b>Movement YTD</b>
LAC (28 <sup>th</sup> March Panel 307)	+5
In House Placements (April 134 )	-3
Independent Foster Placements (April 75)	+6
Semi Independent Living (April 45)	-3
Special Guardianship Orders (April 136)	+9

### **Community Services**

24. The Directorate outturn position is above budget by £1.0M as at March 2018.

25.

Month: March 2018		Outturn					
Director	Budget	Actual	Proposed Transfer to Earmarked Reserves	Proposed Use of Earmarked Reserves	Net (Use) of / Transfer to Earmarked Reserves	Revised Outturn	Variance to Budget
	£000	£000	£000	£000	£000	£000	£000
<b>Community Services</b>							
Community Services Director	280	218	-	(7)	(7)	211	(69)
Highways Transportation	16,165	19,457	-	(1,251)	(1,251)	18,206	2,041
Environmental Services - Waste	19,528	20,236	-	(624)	(624)	19,612	84
Environmental Services - Other	4,513	7,804	88	(3,900)	(3,812)	3,992	(521)
IT	5,225	5,984	-	(951)	(951)	5,033	(192)
Assets	4,181	4,151	-	(320)	(320)	3,831	(350)
<b>Total Community Services</b>	<b>49,892</b>	<b>57,850</b>	<b>88</b>	<b>(7,053)</b>	<b>(6,965)</b>	<b>50,885</b>	<b>993</b>

### Highways Transportation

26. Highways Transportation have an overall overspend of £2.041M, the majority of this relates to overspends on Educational Transport of £2.396M, this concerns all areas of school transport and is due to both the cost and number of children that are being transported. There is an overspend on winter maintenance of £0.197M and on emergency response of £0.319M. These have been reduced by savings within Highways contracts including reducing revenue spend in the last month on contract work, increased income for Temporary Traffic Road Orders and Bonds and also savings within Passenger Transport of £0.235M, due to reductions on concessionary fares following the Passenger Transport Strategy.

### Environmental Services

27. Environmental Services – Waste have an overspend of £0.084M, this is mainly due to increased tonnages being sent to landfill and increased waste disposal costs due to changes in the haulage contract, these have been reduced by underspends on the Biffa contract for kerbside collection, street cleansing costs and costs for sacks and bags due to use of a new supplier.
28. Environmental Services – Other are underspent by £0.521M, the majority of this is due to underspends on staffing, mainly within the library service due to a restructure of hours in the service resulting in posts being vacant for most of the year.

### Assets

29. Community Services (Assets) has an actual underspend of £0.350M after use of reserves. The majority of the underspends relates to additional rental income for Commercial properties £0.275M, additional recharges to occupants of Kingsland £0.092M underspend on rates £0.286M, lower demand for online printing services £0.095M and postage £0.040M. The mild early part of winter has resulted in a reduction in the need for utility costs £0.106M. There was lower requirement for consultancy and legal costs £0.106M and increased external income £0.026M.

Lower webcasting and other Facilities Management underspends £0.014M and an Increased contribution from HRA £0.015M.

30. The main overspends are delays in vacating Corporate buildings £0.378M and additional landlord costs of £0.059M for the new premises of Houghton Hall and Thorn Turn depot. There was a net disaggregation payment due to Bedford Borough for Farms £0.036M. There were also one-off costs for security £0.069M resulting from break-ins and increased demand for emergency repairs £0.031M. There was a net overspend of £0.081M for the schools PFI contract. Lower staff capitalisation and increased agency costs £0.051M.

## IT

31. Community Services (IT) have a £0.192M underspend after use of reserves. The majority of the underspend relates to the schools network which has an underspend of £0.194M, this is due to a reduction in the service to schools which has resulted in lower data network costs. There have been underspends on salaries and multi-functional Devices which has offset the overspend on Data networks which are a result of unachievable efficiencies (PSN, networks and data centre), partly offset by use of reserves.

## Regeneration and Business Support

The Directorate outturn position is £0.4M below budget as at March 2018

Month: March 2018	Outturn						
Director	Budget	Actual	Proposed Transfer to Earmarked Reserves	Proposed Use of Earmarked Reserves	Net (Use) of / Transfer to Earmarked Reserves	Revised Outturn	Variance to Budget
	£000	£000	£000	£000	£000	£000	£000
<b>Regeneration and Business</b>							
Director	1,287	817	363	(15)	348	1,165	(122)
Business & Investment	1,748	1,747	70	(138)	(68)	1,679	(69)
Development Infrastructure Division	2,459	2,108	254	(78)	176	2,284	(175)
<b>Total Regeneration and Business</b>	<b>5,494</b>	<b>4,672</b>	<b>687</b>	<b>(231)</b>	<b>456</b>	<b>5,128</b>	<b>(366)</b>

33. The underspend (£0.363M) is mainly due to:
34. £0.613M Planning Delivery: additional income mainly due to two large applications that resulted from targeted income priority applications (developers in Biggleswade and Houghton Regis) in December where the team were encouraged to bring discussions forward, along with the 20% planning increase from January. There is a risk that planning applications that have been accelerated will impact income received in 2018/19 which the service is closely monitoring.

35. £0.140M underspend in Building Control: Whilst the number of applications is similar to 2016/17 the additional income (£0.108M) is as a result of a few larger applications, along with (£0.032M) net savings on expenditure budgets including staffing, building repairs, furniture and equipment and subscriptions. Underspends of £0.083M in Place Delivery: £0.070M grant income from Grand Union Housing Group for Estate Regeneration in Sandy, £0.038M Broadband income from other local authorities and savings due to salaries being capitalised. This is offset by £0.019M Professional Services payments for Public Consultation art workshop, strategic visioning study and strategic community engagement.
36. The £0.836M reported underspend is offset by a £0.453M overspend in Strategic Growth which includes expenditure in the support for Henlow, development of Oxford Cambridge growth deal, commissioning support for the local plan, Section 106 and East Of England Heartlands contribution.

### **Public Health**

37. Public Health's outturn is a balanced budget after proposed use of and contributions to reserves. The Public Health grant is currently ringfenced so any under/overspend results in a movement against the carried forward reserve from 2016/17.

38.

Month: March 2018		Outturn					
Director	Budget	Actual	Proposed Transfer to Earmarked Reserves	Proposed Use of Earmarked Reserves	Net (Use) of / Transfer to Earmarked Reserves	Revised Outturn	Variance to Budget
	£000	£000	£000	£000	£000	£000	£000
<b>Public Health</b>							
Director of Public Health	(11,309)	(12,000)	691	-	691	(11,309)	-
Assistant Director of Public Health	11,369	11,883	-	(514)	(514)	11,369	-
<b>Total Public Health</b>	<b>60</b>	<b>(117)</b>	<b>691</b>	<b>(514)</b>	<b>177</b>	<b>60</b>	<b>-</b>

### **Chief Executive**

39. The Directorate outturn position is below budget by £0.1M as at March 2018.

40.

Month: March 2018		Outturn					
Director	Budget	Actual	Proposed Transfer to Earmarked Reserves	Proposed Use of Earmarked Reserves	Net (Use) of / Transfer to Earmarked Reserves	Revised Outturn	Variance to Budget
	£000	£000	£000	£000	£000	£000	£000
<b>Chief Executive's</b>							
Chief Executive	309	303	-	-	-	303	(6)
Communications	1,036	990	-	(20)	(20)	970	(66)
<b>Total Chief Executive's</b>	<b>1,345</b>	<b>1,293</b>	<b>-</b>	<b>(20)</b>	<b>(20)</b>	<b>1,273</b>	<b>(72)</b>

41. The underspend is mainly in Communications and is due to delays in recruiting to vacant posts.

## Resources

42. The Directorate outturn position is above budget by £0.912M as at March 2018.

43.

Month: March 2018	Year to date						
Director	Budget	Actual	Proposed Transfer to Earmarked Reserves	Proposed Use of Earmarked Reserves	Net (Use) of / Transfer to Earmarked Reserves	Revised Outturn	Variance to Budget
	£000	£000	£000	£000	£000	£000	£000
<b>Resources</b>							
Director and AD Finance	3,534	3,993	33	(508)	(475)	3,518	(16)
Housing Benefit Subsidy	(718)	67	-	-	-	67	785
Revs & Bens	1,761	1,454	-	-	-	1,454	(307)
Audit	581	478	-	-	-	478	(103)
Legal Services	1,818	2,351	-	-	-	2,351	533
Governance	2,345	2,458	129	(46)	83	2,541	196
People	2,212	2,137	-	(101)	(101)	2,036	(176)
<b>Total Resources</b>	<b>11,533</b>	<b>12,938</b>	<b>162</b>	<b>(655)</b>	<b>(493)</b>	<b>12,445</b>	<b>912</b>

44. Director of Resources and AD Finance is underspent by £0.016M. This is made up of two component parts; savings on discretionary spend and salary costs for the Director and AD, due to delays in recruitment (£0.147M), offset by an overspend in Financial Operations (£0.132M). There was an overspend mainly in Insurance Services which is due to lower than budgeted buyback income from Schools and higher than budgeted insurance premiums which has been mitigated in part by salary savings in the Brokerage & Direct Payments team due to recruitment difficulties.

45. There is an overspend in Housing Benefit Subsidy (HBS) of £0.785M due to the reduced level of subsidy being received and a decrease in overpayment debt recovery.

46. Subsidy is received against payments, and certain overpayments of Housing Benefit (HB). Correctly made payments are subsidised at 100%, however this is reduced where payment is made in error. Error is generally caused by late notification of changes by the DWP, to which the Council then has to respond. The budgeted HB expenditure of £60.6M assumes a 97.46% recovery. The recovery rate for 2017/18 is 96.9%.

47. Overpayment debt recovery income target (£2.1M) has also fallen short of expectation by £0.36M, this is mainly due to the declining level of debt outstanding, thus making a smaller "target" to be recovered.

48. The overspend in HBS is offset by additional admin subsidy grant income and savings as a result of staff vacancies within Revenue and Benefits (£0.306M).

49. Governance year end overspend of £0.196M is made up of a number of variances, mainly:



50. £0.172M overspend Democratic Services largely due to an unachievable efficiency on Local Land Charges income (£0.100M) and lower than budgeted in year Local Land Charge income (£0.077M).

£0.162M overspend Coroner Services due to lower than budgeted recovery for the shared service from Bedford and Luton. CBC is actively pursuing higher contributions to the Coroners Service from these authorities.

Offset by:

51. £0.089M underspend Members' Costs lower than budgeted allowances.
52. £0.066M underspend in Registration Services due to increased income (fees and charges determined by CBC increased on 1st January by 2.9%. Registration income is variable and customer led and includes increased certificate income from registrations and ceremonies and increased income from nationality related checking services. New 'products' which became available from January have been well taken up. Reduced rates costs have also contributed to the position. The savings on rates is one off refund on the Pilgrim Centre.
53. Legal Services are overspent by £0.533M, as a result of increased workloads across the organisation but mainly Children Services cases.
54. AD People is underspent by £0.176M which relates to additional capitalisation of salaries, unbudgeted contribution to staff costs and planned lower spend on Organisational Development and Corporate Training.
55. Audit are underspent by £0.103M due to vacancy savings from delayed recruitment (Audit Manager and Senior Auditor post £0.063M), refund from Public Sector Audit Appointments (PSAA) on Audit Fees (£0.030M) and professional services (£0.010M).

### **Corporate Costs**

56. The Corporate Costs outturn position is an underspend of £1.7M as at March 2018. See Table below for details.

57.

Month: March 2018	Year to date						
Director	Budget	Actual	Proposed Transfer to Earmarked Reserves	Proposed Use of Earmarked Reserves	Net (Use) of / Transfer to Earmarked Reserves	Revised Outturn	Variance to Budget
	£000	£000	£000	£000	£000	£000	£000
<b>Corporate Costs</b>							
Debt Management	14,217	9,595	-	-	-	9,595	(4,622)
Premature Retirement Costs	3,332	2,948	-	-	-	2,948	(384)
Corporate Public Health Recharges	(631)	(608)	-	-	-	(608)	23
Corporate HRA Recharges	(120)	(111)	-	-	-	(111)	9
Efficiencies	(924)	(223)	-	-	-	(223)	701
Contingency and Reserves*	(3,826)	(11,136)	9,876	-	9,876	(1,260)	2,566
<b>Total Corporate Costs</b>	<b>12,048</b>	<b>465</b>	<b>9,876</b>	<b>-</b>	<b>9,876</b>	<b>10,341</b>	<b>(1,707)</b>

58. Debt Management (including Minimum Revenue Provision (MRP), Interest Payable and Receivable) is below budget by £4.622M, and of this £4.550M relates to less than budgeted MRP as a result in the change to the policy made last year. The balance is due to Interest Payable being lower than budgeted owing to low borrowing rates and a short term borrowing strategy.
59. Premature Retirement costs £0.384M below budget due to reduced LGPS added years costs. Notification of this cost only comes at the end of the financial year.
60. Cross Cutting Efficiencies £0.701M overspend. The Medium Term Financial Plan for 2017/18 staff cost efficiency target of £1.0M held within Corporate Costs, but which was delivered by the Service Directorates. The compensatory savings are now all reflected in the Directorate outturns. Within this Cross Cutting Efficiencies there is a saving of £0.047M as a result of higher than budgeted uptake of additional week's annual leave buy back scheme for 2017/18, previous years unallocated income (£0.10M), £0.130M past service pension costs and £0.022M saving on the National Living Wage budget.
61. Contingency and Reserves is over by £2.566M. This is mainly due to the release of the contingency offset by the creation of new reserves reported at Table 2 above.