Corporate Resources Overview and Scrutiny Committee (Public)

Schedule
Thursday 30 May 2019, 10:00 AM — 2:00 PM BST

Venue
Council Chamber, Priory House, Monks Walk, Chicksands, Shefford, SG17 5TQ

Description
To Chairman and Members of the Council: -

Cllr Duckett (Chairman)
Cllr Chatterley (Vice-Chairman)

Councillors Bond, Gomm, Mackey, Perry, Saunders, Snelling and Wye
Substitutes: Cllr Ferguson, Goodchild, Spicer, Versallion and Zerny

Notes for Participants
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Hard copies of the papers for this meeting are not routinely made available to those in attendance. Should you require a copy of please download this from the Council website beforehand.
## Agenda

1. Apologies for Absence

   To receive apologies for absence.

2. Minutes

   To approve as a correct record, the Minutes of the meeting of Corporate Resources Overview and Scrutiny Committee held on 31 January 2019.

   ![Corporate Resources OSC Minutes.pdf](Corporate Resources OSC Minutes.pdf)

3. Members' Interests

   To receive from Members any declarations of interest.

4. Chairman's Announcements

   To receive any matters of communication from the Chairman.

5. Public Participation

   To respond to general questions and statements from members of the public in accordance with the Public Participation Procedure as set out in Part 4G of the Constitution.

6. Petitions

   To receive petitions from members of the public in accordance with the Public Participation Procedure as set out in Part 4G of the Constitution.

7. Questions, Statements or Deputations

   To receive any questions, statements or deputations from members of the public in accordance with the Public Participation Procedure as set out in Part 4G of the Constitution.
8. Call-in

To consider any decision of the Executive referred to this Committee for review in accordance with Part 4D of the Constitution.

9. Requested Items

To consider any items referred to the Committee at the request of a Member in accordance with Part 4D of the Constitution.

Reports

10. Executive Members' Update

To receive a brief verbal update from:-
- The Deputy Leader and Executive Member for Corporate Resources
- The Executive Member for Assets and Housing Delivery

11. Q3 Budget Monitoring Reports

To receive and scrutinise the Q3 2018/19 Budget Monitoring Report for all areas of Council Business.
(a) Q3 Revenue Budget Monitoring
(b) Q3 Capital Budget Monitoring
(c) Q3 HRA Budget Monitoring

- CR OSC budget monitoring cover report.docx
- Q3 Budget Monitoring Revenue.docx
- Appendix A.docx
- Appendix B.docx
- Appendix C.docx
- Q3 Capital Budget Monitoring .docx
- Appendix A .docx
- Q3 HRA Budget Monitoring .docx
- Appendix A.docx
12. Establishing a Trading Entity for the Delivery of Social Care Services

To set out the drivers for the establishment of a trading entity, to update on progress and to seek the views of the committee on key issues.

Local Authority Trading Entity report.docx

13. CR OSC 2019/20 Work Programme and Executive Forward Plan

The report provides Members with details of the currently drafted Committee work programme and the latest Executive Forward Plan.

CR OSC Work programme report.docx
WP Appendix A.docx

14. Variation to the Capital Programme (report to follow)

To seek comment from the Committee on the Executive report 'Variation to Capital Programme'.

Item 14 - Variation to the capital programme report.docx
Item 14 - APPENDIX A - Executive report.docx

15. Establishing a Council Owned Housing Company - Identification of Priority Sites for the Delivery of Housing by the Council (report to follow)

At the Executive meeting 05.02.19 approval was given to establish a Council owned development company, one of the initial actions being to bring forward a list of potential sites for transfer into the housing company. The purpose of the report is to seek comment on the Executive report.

Note: Exempt Appendix to follow.

Item 15 - Housing Company Priority Sites report.docx
Item 15 - APPENDIX 1 - Executive report.docx
Item 15 - APPENDIX A - Site plans.docx
16. **Exclusion of Press and Public**

To consider whether to pass a resolution under section 100A of the Local Government Act 1972 to exclude the Press and Public from the meeting for the following items of business on the grounds that the consideration of the items is likely to involve the disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.

17. **Establishing a Council Owned Housing Company - Identification of Priority Sites for the Delivery of Housing by the Council (report to follow)**

To consider the exempt Appendix pertaining to item 15.

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18. **Disposal of Land (Report to follow)**

To seek comment from the Committee on the Executive report 'Disposal of Land'.
1. Apologies for Absence

To receive apologies for absence.
2. Minutes

To approve as a correct record, the Minutes of the meeting of Corporate Resources Overview and Scrutiny Committee held on 31 January 2019.
At a meeting of the CENTRAL BEDFORDSHIRE COUNCIL held in Council Chamber, Priory House, Monks Walk, Shefford on Thursday, 31 January 2019.

PRESENT

Cllr P A Duckett (Chairman)
Cllr J Chatterley (Vice-Chairman)

Cllrs  Mrs C F Chapman MBE  C C Gomm
       J Kane                  D McVicar

Apologies for Absence:  Cllrs  Mrs A Barker
                        T Swain  T Woodward

Substitutes:  Cllrs  B Saunders (In place of Mrs A Barker)

Members in Attendance:  Cllrs  M C Blair  Chairman of Audit
                        A D Brown  Deputy Executive Member for Regeneration
                        S Dixon  Executive Member for Families, Education and Children and Lead Members for Children's Services
                        K Ferguson  Chairman of Children's Services Overview and Scrutiny Committee
                        E Ghent  Executive Member for Assets and Housing Delivery
                        Mrs S A Goodchild  Chairman of Social Care, Health & Housing Overview & Scrutiny Committee
                        P Hollick
                        J G Jamieson  Leader of the Council and Chairman of the Executive
                        Mrs T Stock  Deputy Executive Member for Health
                        B Wells  Deputy Executive Member for Community Services
                        R D Wenham  Deputy Leader and Executive Member for Corporate Resources

Officers in Attendance:  Mr I Berry  Assistant Director of Assets
                        Mr M Coiffait  Director of Community Services
                        Mr A Davie  Assistant Director Development and Infrastructure
                        Ms S Fecondi  HR Business Partner
RESOLVED that the Minutes of the meeting of the Corporate Resources Overview and Scrutiny Committee held on 29 November 2018 be confirmed and signed by the Chairman as a correct record.

Cllr Duckett declared an interest at item 20 as he lived in close proximity to Houghton Lodge in Ampthill.

The Chairman announced the completion of the Corporate Resources Task Force work that had looked into the funding of the Voluntary Sector Infrastructure Organisations. It had recommended to the Executive that funding be maintained for a further year in order that a bigger piece of work could be undertaken. This additional work, led by the Deputy Leader and Executive Member for Corporate Services and the Director of Children’s Services, would look at the Council’s relationship with all voluntary sector organisations including Citizens Advice.

None.

The Chairman invited a member of the public to speak on item 20, Houghton Lodge, Ampthill.

In summary, the Ampthill Baptist Church representatives wished to register their interest to purchase part of the site in order that the Church could expand and deliver additional community activities to the residents in Ampthill.

None.

None.
Executive Members' Update

The Deputy Leader and Executive Member for Corporate Resources updated Members on the latest news and developments that included:–

- The alignment to the new national staff pay scales by April 2019.
- That the Boundary Commission would undertake a new boundary review to be completed by 2023.
- The development of plans for a crematorium in Central Bedfordshire.

The Executive Member for Assets and Housing Delivery updated the Committee on developments that included:–

- The proposed development of Brook House, Houghton Regis that had reached the planning stage.
- Delays in the Wrestlingworth Housing project.
- The development of a Commercial Estates plan.
- The imminent transfer of staff based at Houghton Lodge to Watling House and Priory House.

A Member advised there had been an angry response to the proposed Brook House development. Whilst original concerns had been addressed, there had been new concerns raised by residents. The application would be debated in full at Development Management Committee.

Procurement Options in relation to the Agency provision of temporary staff

The Deputy Leader and Executive Member for Corporate Resources introduced a report that included proposals to extend the current Comensura contract to source temporary staff on behalf of the Council. It was considered prudent to award this interim contract and allow work on the tendering process to continue and tie in with the MStar three framework due to be completed in the Autumn.

In response to a question, the Assistant Director Commissioning advised the additional time would allow the development of a considered, meticulous and inclusive contract. Solutions would be sought to resolve the issues that had been experienced by managers and deliver financial benefits to the Council.

RECOMMENDED

1. That the Committee endorse a contract extension of an additional 12 months with Comensura to August 2020.
2. That an update be provided to the Committee in six months on progress regarding re-procurement of the contract.

Draft Budgets 2019/20 MTFP, Draft Budget for the Housing Revenue Account (Landlord Business Plan) and Draft Capital Programme.

The Deputy Leader and Executive Member for Corporate Resources introduced the draft 2019/20 Budget report and MTFP. A balanced budget had been produced and a small increase to Council Tax proposed.
Members welcomed the budget proposals and noted that the gradual increase in short term borrowing was due to world wide issues. In response to a question regarding the Council’s contingency, the Director of Resources advised the contingency amount met CIPFA guidance requirements and there were no current plans to use it.

The Executive Member advised a small increase in funds had been received for Social Care plus a new grant that would be split between Children’s and Adult Services for social care.

In response to a question on what services would receive additional monies if Council Tax was raised to 2%, the Executive Member advised public feedback from the consultation had pointed towards a 0% increase rather than a 2% rise.

Members considered the Capital Budget and noted the Council had continued with its ambitious programme of schemes. The Council, achieved much of its capital spend in 2018/19 and the Assets Team were commended by the Committee.

The Housing Revenue Account continued with its excellent track record and had continued to be an enormous benefit to the Council. Following developments to lift the HRA cap, it too had proposed an ambitious programme. There had been compelling cases to help our residents and provide accommodation for the homeless and affordable homes. The Committee supported and welcomed housing operations proposals and recognised the excellent work in this service area.

RECOMMENDED

1. That the Committee felt confident that the Draft Budget and Medium Term Financial Plan, Capital Programme and Housing Revenue Account were well considered and that they had been prepared in the context of the statutory framework set out in Appendix F. In light of which the Committee endorsed these reports to the Executive.
2. That the Committee endorsed the proposed Council Tax increase of 1% subject to consideration of the outcome of the public consultation.

2019/20 Treasury Management Strategy and Policy

The Deputy Leader and Executive Member for Corporate Resources introduced the 2019/20 Treasury Management Strategy and Policy. The report proposed no changes in the current Strategy and Policy and it was reported that the Council compared well with authorities nationally in this area.

Treasury Management Strategy and Policy had a proven and excellent track record and was fully supported by Members.

RECOMMENDED that the 2019/20 Treasury Management Strategy and Policy be fully endorsed.
2019/20 SCHH Fees & Charges

The Deputy Leader and Executive Member for Corporate Resources introduced the Social Care Health and Housing Fees and Charges report that set out the increased charges set in line with the Council’s charging policy. There had been a delay in DWP guidance for some charges, however, most were in line with the inflation rate of 2.4%.

A Member raised a concern that residents and carers would be adversely affected by the proposed increase in fees at Day Care Centres. Travel, attendance and meals fees would rise and may put attendance out of the reach of some residents. In response, the Executive Member advised the Council had worked over time to discontinue the subsidy on meals at day centres. The Assistant Director Commissioning also advised those vulnerable residents on low incomes would not usually pay for travel and attendance costs.

NOTED the proposed rise in SCHH fees, which were in line with inflation rate.

RECOMMENDED that the Social Care Health and Housing OSC consider the Committee’s concern regarding those fees and charges for services over the inflation rate and where it is proposed that subsidies should be stopped.

2019/20 Capital Strategy

The Deputy Leader and Executive Member for Corporate Resources introduced the new Capital Strategy that had been produced to fall in line with a new CIPFA requirement and code. The document had reinforced the Council’s Capital Budget and was welcomed to help protect the large scale of spend involved with the Capital Budget.

RECOMMENDED that the 2019/20 Capital Strategy be fully endorsed.

2019/20 Investment Strategy

The Deputy Leader and Executive Member for Corporate Resources introduced the new Investment Strategy that was a new requirement from the Ministry of Housing, Communities and Local Government.

The Investment Strategy sought to give greater transparency to large investments in retail centres and commercial properties by some Councils. It was noted the guidance provided would not impact on the proposed investments by the Council.

RECOMMENDED that the 2019/20 Investment Strategy be fully endorsed.

Q2 Performance Monitoring 2018/19

The Head of Knowledge and Insight introduced the Q2 Performance Monitoring report. Of the 46 key indicators, Members attention was drawn to those indicators where targets had not been met.

In light of the report, Members discussed the following in summary:-
- The reasons for a fall (in percentage terms) of Care Leavers who were engaged in education, training and employment. Members also queried why this target had reduced.
- The unprecedented number of residents that needed support to live in their communities and the reduction of the number of volunteers had caused concern. A Member also raised the question of when scheme leaders could expect to be engaged and linked into the social prescribing initiative.
- Disappointment that the number of schools rated good or outstanding had reduced. Members were advised that four school improvement advisers’ appointments had been made to help achieve the target of 90% of schools achieving good or outstanding.

Members requested an update be provided at a future meeting that addressed the concerns of the Committee.

**RECOMMENDED** an update be provided on the areas of concern raised on the fall of performance measures outlined.

**CROSC/18/72 Q2 Budget Monitoring 2018/19 Revenue/Capital/HRA**

The Director of Resources introduced the Q2 Budget Monitoring report 2018/19 that forecast a small underspend. Members were advised the Q3 figures indicated little change in the forecast outturn despite unexpected costs that had arisen from:-

- The ban of plastic waste in China
- Increased schools transport costs
- Adult Social Care increased costs.

**NOTED** the update.

**CROSC/18/73 Work Programme 2018/19 & Executive Forward Plan**

The Committee considered the current Work Programme and Executive Forward Plan. The Work Programme was agreed as set out and the March meeting would be cancelled if not needed.

**NOTED** the meeting in March 2019 would be cancelled.

**CROSC/18/74 2019/20 Proposed Charges for Traded Services to Schools and Academies**

The Deputy Leader and Executive Member for Corporate Resources introduced the Traded Services to Schools and Academies Report 2019/20 that proposed a general rise in charges of 2.4% in line with inflation.

A Member raised concern where it was recommended that charges rise above the 2.4% inflationary rate that included educational visits and journey.

The Committee requested that Children’s Services OSC be requested to examine those charges over the current inflation rate and seek assurances that the increase had been essential and would not cause unnecessary hardship.
RECOMMENDED

1. That the charges for services increasing by the 2.4% inflation rate be endorsed.
2. That the Children’s Services OSC be requested to examine in more detail those services where charges have been increased above the inflationary rate and report back on their findings to a future meeting.

CROSC/18/75 Housing Development Company

The Executive Member for Assets and Housing Delivery introduced the Housing Development Company report that set out proposals and rationale for a Central Bedfordshire Housing Development Company. The proposals would enable the Council to influence and provide a supply of new affordable homes for residents of all age groups.

The advantages and disadvantages of all options had been outlined and legal advice had been sought as to the most appropriate model. The preferred option was the wholly owned company proposal that required separate governance arrangements and a ten year business plan. Consideration of new housing development sites would be considered through the normal planning processes.

The Director of Community Services advised it was expected to take approximately nine months to create the Company.

The Committee welcomed the report and discussed the following:-

- The Committee favoured the wholly owned company and the governance model option that would provide limited conflicts of interest for the Director of Resources and Director of Community Services amongst others.
- Sought assurances from the Director of Resources that the set-up fund was adequate. In response it was regarded as an appropriate amount to start up the Company and pay for initial legal fees and salaries. Permission and funding for construction costs and site development would be considered at the appropriate time.
- Whether the Right to Buy scheme rules would be applied to the properties that were constructed. In response the Director of Community Services advised this would depend on the schemes brought forward.

RECOMMENDED

1. That the Committee welcomed and endorsed the recommendations to Executive for the creation of a housing company wholly owned by the Council.
2. That the Committee endorsed the proposed governance arrangements and delegated authorities.
3. That the Committee endorsed the proposal that £250,000 be loaned to the Housing Company by the Council by way of a set-up fund.
4. That the Committee receive an update in six month on the progress to establish the Housing Development Company.
Future use of the Houghton Lodge site, Ampthill

Following the declaration at Minute 58 above, the Chairman left the meeting. The Vice-chairman subsequently took the Chair.

The Executive Member for Assets and Housing Delivery introduced a report that set out the revised proposals for the Houghton Lodge site. The Council would retain the site and seek to provide affordable housing to residents, subject to planning.

The Assistant Director Assets advised the report set out evidence to suggest a need for social housing, and evidence of need for accommodation for older people. Provision of ‘downsizer’ accommodation has a knock-on effect to free up family homes. The site being adjacent to Lavender Court and other factors outlined in the report led to the recommended future use of the site for high quality downsizer accommodation for older people on the site. The current community space and parking pressures in the vicinity would be taken into account and form part of the planning consideration for this site.

In light of the report, Members discussed the following in summary:-
- Supported the principle to retain control of the site
- Proposed that officers seek to consult with the Fire Authority, Ambulance Service and GP Surgeries and take the opportunity to resolve access and car parking issues.
- That consideration be given to the implementation of occupancy nomination rights to the development.

RECOMMENDED

1. That the Committee support the principle to develop a Central Bedfordshire scheme on the Houghton Lodge site that would deliver high quality downsizer accommodation for older people.
2. That the Committee request officers seek to consult with the Fire Authority, Ambulance Service and GP practices to improve access and parking in the vicinity.
3. That the Committee request officers give consideration to occupancy nomination rights for the Houghton Lodge scheme.

(Note: The meeting commenced at 10.00 a.m. and concluded at 12.30 p.m.)
3. Members' Interests

To receive from Members any declarations of interest.
4. Chairman's Announcements

To receive any matters of communication from the Chairman.
5. Public Participation

To respond to general questions and statements from members of the public in accordance with the Public Participation Procedure as set out in Part 4G of the Constitution.
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To consider any decision of the Executive referred to this Committee for review in accordance with Part 4D of the Constitution.
9. Requested Items

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Reports
10. Executive Members' Update

To receive a brief verbal update from:-
- The Deputy Leader and Executive Member for Corporate Resources
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11. Q3 Budget Monitoring Reports

To receive and scrutinise the Q3 2018/19 Budget Monitoring Report for all areas of Council Business.
(a) Q3 Revenue Budget Monitoring
(b) Q3 Capital Budget Monitoring
(c) Q3 HRA Budget Monitoring
Quarter 3 Budget Monitoring Report – December 2018
Revenue, Capital and Housing Revenue Account.

Report of Cllr Richard Wenham, Deputy Leader and Executive Member for Corporate Resources (cllr.richard.wenham@centralbedfordshire.gov.uk)

Advising Officers: Charles Warboys, Director of Resources & S151 Officer (charles.warboys@centralbedfordshire.gov.uk)

This report relates to a decision that is Non-Key

Purpose of this report
1. The report sets out the provisional outturn position for 2018/19 as at the end of December 2018. It sets out the outturn spend against the approved budgets.

RECOMMENDATIONS
The Committee is asked to:-
1. Consider the report and associated appendices which was presented to the 2nd April 2019 Executive Committee and comment as necessary.

Appendices

Item A: Q3 2018 Revenue budget monitoring report
Item B: Q3 2018 Capital budget monitoring report
Item C: Q3 2018 HRA budget monitoring report
Revenue Budget Monitoring December (Q3) 2018

Report of Cllr Richard Wenham, Deputy Leader and Executive Member for Corporate Resources (richard.wenham@centralbedfordshire.gov.uk)

Advising Officers: Charles Warboys, Director of Resources & S151 Officer (charles.warboys@centralbedfordshire.gov.uk)

This report relates to a Non Key Decision

Purpose of this report

The report sets out the forecast outturn financial position for 2018/19 as at the end of December 2018. It sets out spend against the approved budget and it excludes the Housing Revenue Account which is subject to a separate report. Explanations for the variances are set out below in Appendix A.

This report enables the Executive to consider the overall financial position of the Council.

RECOMMENDATIONS

Executive is asked to:

1. note the current revenue forecast outturn position for 2018/19 which is an overspend of £1.9M (before the release of the contingency).

2. note that the budget includes £2.1M of contingency costs against which no call has yet been made. If this contingency is released then this results in an underspend of £0.2M.

3. request that officers continue to look for compensatory savings in order to deliver a balanced budget (before contingency).

4. delegate authority to approve the 2018/19 revenue, capital and HRA provisional financial outturn positions, subject to audit, to the Chief Executive and the Director of Resources (s.151 Officer) in consultation with the Leader and the Deputy Leader and Executive Member for Corporate Resources. The requirement for the delegation is set out in paragraphs 1 – 3 below the recommendation section; and

5. this delegation is subject to the final outturn position not being more than 1% over/under net budget.
Delegated Authority

Provisional Financial Outturn 2018/19 (subject to audit)

1. The timescale for the year end close is compulsory and the Council must close the Statement of Accounts (SoA) by the end of May 2019.

2. The schedule for Executive meetings does not match this requirement, with 2 April 2019 being too early for the results to be made available and 11 June 2019 being too late to meet the required sign off of the SoA.

3. The Recommendation is therefore that delegated authority is given to the Chief Executive and Director of Resources (s.151 Officer), in consultation with the Leader and Executive Member for Corporate Resources to agree the provisional financial outturns for revenue, capital and HRA accounts. There will still be a report to Executive in June 2019 on the outturn position, thus bringing the figures into the public domain.

Issues

4. The forecast outturn position as at December 2018 is £1.9M over budget. We are holding a contingency of £2.1M against which no call has yet been made. If this contingency is released then this results in an underspend of £0.2M.

5. Year to Date (YTD) is £0.1M above budget. However, Regeneration have received grant funding, for which costs will be incurred during the Rest of the Year (ROY). Normally this is not matched and so the profile is typical for this Directorate. Community Services are also below profile on Highways, Leisure and Waste which is expected to catch up during ROY.

6. SCHH is forecasting an overspend of £1.1M which relates to increased Homecare and Learning Disability/Mental Health costs, and non achievement of Procurement efficiencies.

7. Community Services is forecasting an overspend of £0.6M which mainly relates to Schools Transport (£1.3M), Waste (£0.6M) and IT (£0.4M). This is partly offset by a large underspend on Highways (£0.9M).

8. Children’s Services is forecasting an overspend of £1.4M. This is due to overspends on Looked After Children placements (Fostering & Adoption) and Safeguarding/Early Help.

9. Regeneration is forecast £0.4M below budget.

10. Resources is on budget.

11. Chief Executive Office (£0.1M), Public Health (£0.1M) and Corporate costs (£0.8M) are all below budget.
12. The table below details the full year variances by directorate:

<table>
<thead>
<tr>
<th>Directorate</th>
<th>Budget £m</th>
<th>Actual £m</th>
<th>Variance £m</th>
<th>Budget £m</th>
<th>Forecast Outturn £m</th>
<th>Variance £m</th>
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<tr>
<td>SCHH</td>
<td>56.2</td>
<td>56.9</td>
<td>0.7</td>
<td>75.1</td>
<td>76.2</td>
<td>1.1</td>
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<tr>
<td>Children’s Services</td>
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<td>28.2</td>
<td>1.1</td>
<td>35.6</td>
<td>37.1</td>
<td>1.4</td>
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<tr>
<td>Community Services</td>
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<td>37.9</td>
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<td>50.9</td>
<td>51.6</td>
<td>0.6</td>
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<td>Regeneration</td>
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<td>3.0</td>
<td>(0.7)</td>
<td>5.5</td>
<td>5.1</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Public Health</td>
<td>0.1</td>
<td>0.1</td>
<td>0.0</td>
<td>0.1</td>
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<td>(0.1)</td>
</tr>
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<td>Chief Executive’s</td>
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<td>(0.0)</td>
<td>1.4</td>
<td>1.3</td>
<td>(0.1)</td>
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<td>Resources</td>
<td>9.4</td>
<td>9.3</td>
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<td>12.6</td>
<td>12.6</td>
<td>(0.0)</td>
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<td>Corporate Costs</td>
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<td>(0.6)</td>
<td>8.5</td>
<td>7.7</td>
<td>(0.8)</td>
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<td><strong>Total Excl Landlord Business</strong></td>
<td><strong>139.9</strong></td>
<td><strong>140.0</strong></td>
<td><strong>0.1</strong></td>
<td><strong>189.7</strong></td>
<td><strong>191.6</strong></td>
<td><strong>1.9</strong></td>
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Reserves Position
Earmarked Reserves

13. The table below shows the forecast net movement in earmarked reserves during 2018/19. All reserves were used for the purposes for which they were created.

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<thead>
<tr>
<th></th>
<th>£M</th>
<th>£M</th>
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<tr>
<td><strong>Opening 2018/19</strong></td>
<td>50.7</td>
<td></td>
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<tr>
<td><strong>Net Use of Reserves</strong></td>
<td></td>
<td></td>
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<tr>
<td>SCHH</td>
<td>(2.6)</td>
<td></td>
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<tr>
<td>Children’s Services</td>
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<td>Community Services</td>
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<td>Regeneration</td>
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<td>Public Health</td>
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<td>CEO</td>
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<td>Resources</td>
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<tr>
<td><strong>Receipts in Advance &amp; Technical Adjustments</strong></td>
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<td>New Homes Bonus</td>
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<td>S31 Grant to offset NNDR Discounts</td>
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<td>Other</td>
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<tr>
<td><strong>Closing Balance 2018/19</strong></td>
<td>45.4</td>
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</table>
General Reserves

14. The opening position for 2018/19 is £15.7M. There are no further planned additions.

Council Priorities

15. Sound financial management contributes to the Council’s Value for Money and enables the Council to successfully deliver its priorities. The recommendations will contribute indirectly to all 6 Council priorities.

Corporate Implications

Legal Implications

16. None.

Financial Implications

17. The financial implications are set out in the report.

Equalities Implications

18. Equality Impact Assessments were undertaken prior to the allocation of the 2018/19 budgets and Members were advised of significant equality implications relating to the budget proposals when setting the Council’s Budget in February 2018.

Appendices

Appendix A – Detailed Directorate Commentary
Appendix B - Debt Management
Appendix C – Treasury Management
APPENDIX A – DIRECTORATE COMMENTARY

Social Care, Heath and Housing (SCHH)

1 The Directorate General Fund provisional outturn is above budget by £1.134M as at December 2018.

2 Director of SCHH and MANOP: The Director of SCHH (including expenditure associated with MANOP) is forecast to underspend by £0.060M. £0.360M has been drawn down from the Outcome Based Commissioning Reserve to meet the cost of the MANOP programme in 2018/19.

3 Customer Services is forecast to overspend by £0.052M in 2018/19. Delays in recruitment to vacant posts is the major factor associated with this forecast variance.

4 Procurement is forecast to overspend by £0.074M. The £0.234M efficiency saving for 2018/19 will not be achieved within SCHH as it is cross cutting. This is partly offset by staff vacancies and a favourable Comensura rebate.

5 Housing Solutions (General Fund) is forecast to underspend by £0.157M due to a combination of savings against vacant posts and savings within the Homelessness budgets. The HRA purchased new Transitional Accommodation (TA) to address the TA needs which will lead to less use of Bed and Breakfast and Private Temporary Accommodation.

6 Care and Support forecast is forecast to underspend by £0.498M. Reablement continues to experience recruitment difficulties contributing to a forecast underspend of £0.659M partly offset by continued use of interim staff and overtime to cover staff shortfalls within Learning Disabilities Direct Services and In House Care Homes continues to be a challenge.

7 Older People and People with Physical Disabilities: the forecast position is an overspend of £3.003M after other funding sources of £1.050M (iBCF and the Adult Social Care Support Grant) have been applied to reduce this pressure. Within the Older People 65+ external package budgets, there is a reported overspend on residential and nursing placements of £0.534M and over spend of £2.050M on non-residential packages. For working age customers with Physical Disabilities, the position on packages is a forecast overspend of £1.097M.
Overall, Learning Disability (LD) and mental Health is overspent by £0.493M. Within this, Learning Disability (Assessment and Care) is forecast to underspend by £0.268M. This includes the draw down of the £0.300M Learning Disability Nurses provision. There is a projected underspend on social work salaries of £0.378M due to unfilled vacancies. Care packages show a projected overspend of £0.039M and there is a projected shortfall of £0.188M on health and other local authority income. Working Age Mental Health: the forecast is a projected overspend of £0.761M. This reflects the full year effect of 2017/18 additional packages and the part year cost of 2018/19 new packages.

The Commissioning Service is forecast to underspend by £0.293M. Within this service area, the LD Transfer block contract has a favourable forecast of £0.199M and Commissioning Operations £0.144M. These underspends are driven by reduced care package costs and staff vacancies respectively.

The Resources division is forecast to underspend by £1.490M (after the release of the Adult Social Care Transformation Reserve - £0.711M). Customer income, reported within Resources, is forecast to overachieve by £1.393M.

The HRA is reported separately.

**Children’s Services**

The Directorate outturn position is £1.447M above budget as at December 2018.

<table>
<thead>
<tr>
<th>Month: December 2018</th>
<th>Year to date</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>#000</td>
<td>#000</td>
<td>#000</td>
</tr>
<tr>
<td>Children’s Services</td>
<td>365</td>
<td>199</td>
</tr>
<tr>
<td>Children’s Services Safeguarding &amp; Early Help</td>
<td>13,697</td>
<td>13,933</td>
</tr>
<tr>
<td>LAC Placement Costs</td>
<td>7,152</td>
<td>7,715</td>
</tr>
<tr>
<td>Education and Transformation</td>
<td>6,526</td>
<td>7,792</td>
</tr>
<tr>
<td>Partnerships</td>
<td>385</td>
<td>385</td>
</tr>
<tr>
<td>Total Children’s Services (excluding Schools / Overheads)</td>
<td>28,125</td>
<td>30,024</td>
</tr>
<tr>
<td>DSG + ESG Contribution to Central Support</td>
<td>(999)</td>
<td>(999)</td>
</tr>
<tr>
<td>Total Children’s Services (excluding Schools)</td>
<td>27,126</td>
<td>29,025</td>
</tr>
</tbody>
</table>

The full year projected overspend is largely due to higher than budgeted children placed with Independent Foster Carers £0.9M and Semi-independent Accommodation £0.1M, Interagency Adoption Fees of £0.1M, staffing pressures within Access & Inclusion £0.1M and part of the Court and Permanence Team efficiency that can not be mitigated elsewhere £0.2M.
Looked After Children

The table below highlights the year on year movement for Looked After Children.

<table>
<thead>
<tr>
<th></th>
<th>December 2017</th>
<th>December 2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of LAC:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In House Foster Placements</td>
<td>129</td>
<td>128</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Independent Foster Placements (Inc. Mother &amp; Baby IFA’s)</td>
<td>73</td>
<td>97</td>
<td>32.9%</td>
</tr>
<tr>
<td>Residential Homes &amp; Schools</td>
<td>7</td>
<td>6</td>
<td>-14.3%</td>
</tr>
<tr>
<td>Parent &amp; Baby</td>
<td>6</td>
<td>1</td>
<td>-83.3%</td>
</tr>
<tr>
<td>St Christopher’s (Cipphill &amp; Bunyan Road)</td>
<td>5</td>
<td>4</td>
<td>-20.0%</td>
</tr>
<tr>
<td>St Christopher’s (Stewartby)</td>
<td>0</td>
<td>0</td>
<td>-0.0%</td>
</tr>
<tr>
<td>Semi - Independent Living (aged 16 &amp; 17)</td>
<td>11</td>
<td>12</td>
<td>9.1%</td>
</tr>
<tr>
<td>Supported Lodgings (16-18)</td>
<td>1</td>
<td>2</td>
<td>100.0%</td>
</tr>
<tr>
<td>Placed for Adoption/ with Parents</td>
<td>24</td>
<td>33</td>
<td>37.5%</td>
</tr>
<tr>
<td>CWD (Maythorn, Children’s homes and Residential School)</td>
<td>3</td>
<td>7</td>
<td>133.3%</td>
</tr>
<tr>
<td>YOs serving custodial sentences/Temp Accom/YO/NHS</td>
<td>5</td>
<td>2</td>
<td>-60.0%</td>
</tr>
<tr>
<td><strong>Unaccompanied Asylum Seeking Children:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In House Foster Placements</td>
<td>11</td>
<td>7</td>
<td>-36.4%</td>
</tr>
<tr>
<td>Independent Foster Placements</td>
<td>2</td>
<td>5</td>
<td>150.0%</td>
</tr>
<tr>
<td>Semi Independent Living (aged 16 &amp; 17)</td>
<td>26</td>
<td>26</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total Number of LAC:</strong></td>
<td>303</td>
<td>330</td>
<td>8.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>December 2017</th>
<th>December 2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non care placements:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Guardianship Orders</td>
<td>143</td>
<td>161</td>
<td>12.6%</td>
</tr>
<tr>
<td>Residential Orders</td>
<td>33</td>
<td>33</td>
<td>0.0%</td>
</tr>
<tr>
<td>Adoption Allowances</td>
<td>53</td>
<td>54</td>
<td>1.9%</td>
</tr>
<tr>
<td><strong>Other information:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Protection Plan</td>
<td>229</td>
<td>151</td>
<td>-34.1%</td>
</tr>
<tr>
<td>Children in Need</td>
<td>1343</td>
<td>1315</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Number of Referrals (YTD)</td>
<td>1401</td>
<td>1105</td>
<td>-21.1%</td>
</tr>
<tr>
<td>(including UASC)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LAC (10th April Panel 308)</td>
<td>22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In House Placements (April 131 )</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent Foster Placements (April 84)</td>
<td>18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Semi Independent Living (April 38 )</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Guardianship Orders (April 140 )</td>
<td>21</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The number of children in Independent Fostering and Adoption (IFA) has increased by 24 over last year.

Average IFA costs have risen from £760 per week (MTFP - Sep 2017) to approx. £860 per week (Oct 2018). In addition, there are more sibling groups and more children with complex needs that can not be met through in house carers (recently the in house vacancies have only been for babies / young children) so the only option for older children is IFA’s.

The budget for semi-independent accommodation is for 9 placements. There are currently 12 placements but this is a reduction from 14 in period 6.

Note the Unaccompanied Asylum Seeking Children year to date movement shows the last quarter only.
Community Services

15 The Directorate forecast outturn position is above budget by £0.645M as at December 2018.

16 Highways

The forecast outturn for Highways is a £0.919M underspend, after the use of reserves of £0.960M.

- £0.595M additional income which includes Section 38 (£0.537M) and Section 278 (£0.076M), offset by a reduction in permit income.

- £0.462M underspend on Highways work by Ringway Jacobs, this includes £0.100M additional costs for winter maintenance to fill up new Salt Barn based on 2000 tonnes, Street lighting maintenance of £0.100M, £0.077M additional cost for Luton Borough Council for the management and maintenance of the traffic signals, £0.054M for an interim employee to help manage the Highways Development Management work. This has been offset by underspends by the area teams of £0.223M where Highways have actively managed the overspends within the service, emergency response of £0.170M due to a change in charging and £0.100M underspend on commuted sums.

- £0.024M underspend on staffing due to vacancies and increased capitalisation of costs for staff working on capital schemes.

- £0.087M overspend on a contract management fee outstanding from the previous year.

- £0.047M increase in telephone spend due to upgrade of old A5 traffic signals to 4G compliant.
• £0.024M overspend on Advertising & Publicity due to additional Temporary Traffic Road Orders.

• £0.011M Legal costs for Vandyke Village Green for counsel advice.

17 Transport

Transport are forecasting a £1.252M overspend after the use of reserves of £1.218M.

School Transport

• £1.048M overspend on school transport of which £1.178M relates to transport contracts for schools and colleges and £0.182M relates to increased recharges from Fleet to cover the Special Educational Needs (SEN) routes, offset by an increase in income of £0.113M for bus passes and Extended Rights Grant.

Passenger transport are forecasting an overspend of £0.204M which includes:-

• £0.476M is staffing overspends of which £0.163M is due to agency spend to cover vacant posts and ensuring routes are staffed, £0.092M due to non-achievement of vacancy factor and £0.222M on the remaining staffing budget. The staff budget in this area is insufficient and so the staff budgets across the Directorate will be reviewed for 2019/20 to ascertain whether rebalancing is required.

• £0.061M non-achievement of efficiency in concessionary fares Transport Contracts.

• £0.068M reduction in income, which includes non-achievement of efficiency relating to adult social care transport.

• £0.026M reduction in income as we no longer provide the cross border routes into Hertfordshire.

• £0.026M overspend on fuel to run the new routes and operating out of the new depots.

• £0.265M underspend on bus subsidies, includes £0.060M funded by Highways due to road closures.

• £0.134M recharges to SEN transport & Oakbank (SEN provision).

• £0.055M underspend on Community Transport due to routes no longer running.

18 Waste

Waste are forecasting a £0.577M overspend after the use of reserves of £1.176M.

• £0.680M overspend for waste disposal, this is a result of loss of recylcate and other income of £0.097M. The Council now needs to pay for the disposal of recylcates, an increased cost of £0.581M.
- £0.024M underspend on kerbside collection due to contract indexation being less than expected.
- £0.063M underspend on staffing due to a vacant position for part of the year.
- £0.030M underspend on furniture & equipment.

19 **Leisure**

Leisure are forecasting a £0.525M underspend after the use of reserves of £0.034M.

- £0.315M additional income on the Leisure Management Contracts, due to new contracts in the south & inflationary rises, this has been slightly offset by a reduction in libraries and theatre income (£0.026M).
- £0.249M underspend on staffing due to vacancies within the library service where there are currently 27 vacant posts, which are starting to be slowly filled.
- £0.021M underspend on Library Link and car mileage due to shorter routes.
- £0.016M underspend due to a reduction in the costs of theatre production.
- £0.013M reduction in Furniture & Equipment costs due to a delay in replacing rowing machines at Tiddenfoot & Houghton Regis Leisure Centres.
- £0.055M overspend on third party costs this includes £0.123M for start up costs at Dunstable Leisure Centre and loss of income at Sandy Leisure centre, this has been partially offset by a saving of £0.071M on the new contract at the Grove Theatre.

20 **Community Safety**

The service is forecasting a £0.304M underspend, after the use of reserves of £0.160M.

- £0.129M underspend on staffing due to reduced overtime and vacancies not being filled when expected.
- £0.110M additional income, mainly on parking.
- £0.052M reduction in other costs including professional services, rates and private contractors spend for contracts.

21 **Public Protection**

Public Protection are forecasting a £0.200M overspend after the use of reserves of £0.408M.

- £0.254M reduction in income across all income streams.
• £0.056M underspend in staffing.
• £0.027M overspend on Health & Safety court costs.
• £0.025M overspend on professional services for a sound installation at the Rufus Centre.

22 Corporate Assets

Corporate Assets are forecasting a £0.011M overspend after the use of reserves of £0.264M.

• £0.060M overspend on security costs due to vacant land/ premises.
• £29k overspend on staffing costs.
• £0.019M increased cost of the premises maintenance.
• £0.019M essential landlord repairs to Westbury Close.
• £0.010M reduction in disaggregation income.
• £0.010M overspend on grass cutting on unused land.
• £0.109M additional rental income.
• £0.034M underspend on rates also due to reduction in number of vacant business units

23 Capital Construction Team

Forecasting an £0.051M underspend on salaries.

24 Facilities Management

Forecasting a £0.038M underspend after the use of reserves of £0.180M.

• £0.073M overspend on staffing partly due to use of agency and non achievement of vacancy factor.
• £0.101M overspends on running costs at Houghton Hall, Thorn Turn & North Depot.
• £0.046M overspend on Samange licences to implement online assets helpdesk facilities.
• £0.040M additional costs for the renewal of software licences for Technology Forge Asset database.
• £0.040M overspend on rents for Stephenson Court where there are delays in exiting the lease agreement.
• £0.036M overspend due to increased security at Bedford Square, Kingsland and Libraries.

• £0.028M additional costs for repairs and treeworks at Kingsland.

• £0.033M other facilities maintenance Costs including £0.022M for Webcasting.

• £0.301M lower business rates mainly due to a reassessment of the rateable value of Bedford Square.

• £0.159M underspend on utility costs due to reduced use.

• £0.037M lower Kingsland service charges.

25 Information Technology

The forecast outturn for IT £0.445M overspend after £0.355M of reserves.

• £0.487M staffing underspend due to vacancies within the service.

• £0.022M increase in recharge income for the BUPA funding from adults.

• £0.029M increased recharge income for first call for elderly emergency alarms.

• £0.307M increase in professional services which includes £0.106M OLM Gcloud procurement, £0.130M for a Service Manager Support for the service desk, £0.041M for a consultant to aid the implementation of new infrastructure applications and £0.030M for other smaller consultancy costs.

• £0.454M increase in Data Network charges, includes efficiencies which have not been achieved, cost associated with changing networks from DUCL to BT and dual running costs.

• £0.155M overspend on telephony costs for historic lines and disputed bills.

• £0.093M overspend in software costs for licencing.

• £0.050M reduction in computer hardware costs in the datacentres.

• £0.064M net underspend on schools networks, as network facility is being closed down.

• £0.080M reduction on MFD (printers) income due to overall reduction in printing across the Council.
Regeneration and Business Support

26 The Directorate outturn position is £0.364M below budget as at December 2018 due mainly to vacancies and additional Planning Income.

<table>
<thead>
<tr>
<th>Month: December 2018</th>
<th>Year to date</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Director</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Regeneration and Business</td>
<td>168</td>
<td>158</td>
</tr>
<tr>
<td>Client Development Services</td>
<td>918</td>
<td>954</td>
</tr>
<tr>
<td>Business Performance</td>
<td>523</td>
<td>496</td>
</tr>
<tr>
<td>Business &amp; Support</td>
<td>758</td>
<td>949</td>
</tr>
<tr>
<td>Development Infrastructure</td>
<td>1,340</td>
<td>467</td>
</tr>
<tr>
<td>Total Regeneration and Business</td>
<td>3,707</td>
<td>3,024</td>
</tr>
</tbody>
</table>

27 Staff costs are underspent by £0.670M due to a high level of vacancies. Recruitment is underway but has been slower than anticipated due to a number of hard to fill posts.

Planning income is £0.257M above budget.

These are partly offset by:

- £0.378M overspend on Professional Services Consultancy/Other (covering vacant posts, Public Inquiries, Local Plan, Planning consultancy, Biggleswade Housing Infrastructure Fund bid work).
- £0.248M overspend on external legal costs due to a higher number of challenges than expected.

Public Health

28 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 2017/18.

<table>
<thead>
<tr>
<th>Month: December 2018</th>
<th>Year to date</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Director</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Public Health</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Director of Public Health</td>
<td>58</td>
<td>58</td>
</tr>
<tr>
<td>Assistant Director of Public Health</td>
<td>58</td>
<td>58</td>
</tr>
<tr>
<td>Total Public Health</td>
<td>58</td>
<td>58</td>
</tr>
</tbody>
</table>
Chief Executive

The Directorate outturn position is below budget by £0.051M as at December 2018.

<table>
<thead>
<tr>
<th>Month: December 2018</th>
<th>Year to date</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Chief Executive</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Communications</td>
<td>229</td>
<td>237</td>
</tr>
<tr>
<td>Total Chief Executive's</td>
<td>1,019</td>
<td>1,000</td>
</tr>
</tbody>
</table>

The main drivers are:

- £0.015M Higher than budgeted HRA Recharge - in line with last year’s outturn.
- £0.014M Additional income relating to advertising in Info Central.
- £0.029M Salary underspend due to part year vacancies.

Resources

The Directorate outturn position is below budget by £0.025M as at December 2018.

<table>
<thead>
<tr>
<th>Month: December 2018</th>
<th>Year to date</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Director of Resources</td>
<td>33</td>
<td>24</td>
</tr>
<tr>
<td>Finance Performance and Control</td>
<td>2,594</td>
<td>2,782</td>
</tr>
<tr>
<td>Housing Benefit Subsidy</td>
<td>(546)</td>
<td>(545)</td>
</tr>
<tr>
<td>Revs &amp; Bens</td>
<td>1,281</td>
<td>1,281</td>
</tr>
<tr>
<td>Audit</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>Legal Services</td>
<td>1,298</td>
<td>1,298</td>
</tr>
<tr>
<td>Governance</td>
<td>1,692</td>
<td>1,646</td>
</tr>
<tr>
<td>People</td>
<td>2,610</td>
<td>2,430</td>
</tr>
<tr>
<td>Total Resources</td>
<td>9,362</td>
<td>9,316</td>
</tr>
</tbody>
</table>

The forecast underspent is due to:

£0.241M Overspend in Financial Operations mainly due to:

- £0.174M Unachievable Efficiencies relating to Electronic Payments and Purchasing Cards within Financial Transactions.
• £0.056M Lower than budget Deferred Payment Agreement income & Blue Badge Income,

£0.042M Underspend in Governance due to:

• (£0.029M) underspend in Demographic Services due to lower than budgeted allowances.

• £0.012M overspend mainly relating to higher than budgeted spend within Registration of Electors.

• £0.117M higher income for the Coroner Service.

• £0.030M underspend on forensic and toxicology costs, Jurors, Witnesses & furniture moves.

• £0.021M overspend due to higher than budgeted Senior Coroner costs.

• £0.024M overspend due to commitment to spend relating to Judicial Reviews and higher than budgeted staff on-costs mainly relating to assistant coroner mileage.

• £0.049M overspend which relates to increased post mortem and conveyance of bodies costs.

£0.222M underspend in People due to:

• £0.149M HR salary underspend which is due to additional funding relating to BUPA income.

• £0.018M Children’s Workforce Development salary underspend (one post deleted, another post vacant since July).

• £0.027M Apprenticeships salary underspend due to 5 apprentice posts vacant up until September.

• £0.078M Agency staff overspend – mostly within HR to cover vacant posts.

• £0.067M total additional income which relates to (£0.034M) Grant income for Student Placements and Training. (£0.018M CPD & Contribution to Qualifications & (£0.005M) School Buyback – Payment for Advertising.

• £0.047M Discretionary Overspend relating to (£0.007M) MK Jobs Show, (£0.012M) Linkedin Subscription and (£0.029M) Truthteller Report – 360.
Corporate Costs

33 The Corporate Costs outturn position is an underspend of £0.796M as at December 2018.

34 Corporate Costs is underspent by £0.796M is due to:

- Reduced Interest payable and Increased interest receivable £0.450M.

- Central Pension costs currently forecast to be less than originally anticipated; impacted when schools transfer to Academy £0.300M.

- Increased purchase of annual leave £0.046M.
Appendix B – Debtors

1. Overall debt in December was £9.3M. Within that £4.7M is under 30 days (50%). Debt over 61 days is £3.7M (39%). Of the Over 61 days - £3.0M is actively being chased, £0.201M have instalment arrangements in place. £0.462M is being dealt with through legal channels.

2. The table below details the spread of age of debt.

3. Total SCHH outstanding debt (excluding Health) is £2.954M and is under active management (with solicitors, payable by instalments etc).

4. Within SCHH, Health Service debt at the end of December was £0.854M of which £0.638M or 75% is more than 61 days old. A schedule of all outstanding debts is being shared and discussed regularly with the Bedfordshire Clinical Commissioning Group. All historical Primary Care Trust debt has now been cleared.

5. Total debt due for Children’s Services is £0.326M of which £0.156M is debt over 61 days (48%).

6. Total debt for Community Services is £1.585M of which £0.713M is debt over 61 days (45%). All debt is under active management.

7. Total debt for Regeneration & Business Support is £3.493M of which £0.259M (7%) is debt over 61 days.

8. Total debt for Chief Executive and Corporate Resources is £0.227M of which £0.069M (30%) is debt over 61 days. All debt is under active management (with solicitors, payable by instalments etc.).
Appendix C - Treasury Management

Section A : Debt Information

Borrowing

1. As at 31 December 2018 the Council’s total borrowing was £305.0M which is below last year (£320.1M). Of this amount, £261.9M was with the Public Works Loan Board (PWLB), £29.5M was short-term temporary debt from other public bodies and £13.6M was market debt from banks. The table below also shows the split between the General Fund and HRA.

<table>
<thead>
<tr>
<th></th>
<th>PWLB Fixed £M</th>
<th>PWLB Variable £M</th>
<th>Temporary Debt £M</th>
<th>Market (LOBO) £M</th>
<th>Total £M</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>97.0</td>
<td>0.0</td>
<td>29.5</td>
<td>13.6</td>
<td>140.1</td>
</tr>
<tr>
<td>HRA</td>
<td>120.0</td>
<td>44.9</td>
<td>0.0</td>
<td>0.0</td>
<td>164.9</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>217.0</strong></td>
<td><strong>44.9</strong></td>
<td><strong>29.5</strong></td>
<td><strong>13.6</strong></td>
<td><strong>305.0</strong></td>
</tr>
</tbody>
</table>

2. To manage interest rate risk, the Council’s debt is split between 71% fixed rate PWLB debt, 15% variable rate PWLB debt, 10% short-term temporary debt and 4% fixed rate market (LOBO) debt; this is shown in A1 on the Treasury Management Performance Dashboard.

3. Based on the latest available annual benchmark analysis conducted by the Chartered Institute of Public Finance and Accountancy (CIPFA), A2 of the Dashboard shows the Council’s cost of borrowing is significantly lower than the 3.8% average annual interest rate paid by other local authorities. The average annual interest rate paid by the Council was 2.7% as at 31 March 2018, which is mainly due to a higher proportion of variable rate and short-term temporary debt.

4. In line with the Council’s borrowing strategy, new short-term temporary borrowing was taken out during Quarter 3 at a cost of between 0.68% p.a. and 0.95% p.a. (inclusive of brokerage fees).

5. The Council’s underlying need to borrow as measured by its Capital Financing Requirement (CFR) was £519.2M at 31 March 2018. Given external borrowing of £317.1M (inclusive of a £16.5M PFI outstanding liability) as at 31 March 2018, deferred borrowing was £202.1M using internal resources to fund the capital programme. In line with the approved treasury strategy, the Council used internal resources in lieu of borrowing to the full extent as this has continued to be the most cost-effective means of funding capital expenditure.
Investments

6. When investing, the Council prioritises security and liquidity and aims to achieve a yield commensurate with these principles. To diversify the 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 2018. It should be noted that as cash investments are maintained at minimal levels for operational purposes, the £5.6M long-term investment in the UK commercial property-based Lime Fund now represents a higher proportion of total investments even though the cash amount invested in it has not changed.

7. The latest available CIPFA Treasury Management investment benchmarking results are as at 30 June 2018. B2 of the Dashboard shows that the Council’s average rate of return on investments was 2.0% which was higher than the benchmarked local authority average of 0.8% – this was due to the relatively high investment return on the Lime Fund (inclusive of capital appreciation).

8. In addition to the Lime Fund investment, the Council has cash deposits placed on varying interest rates ranging between 0.50% and 1.0%. The Council holds the majority of its investments in liquid form so that it’s available for cash flow purposes. As at 31 December 2018, the Council held cash investments of £23.4M (exclusive of the £5.6M Lime Fund investment). Of the total cash investment balance, £18.9M was held in liquid form in instant access call accounts and Money Market Funds (MMFs); and the remaining £4.5M was held in notice accounts.

Cash Management

9. The average cash balance the Council holds is considerably lower than other benchmarked local authorities. The 12-month rolling average investment balance as at the 31 March 2018 for the Council was £26.7M (inclusive of the Lime fund) compared to a benchmarked local authority average of £119.7M. This reflects the Council’s long-standing strategy of holding low cash balances to reduce investment counterparty risk and contain borrowing costs by utilising internal cash balances in lieu of external borrowing to fund capital expenditure.
Budget

10. A budget underspend of £0.5M is forecasted in 2018/19 in respect of Treasury Management activities reflecting:

- new borrowing being taken from local authorities and other public-sector bodies such as Police and Crime Commissioners on a short-term temporary basis at lower than budgeted rates; and
- Capital Programme slippage which has been higher than originally assumed in the interest payable budget, leading to a lower level of overall borrowing being required than assumed in the 2018/19 budget.

Outlook

11. The UK economy expanded by 0.4% in the three months to 31 October 2018. Expectations are for Q4 Gross Domestic Product (GDP) growth of around 0.3% which would put 2018 overall at around 1.3%, the weakest rate since the financial crisis. The annual Consumer Price Index (CPI) measure of inflation was 2.1% as at the end of December 2018, down from 2.3% in November 2018. The figure is close to the Bank of England’s Monetary Policy Committee (MPC) 2.0% target. The labour market saw the unemployment rate for the three months to 31 October 2018 at 4.1%, unchanged from the rolling average annual figure reported in the previous quarter but lower than 4.3% a year earlier.

12. The Bank of England’s MPC sets monetary policy to meet its 2.0% inflation target (within a range of plus or minus 1.0%, i.e., between 1.0% and 3.0%), and help sustain growth and employment. At its meeting ending on 19 December 2018, the MPC voted unanimously to maintain the Base Rate at 0.75%. A relatively weak economic environment limits the speed of any further rises in the Base Rate, although the Bank is of the view that it will “need to raise interest rates a bit more over the next few years”. The long term neutral level of Base Rate is considered by the Bank to be between 2% and 3%.

13. The Council has continued to source its new borrowing requirements from local authorities and other public-sector bodies such as Police and Crime Commissioners on a short-term temporary basis. The low market interest rates for temporary debt offer revenue cost savings relative to borrowing on a long-term basis from the PWLB. This borrowing strategy assumes that interest rates will continue to remain at historically low levels for the medium term.

14. However, the Council advised by Arlingclose will continue to monitor long-term rates with a view to fixing a portion of any borrowing requirement if rates available are viewed as favourable.
A1 Analysis of borrowing type as at 31 December 2018

Total £305M

- PWLB Fixed Borrowing: £217.0M (71%)
- PWLB Variable Borrowing: £44.9M (15%)
- Market Fixed Borrowing (LOBOs): £13.6M (4%)
- Temp Variable Borrowing: £29.5M (10%)

Authorised Limits
- Fixed Rate Borrowing 100%
- Variable Rate Borrowing 50%

A2 Annual benchmark analysis of average interest rate paid compared to other local authorities as at 31 March 2018 (CBC shown as the black bar)

CBC average 2.7%
Benchmark average 3.8%
A3
Analysis to show Interest Rate Profile on Debt
as at 31 December 2018 (Average 2.93%)

Maturity Fixed Rate
Market (LOBOS)
PWL Maturity Variable Rate
Temporary Short term Debt

Millions

A4
Central Bedfordshire Council: Borrowing Maturity Profile
as at 31 December 2018

Temporary Short term Debt
PWL Maturity variable rate
Market (LOBOS)
PWL Maturity Fixed rate

LOBOS assumption: the loans are not called prior to maturity
SECTION B: INVESTMENT INFORMATION

Analysis of investments as at 31 December 2018
Total investments £29.0M

Average interest rate received on investments compared to other local authorities as at 30 June 2018 (CBC shown as the black bar)

CBC average 2.0%
Benchmark average 0.8%
December 2018 (Q3) Capital Budget Monitoring Report

Report of Cllr Richard Wenham, Deputy Leader and Executive Member for Corporate Resources (richard.wenham@centralbedfordshire.gov.uk)

Advising Officers: Charles Warboys, Director of Resources & S151 Officer (charles.warboys@centralbedfordshire.gov.uk)

This report relates to a Non Key Decision

Purpose of this report

1. The report sets out the Capital forecast outturn for 2018/19 as at the end of December 2018. It excludes the Housing Revenue Account (HRA) which is subject to a separate report.

RECOMMENDATIONS

The Executive is asked to:

1. note that the capital gross forecast outturn position is a spend of £87.7M (£63.2M in 2017/18) demonstrating the continued significant capital investment made by Central Bedfordshire to support its community; and

2. note the forecast overspend on Highways Depot South/Highways Structural Maintenance which will be confirmed in the outturn report.

BACKGROUND INFORMATION:

2. This report is based on the 2018/19 budget approved by Council at its February 2018 meeting. The reported budget also includes deferred spend from 2017/18 which was approved under delegated authority and subsequently approved by the Executive in June 2018. The approved budget excluding HRA and including deferred spend from 2017/18 is £141.2M (gross), £89.2M net.

ISSUES

None
FINANCIAL AND OTHER OPTIONS

These are covered in the report

Principal variances

1. The approved budget excluding HRA but including deferred spend from 2017/18 is £141.2M gross (£110.7M in 2017/18) and £89.2M net (£59.4M in 2017/18).

2. The gross forecast is below budget by £53.5M. The net forecast is £44.3M below budget.

3. Community Services are forecasting to be below gross budget by £40M. and below net budget by £32.5M. Proposed gross slippage is £41.6M. There are a number of schemes that this relates to, however the most significant schemes (gross) are:
   - £8.2M A421- M1 Junction 13
   - £7.6M Purchase of the Waste Fleet.
   - £5.6M Strategic Acquisitions
   - £3.1M Integrated Health & Care Hub (Biggleswade)
   - £3.1M Stratton Industrial Units
   - £2.6M Crematorium
   - £2.3M IT Digitisation
   - £1.2M New Car Parks
   - £1.0M Luton & Dunstable Busway

4. Note that the proposed slippage is greater than the underspend against budget as some schemes are forecasting an overspend and some are under (a mix issue).

5. SCHH are forecasting to be below gross budget by £9.5M, and £6.8M net. Proposed slippage is £9.1M (gross), £6.1M net.
   - £5.0M MANOP Non-HRA Extra Care Schemes
   - £1.9M Review of Accommodation/Day Support, "New Approaches to Outcomes"
   - £1.0M Better Care Fund Grant
   - £0.8M MANOP Care Home re-provision
   - £0.4M NHS Campus Closure

6. Regeneration are forecasting to be below gross budget by £6.8M, and £4.5M net. Proposed slippage is £6.9M (gross), £5.1M net.
   - £2.4M Broadband
   - £1.4M Flitwick Redevelopment
   - £1.3M Market Towns
   - £0.5M East/West Rail
   - £0.4M M1 – A6 Phases 1 & 2
   - £0.3M Strategic infrastructure schemes A & B

Capital Receipts
7. The overall budget for Capital receipts is £10M. The forecast is £16.1M. To date we have received £13.2M the bulk of which relates to Fairfield.

8. A summary of the position is in the table below.

<table>
<thead>
<tr>
<th>Directorate</th>
<th>Year to Date P09</th>
<th>Full Year 2018/19</th>
<th>Year to Date P09</th>
<th>Full Year 2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross Budget</td>
<td>Gross Actual</td>
<td>Gross Varience</td>
<td>Gross Budget</td>
</tr>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Children's Services</td>
<td>4.8</td>
<td>4.5</td>
<td>(0.3)</td>
<td>6.4</td>
</tr>
<tr>
<td>Community Service</td>
<td>49.1</td>
<td>38.6</td>
<td>(10.5)</td>
<td>105.5</td>
</tr>
<tr>
<td>Chief Executive's</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Resources</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Regeneration</td>
<td>6.2</td>
<td>5.8</td>
<td>(0.4)</td>
<td>15.8</td>
</tr>
<tr>
<td>ASCHH</td>
<td>9.6</td>
<td>2.6</td>
<td>(7.1)</td>
<td>13.4</td>
</tr>
<tr>
<td>Total Exc HRA</td>
<td>60.7</td>
<td>51.5</td>
<td>(18.2)</td>
<td>141.2</td>
</tr>
</tbody>
</table>

(Note: Any minor rounding differences are due to linking to detailed appendices)

Reasons for decision

9. To complete schemes currently underway and facilitate effective financial management and planning.

Council Priorities

10. Sound financial management contributes to the Council’s Value for Money and enables the Council to successfully deliver its priorities. The recommendations will contribute indirectly to all 6 Council priorities.

Corporate Implications

Legal Implications

11. None.

Financial Implications

12. The financial Implications are contained in the report.

Equalities Implications

13. Equality Impact Assessments were undertaken prior to the allocation of the 2018/19 budgets and Members were advised of significant equality implications relating to the budget proposals when setting the Council’s Budget in February 2018.
Appendix A – Detailed Directorate Commentary

Social Care Health and Housing

1. The directorate forecast outturn is under gross budget by £9.534M and under net budget by £6.766M.

2. The tables below highlight the areas of spend:

### SCHH Full Year Gross Budget and Forecast

<table>
<thead>
<tr>
<th>Scheme Categories</th>
<th>Gross Budget £k</th>
<th>Gross Forecast £k</th>
<th>Variance £k</th>
<th>Deferred Spend £k</th>
<th>Over / (Under) spend £k</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Gypsy and Traveller Sites</td>
<td>901</td>
<td>901</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Adult Social Care ICT Projects</td>
<td>190</td>
<td>100</td>
<td>(90)</td>
<td>90</td>
<td>0</td>
</tr>
<tr>
<td>Better Care Fund Capital Grant</td>
<td>992</td>
<td>0</td>
<td>(992)</td>
<td>992</td>
<td>0</td>
</tr>
<tr>
<td>Disabled Facilities Grants Scheme</td>
<td>2,212</td>
<td>1,800</td>
<td>(412)</td>
<td>0</td>
<td>(412)</td>
</tr>
<tr>
<td>Empty Homes</td>
<td>374</td>
<td>200</td>
<td>(174)</td>
<td>239</td>
<td>65</td>
</tr>
<tr>
<td>MANOP Care Home Reprovision</td>
<td>978</td>
<td>150</td>
<td>(828)</td>
<td>828</td>
<td>0</td>
</tr>
<tr>
<td>MANOP Non-HRA Extra Care Schemes</td>
<td>5,100</td>
<td>100</td>
<td>(5,000)</td>
<td>5,000</td>
<td>0</td>
</tr>
<tr>
<td>NHS Campus Closure</td>
<td>374</td>
<td>0</td>
<td>(374)</td>
<td>374</td>
<td>0</td>
</tr>
<tr>
<td>Old People's Homes</td>
<td>0</td>
<td>253</td>
<td>253</td>
<td>0</td>
<td>253</td>
</tr>
<tr>
<td>Renewal Assistance</td>
<td>400</td>
<td>350</td>
<td>(50)</td>
<td>0</td>
<td>(50)</td>
</tr>
<tr>
<td>Review of Accommodation/Day Support, &quot;New Approaches to Outcome&quot;</td>
<td>1,906</td>
<td>39</td>
<td>(1,867)</td>
<td>1,614</td>
<td>(253)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13,427</strong></td>
<td><strong>3,893</strong></td>
<td><strong>(9,534)</strong></td>
<td><strong>9,137</strong></td>
<td><strong>(397)</strong></td>
</tr>
</tbody>
</table>

### SCHH Full Year Net Budget and Forecast

<table>
<thead>
<tr>
<th>Scheme Categories</th>
<th>Net Budget £k</th>
<th>Net Forecast £k</th>
<th>Variance £k</th>
<th>Deferred Spend £k</th>
<th>Over / (Under) spend £k</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Gypsy and Traveller Sites</td>
<td>676</td>
<td>676</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Adult Social Care ICT Projects</td>
<td>46</td>
<td>0</td>
<td>(46)</td>
<td>46</td>
<td>0</td>
</tr>
<tr>
<td>Better Care Fund Capital Grant</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disabled Facilities Grants Scheme</td>
<td>1,544</td>
<td>941</td>
<td>(603)</td>
<td>0</td>
<td>(603)</td>
</tr>
<tr>
<td>Empty Homes</td>
<td>354</td>
<td>115</td>
<td>(239)</td>
<td>239</td>
<td>0</td>
</tr>
<tr>
<td>MANOP Care Home Reprovision</td>
<td>978</td>
<td>150</td>
<td>(828)</td>
<td>828</td>
<td>0</td>
</tr>
<tr>
<td>MANOP Non-HRA Extra Care Schemes</td>
<td>5,100</td>
<td>100</td>
<td>(5,000)</td>
<td>5,000</td>
<td>0</td>
</tr>
<tr>
<td>NHS Campus Closure</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Old People's Homes</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Renewal Assistance</td>
<td>300</td>
<td>250</td>
<td>(50)</td>
<td>0</td>
<td>(50)</td>
</tr>
<tr>
<td>Review of Accommodation/Day Support, &quot;New Approaches to Outcome&quot;</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,998</strong></td>
<td><strong>2,232</strong></td>
<td><strong>(6,766)</strong></td>
<td><strong>6,113</strong></td>
<td><strong>(653)</strong></td>
</tr>
</tbody>
</table>

% of Budget: 24.8%

3. Additional Gypsy & Traveller Site

Gypsy and Traveller site at Woodlands, in Biggleswade, was completed in September 2018.

4. Better Care Fund Capital Grant (BCF)

The BCF digitisation of care homes is now being taken forward through the Sustainable Transformation Programme approval process.
5. **MANOP**

For MANOP homecare re-provisions it is anticipated that CBC will develop the new residential facilities itself; additional capital budget has been identified for this in the 2019/20 Capital MTFP. The Sorrel Way, Biggleswade redevelopment is delivering a new extra care scheme with no capital funding required from MANOP. For West Mid Beds, it is envisaged that the Steppingley Road scheme will deliver a new extra care facility.

MANOP Care Home Re-provision/ MANOP non HRA Extra Care Schemes.
The current year forecast includes £0.150M relating mainly to the demolition of the buildings on the Hockcliffe Rd, Leighton Buzzard site.

6. **Review of Accommodation/Day Support**

The Review of Accommodation (including Day Centre provision, Linsell House and Digitisation) the closure of Ampthill Day Centre has been approved by Executive on the 4th December 2018 and further capital works are planned at Silsoe Day Centre.

7. **Disabled Facility Grants**

The grants provided to residents through the Disabled Facility Grant programme assist some of the poorer and most vulnerable members of the community. Without these grants in many cases the properties involved would be unsuitable for the needs of the occupiers who may then be unable to remain in their own homes. This also reduces pressure on health service resources and residential care, as without these improvements more residents would require emergency or longer term care solutions.

The table below provides details of adaptations for Q3 2018/19 compared to last year.

<table>
<thead>
<tr>
<th>Type of adaptation</th>
<th>Q3 2017/18</th>
<th>Q3 2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level access shower/wet room</td>
<td>52</td>
<td>54</td>
</tr>
<tr>
<td>Straight stair lift</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>Curved stair lift</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>Toilet alterations</td>
<td>24</td>
<td>16</td>
</tr>
<tr>
<td>Access ramps</td>
<td>17</td>
<td>19</td>
</tr>
<tr>
<td>Dropped kerb and hard standing</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Wheelchair/step lift</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Through floor lift</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Major extension</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Kitchen alterations</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Access alterations (doors etc)</td>
<td>29</td>
<td>34</td>
</tr>
<tr>
<td>Heating improvements</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Garage conversions/minor additions</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Safety repairs/improvements</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>26</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>204</strong></td>
<td><strong>189</strong></td>
</tr>
</tbody>
</table>
Children’s Services

8. The directorate forecast outturn is above gross budget by £2.9M, and £0.5M below net budget.

9. The tables below highlight the areas of spend:

<table>
<thead>
<tr>
<th>Scheme Categories</th>
<th>Gross Budget £k</th>
<th>Gross Forecast £k</th>
<th>Variance £k</th>
<th>Deferred Spend £k</th>
<th>Over / (Under) spend £k</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthy Pupil Capital Grant</td>
<td>0</td>
<td>342</td>
<td>342</td>
<td>0</td>
<td>342</td>
</tr>
<tr>
<td>Children's Home and Assessment Centre</td>
<td>500</td>
<td>0</td>
<td>(500)</td>
<td>500</td>
<td>0</td>
</tr>
<tr>
<td>LPSA &amp; LAA Grant</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>New School Places</td>
<td>4,034</td>
<td>7,065</td>
<td>3,031</td>
<td>0</td>
<td>3,031</td>
</tr>
<tr>
<td>Schools Access Initiative</td>
<td>200</td>
<td>200</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Schools Devolved Formula Capital</td>
<td>450</td>
<td>460</td>
<td>10</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>SEND 1&amp;2</td>
<td>541</td>
<td>550</td>
<td>9</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Statutory School Accommodation (previously Temporary Accommodation)</td>
<td>705</td>
<td>715</td>
<td>10</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,430</strong></td>
<td><strong>9,332</strong></td>
<td><strong>2,902</strong></td>
<td><strong>500</strong></td>
<td><strong>3,402</strong></td>
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<tr>
<td>% of Budget</td>
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<td><strong>145.1%</strong></td>
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<table>
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<th>Scheme Categories</th>
<th>Net Budget £k</th>
<th>Net Forecast £k</th>
<th>Variance £k</th>
<th>Deferred Spend £k</th>
<th>Over / (Under) spend £k</th>
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<tr>
<td>Healthy Pupil Capital Grant</td>
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<tr>
<td>Children's Home and Assessment Centre</td>
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<tr>
<td>LPSA &amp; LAA Grant</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>New School Places</td>
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<td>0</td>
<td>0</td>
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<td>Schools Access Initiative</td>
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<tr>
<td>Schools Devolved Formula Capital</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>SEND 1&amp;2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Statutory School Accommodation (previously Temporary Accommodation)</td>
<td>705</td>
<td>705</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,406</strong></td>
<td><strong>906</strong></td>
<td><strong>(500)</strong></td>
<td><strong>500</strong></td>
<td><strong>0</strong></td>
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<tr>
<td>% of Budget</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>64.4%</strong></td>
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</table>

10. **New Schools Places**

This programme provides capital investment to deliver new school places required by population growth in areas of limited surplus capacity within our schools. The Council’s School Organisation Plan is the evidence base that supports the commissioning of these new school places over a rolling five year period. The programme is funded by a combination of sources including DfE basic need grant, developer contributions, Council borrowings and capital receipts. The rolling five year programme is dynamic with perpetual changes in forecasts of income and expenditure across financial years including those arising from variances in S106 totals and trigger points and in the timing and therefore cost profile of many projects.
11 **Schools Access Initiative**

Central Bedfordshire Council provides capital funding to enable pupils with disabilities access to mainstream education. All Central Bedfordshire maintained schools (except for Voluntary Aided Schools and Academies who access funding through an alternative mechanism) can apply for funding on an application basis. In exceptional circumstances where an Education, Health and Care Plan has named an academy or Voluntary Aided school an application may be considered. Applications are assessed by a Panel, comprising of Council officers and representatives from Central Bedfordshire Special and Maintained Schools. Funding is awarded on a priority basis, as identified in the Council’s Accessibility Strategy.

12 The budget allocation for 2018/19 is £0.200M which has been fully spent. Demand was high again this year and £0.200M was allocated to fund building works/adaptations and for the purchase of specialised equipment. All the grant funding has now been transferred to the schools concerned. Three applications for equipment and adaptations for hearing impaired pupils were received for the October Panel. However, the October Panel was cancelled because the budget had been fully committed with nothing left to allocate. The applicants were advised of this and asked to re-apply to the Panel in April 2019, when next year’s funding becomes available.

13 **School Devolved Formula Capital**

The allocation to Schools is for use on capital condition / improvement works on their buildings in line with the priorities in their School Improvement Plan. The schools have three years to spend the grant. The budgeted gross expenditure for 2018/19 is £0.450M. The forecast outturn for 2018/19 is £0.460M wholly funded by grants.

14 **Temporary Accommodation**

The primary purpose of the Council’s temporary accommodation programme is to meet either short term needs at schools where there is a small, or temporary rise in numbers which cannot be physically accommodated through alternative means, but for which an alternative funding stream, e.g. S106 capital investment/Basic Need grant is unavailable and/or where this results in the need for organisational changes in structure to meet KS1 class size legislation.

The secondary purpose of the programme is to replace temporary accommodation, which is reaching the end of its design life, with permanent build to meet a permanent need for places.

The capital budget allocation for 2018/19 is £0.400M, plus slippage of £0.305M which is forecast to be fully utilised. Priority projects have been identified based on condition survey data and school site visits. Additionally there is £0.010M of S106 funding specifically for the Maple Tree Lower project. As the Pix Brook (Etonbury Academy) project is now being forward funded from the New School Places Programme there is no longer a requirement for the £0.150M grant from the SEND capital budget and the S106 funding has been transferred to the New School Places Programme. A commission has been raised for the removal of a double temp unit at Sandy Secondary School, which is old, unsafe and no longer used as a teaching space, costs are awaited.

The significant expenditure committed against this budget is:
- £0.251M for the installation of a temporary unit on the Ivel Valley secondary site.
- £0.352M for the construction of two classrooms at Maple Tree Lower.
- £0.112M remains to be allocated.
Community Services

15 The directorate outturn is below budget by £40.040M (gross) and below budget by £32.499M (net).

16 The table below highlights the areas of spend:

### Community Services Full Year Gross Budget and Forecast

<table>
<thead>
<tr>
<th>Scheme Categories</th>
<th>Gross Budget</th>
<th>Gross Forecast</th>
<th>Variance</th>
<th>Deferred Spend</th>
<th>Over / (Under) spend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£k</td>
<td>£k</td>
<td>£k</td>
<td>£k</td>
<td>£k</td>
</tr>
<tr>
<td>Major projects</td>
<td>62,888</td>
<td>30,512</td>
<td>(32,376)</td>
<td>31,697</td>
<td>(679)</td>
</tr>
<tr>
<td>Minor projects</td>
<td>15,249</td>
<td>8,472</td>
<td>(6,777)</td>
<td>6,786</td>
<td>(9)</td>
</tr>
<tr>
<td>Assets for other Directorates</td>
<td>4,275</td>
<td>1,712</td>
<td>(2,563)</td>
<td>2,563</td>
<td>(0)</td>
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<tr>
<td>Rolling programme - Assets</td>
<td>5,367</td>
<td>4,787</td>
<td>(580)</td>
<td>150</td>
<td>(430)</td>
</tr>
<tr>
<td>Rolling programme - IT</td>
<td>1,475</td>
<td>1,100</td>
<td>(375)</td>
<td>375</td>
<td>0</td>
</tr>
<tr>
<td>Rolling programme - Highways</td>
<td>15,596</td>
<td>18,168</td>
<td>2,572</td>
<td>50</td>
<td>2,622</td>
</tr>
<tr>
<td>Rolling programme - Other</td>
<td>680</td>
<td>739</td>
<td>59</td>
<td>0</td>
<td>59</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>105,530</strong></td>
<td><strong>65,490</strong></td>
<td><strong>(40,040)</strong></td>
<td><strong>41,621</strong></td>
<td><strong>1,581</strong></td>
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<tr>
<td><strong>% of Budget</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>62.1%</td>
</tr>
</tbody>
</table>

### Community Services Full Year Net Budget and Forecast

<table>
<thead>
<tr>
<th>Scheme Categories</th>
<th>Net Budget</th>
<th>Net Forecast</th>
<th>Variance</th>
<th>Deferred Spend</th>
<th>Over / (Under) spend</th>
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<tbody>
<tr>
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<td>£k</td>
<td>£k</td>
<td>£k</td>
<td>£k</td>
<td>£k</td>
</tr>
<tr>
<td>Major projects</td>
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<td>18,282</td>
<td>(24,397)</td>
<td>23,564</td>
<td>(833)</td>
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<tr>
<td>Minor projects</td>
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<td>6,819</td>
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<td>4,667</td>
<td>(299)</td>
</tr>
<tr>
<td>Assets for other Directorates</td>
<td>2,924</td>
<td>361</td>
<td>(2,563)</td>
<td>2,563</td>
<td>0</td>
</tr>
<tr>
<td>Rolling programme - Assets</td>
<td>3,367</td>
<td>2,787</td>
<td>(580)</td>
<td>150</td>
<td>(430)</td>
</tr>
<tr>
<td>Rolling programme - IT</td>
<td>1,475</td>
<td>1,100</td>
<td>(375)</td>
<td>375</td>
<td>0</td>
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<tr>
<td>Rolling programme - Highways</td>
<td>8,670</td>
<td>9,052</td>
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<td>432</td>
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<tr>
<td>Rolling programme - Other</td>
<td>665</td>
<td>665</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>71,565</strong></td>
<td><strong>39,066</strong></td>
<td><strong>(32,499)</strong></td>
<td><strong>31,369</strong></td>
<td><strong>(1,130)</strong></td>
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<tr>
<td><strong>% of Budget</strong></td>
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<td></td>
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<td>54.6%</td>
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17 **Major Projects**

This programme provides capital investment to a number of major schemes delivering benefits to the community. The overall net budget is £42.68M, forecast spend of £18.28M. There are forecast underspends of £1.04M, overspends of £0.22M and slippage of £23.56M. Major variances are detailed below:-

**Underspends:**
- Section 106 funding £0.14M has been received for the Ivel Medical Centre which was not in the budget.
- Stratton Street Railway Bridge final account adjustment £0.12M.
- There is a budget for Westbury Units of £0.80M and this has been released as there is no decision on the future of the complex.
Overspend:-

- There is a forecast overspend of £0.210M for completion of the Highways depot south - this is for completion of work to Thorn Road and corrals and signage to the bridleway which are part of the planning conditions.

Slippage:-

- The Biggleswade Integrated Health Care Hub is to provide an integrated medical service. The project is at the feasibility stage which will continue until March 2019. The current forecast is £0.20M and the remaining £3.00M slippage will be added to the new budget for 2019/20 for the construction.

- There has been a further delay of 3 weeks in the project plan for the construction of the unit at Stratton 5a unit increasing the slippage by £0.25M to £3.05M and an impact on the date of completion on site. Feasibility has been completed and planning approval obtained, with construction due to start in mid February 2019. The current forecast is £1.75M and the spend to date is £0.22M, with spend on the steel frame and infrastructure works due to be completed by end of March.

- There is slippage of £7.60M for Waste Fleet where the purchase of vehicles has been delayed due to the contract date been deferred.

- The major scheme of widening of the A421-M1 at junction 13. preliminary works and planning have commenced and £7.00M is forecast to be spent in 2018/19, all of which is externally funded. The remaining £8.00M gross expenditure budget will be spent in accordance with the project plan.

- There is a plan to purchase land estimated at £2.29M. The remainder £5.58M has been slipped as it is unlikely that a suitable acquisition will be identified and completed this financial year.

- There is slippage from the IT digitisation programme of £2.27M. The implementation of the Finance system SAP4HANA is in progress and there is a draft design in place but some of the work (£0.37M) will slip into 2019/20.

- The evaluation exercise of the tenders for the replacement of the SWIFT system is not due to complete until 2019/20 and £1.40M has been slipped from the £1.50M budget.

- The full budget for the IDOX project has been deferred until next year £0.50M.

- The Part 1 claims from 3rd parties for the Luton Dunstable Guided Busway are dealt by Luton Borough Council. Claims received to date are very low value so £1.0M from the £1.50M budget has been slipped.

- There is slippage of £0.88M relating to the final costs for Woodside as they are not due until 2019/20.
This programme provides capital investment for a number of minor schemes including the A5 residual works, Footway Improvements, Schools Compliance works, Enhancement and Preparation for Disposal, Carparks and Highways Surface Dressing programme. The overall net budget is £11.80M, forecast spend £6.82M. There are forecast overspends of £0.14M, underspend £0.45M and slippage of £4.67M major variances detailed below.

Underspend:-

- Underspend of £0.45M on the Micro Asphalt programme to cover overspend on the Highways Structural maintenance. The forecast is £0.050M and is planned to be spent this financial year.
- Additional income not in budget from Gazeley UK for Stratton 4 £0.02M.
- Underspend on Arlesey project £0.01M. No further spend anticipated as site is now part of the land development schemes.

Overspend:-

- Tree backlog £0.08M. No further spend anticipated
- Fleet Replacement £0.07M. The forecast is £0.27M and the budget is £0.20M.
- Flitwick Leisure Centre shower/changing rooms £0.03M. The forecast is £0.18M and the budget is £0.15M.

Slippage:-

- The full budget for the Schools Compliance works has been slipped until next year. A schedule of works has been produced and will be assessed for delivery in the new financial year.
- The full budget for the Energy Efficiency project has been slipped due to lack of resources £0.05M.
- The carpark project is in the feasibility stage and the delivery stage has been slipped to next year £1.24M. The forecast for this financial year is £0.06M with a spend to date of £0.05M. The project is on hold until a decision is made on the location of the site or to proceed with a temporary solution.
- Slippage from the National Productivity Investment budget for the redesign of the Clophill roundabout £0.70M which is grant funded.
- Sundon Landfill slipped £0.05M.
- Slippage due to lack of resources for works at Tiddenfoot and Saxon Leisure Centre £0.56M.
- Slippage for the CCTV programme £0.70M.
- Further slippage for the Priory House Accommodation plan where the costs for the furniture had already been slipped £0.63M but the intensification works have taken longer than anticipated.
• Slippage for the Improved Walking Routes to School works are in progress but unlikely to be completed fully until next year £0.63M.

• Slippage due to staff shortages for the outdoor sculpture, play area and works to the kitchen at Houghton Hall £0.03M.

• Slippage for the A5 residual works which is funded by income £0.85M.

19 Rolling Programme

There are ongoing annual programmes that deliver benefits in Assets, IT and Highways. The overall net budget is £14.18M, forecast spend £13.60M.

Overspend:-
• Highways planned maintenance minor overspend for white lining up £0.09M.
• Highways Structural maintenance overspend of £0.45M which is covered by a compensating underspend on the Micro Asphalt programme.

Underspend:-
• Income from Biggleswade Town Council for lighting replacement £0.11M.
• A number of schemes from the Built Asset programme will be re-assessed due to lack of resource £0.43M.

Slippage:-
• Farms compliance slippage £0.15M where the stock condition surveys will be undertaken and any works identified will take place in 2019/20.
• Match funded HRA schemes to alleviate parking £0.05M.
• The IT infrastructure rolling programme for the replacement of hardware has been deferred until next year £0.38M.

Assets working for other Directorates

• The construction of a new crematorium is being developed for Resources. The feasibility is complete and work is underway to gain planning approval which includes design work with total costs of £0.30M in 2018/19. The remaining £2.60M will be spent in accordance with the project plan.
• The School at Lower Wilbury Farm, Fairfield has been developed for Children’s Services. The project is fully funded from section 106 income. The actual spend to date is £1.193M and there is a further amount of £0.16M outstanding.

Regeneration and Business Support

20 The Regeneration and Business Support annual gross expenditure budget approved by Council for 2018/19 is £15.768M, a net expenditure budget for the Council of £7.259M including slippage from 2017/18.
The December forecast position for 2018/19 is £6.825M below gross budget and £4.538M below net budget.

The tables below highlights the areas of spend:

<table>
<thead>
<tr>
<th>Scheme Categories</th>
<th>Gross Budget</th>
<th>Gross Forecast</th>
<th>Variance</th>
<th>Deferred Spend</th>
<th>Over / (Under) spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Infrastructure</td>
<td>6,959</td>
<td>3,912</td>
<td>(3,047)</td>
<td>3,123</td>
<td>76</td>
</tr>
<tr>
<td>Other</td>
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<td>5,031</td>
<td>(3,778)</td>
<td>3,778</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>15,768</td>
<td>8,943</td>
<td>(6,825)</td>
<td>6,901</td>
<td>76</td>
</tr>
</tbody>
</table>

% of Budget 56.7%

<table>
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<th>Scheme Categories</th>
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<th>Net Forecast</th>
<th>Variance</th>
<th>Deferred Spend</th>
<th>Over / (Under) spend</th>
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<tbody>
<tr>
<td>Strategic Infrastructure</td>
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<td>810</td>
<td>(2,023)</td>
<td>2,623</td>
<td>600</td>
</tr>
<tr>
<td>Other</td>
<td>4,426</td>
<td>1,911</td>
<td>(2,515)</td>
<td>2,499</td>
<td>(16)</td>
</tr>
<tr>
<td>Total</td>
<td>7,259</td>
<td>2,721</td>
<td>(4,538)</td>
<td>5,122</td>
<td>584</td>
</tr>
</tbody>
</table>

% of Budget 37.5%

**Strategic Infrastructure**

**East West Rail**

East West Rail will see the delivery of a train route from Oxford to Cambridge via Milton Keynes. The western section of the route will follow the Bletchley to Bedford line. In the context of the capital programme this project focuses solely on this element and the delivery of improved station facilities, namely a new carpark, at Ridgemont. The Council is one of a number of Local Authority stakeholders along the route with the project being delivered by the EWR Company and Network Rail.

The majority of the capital allocation is for a land purchase, for which a ‘fill and final’ offer has been made. It is considered unlikely that the purchase will proceed before year-end.

Gross Expenditure Budget £0.527M
Gross Expenditure 2018/19 Forecast £0.0M

**Dunstable High Street / Regeneration**

Dunstable High Street Regeneration – Phase I of this project will deliver improvements to the public realm in West Street, Church Street, High Street North/South and Middle Row, helping attract greater community use and increased footfall. Works are scheduled over the period Sep-Nov 2018 and include replacement street lighting, gateway treatments, on street parking provision and associated carriageway narrowing, pedestrian guardrail removal, provision for cyclists. This phase is funded through a Highways England contribution from their ‘designated funds’. It is planned to secure the funding for phase 2 through the same source.
The scheme comprises the provision of a new 4.4km dual and 2-lane carriageway link road between the new M1 junction 11a in the west and the A6 in the east, to effectively form a northern bypass for Luton and open up land for the potential development of up to 4,000 dwellings, up to 20ha of employment land, community facilities and open spaces, and provision of a new sub-regional rail freight interchange incorporating around 40ha of associated employment land.

- The current estimated scheme cost is £61M (not including any potential additional inflation, risk or optimism bias costs).
- Department for Transport (DfT) have confirmed that this will be a retained scheme due to being above the £20M threshold.
- Central Bedfordshire Council (CBC) have been awarded £11M and £21.75M from Local Growth Fund 2 and Local Growth Fund 3 respectively. It should be noted that this element of funding must be spent by end March 2021, we currently have a programme to achieve this.
- The focus now is on securing approval of the principals in the Land North of Luton consortium to a mechanism for funding the M1/A6 link road and providing certainty for the Local Plan examination.

DfT has granted £0.700M (2017/18) and £1.3M (2018/19) upfront development funding from the £32.75M.

Budget £2.707M Gross Expenditure with External Funding £2.707M. Forecast 2018/19 Expenditure £2.3M with External Funding £1.7M, need to bring forward £0.600M of the 2019/20 planned council contribution. The CBC contribution has reduced from previously reported £1.0M due to £0.400M external funding relating to 2017/18 being received in 2018/19.

Leighton Buzzard and Biggleswade Transport Interchange

The scheme is to remodel the Leighton Buzzard Station forecourt to provide an enhanced bus-rail interchange. Discussions are to be held with Network Rail and West Midland Trains on the outline proposal.

The capital funding allocation falls a long way short of what would be needed to deliver the envisaged proposals. This includes the limited S106 contribution towards the scheme cost from east of Leighton Buzzard, given the expected increase in services visiting the station. There is not expected to be any costs spend on the scheme during 2018/19.

The Biggleswade Station scheme is to deliver a bus interchange. The interchange is now part of a wider HIF bid with the majority of the costs to be externally funded. If HIF funding is secured, a revised business case will be produced.

Budget £0.177M Gross Expenditure Leighton Buzzard / Gross Exp Forecast 2018/19 £0.00M
Budget £0.262M Gross Expenditure Biggleswade / Gross Exp Forecast 2018/19 £0.045M
Other

28 Broadband

OpenReach had a slow start to delivery in 2018/19 and been catching up ever since. Now received and agreed a remedial plan outlining delivery schedule to end of contract, which has been extended by 2 quarters to the end of (June 2019).

Recent improvements in performance in Q3 and have exceeded the anticipated target.

The Project has now received a full Change Impact Assessment acceptable with the projects, with BDUK to complete their value for money assurance process and receive approval.

Take up of broadband services continues to be considered as best in class, at 62.5%.

Contract 3 was awarded to BT in May 2018. Discussions are ongoing to finalise the deployment plans and premises.

Budget £6.123M Gross Expenditure with External Funding £4.172M
Gross Exp 18/19 Forecast £3.678M, Ext funding forecast £2.910M

29 Market Towns Programme

The Market Towns Programme is made up of two funding streams - the Market Town Regeneration Fund (MTRF), which works directly with town Council’s to deliver improvements to their town Centres and the High Street Improvement Scheme (HSIS), which provides 60% grant funding for improvement to shop fronts.

MTRF – A total of 7 bids from Ampthill, Dunstable, Flitwick, Leighton-Linslade, Sandy and Shefford Town Councils are progressing well in the MTRF programme. All the Town Councils are moving towards delivering their final outputs by the end of 2018/19, with the exception being Flitwick. The main delays relate to highways elements which are due to be delivered by Ringway Jacobs.

HSIS – 23 businesses are now currently involved in the HSIS. Building work progressing well. Phase 1 works (Dunstable and Leighton Buzzard) nearing completion and Phase 2 underway (Shefford, Ampthill, Potton, Sandy & Biggleswade).

The MTRF Board continues to meet quarterly to review progress.

Budget £2.669M Gross Expenditure with External Funding £0.194M
Gross Exp 2018/19 forecast £1.353M, Ext funding £0.210M

Movement from last month is due to further delays on the Flitwick element of the MTRF programme leading to programmed highways works being pushed back to 2019/20.

30 Flitwick Redevelopment

Executive have agreed to the mixed use regeneration of the site. Work has been progressing on the design of the Interchange element for which a preferred outline scheme has now been finalised and which has been agreed with Network Rail and Govia Thameslink Railways Ltd. This design is being developed further to a more detailed level and is also being taken through the relevant rail approvals processes.
Initial proposals received from three developers for the redevelopment of the wider station and commercial areas which incorporate the current temporary car park. These proposals will be finalised by the end of January 2019. Subject to a review of delivery options, recommendations will be made to Executive on preferred development route and scheme.

Budget £1.653M Gross Expenditure with External Funding £0.150M. Gross Exp Forecast £0.115M Ext Funding Forecast £0.005

31 European Regional Development Fund

The Innovation Bridge programme is funded through The European Regional Development Fund (ERDF) which works directly with the Council as project lead and three university partners, UOB, Anglia Ruskin and UCS, to award grant funding to Small and Medium sized enterprises (SMEs) to achieve business growth. The capital grant element of the programme acts as an enabler to SMEs by providing support to purchase capital equipment. 44 Central Bedfordshire businesses supported.

Forecast spend for 2018/19 £0.076M fully funded by grant.
Central Bedfordshire Council

Executive 2 April 2019

September (Quarter 3) Housing Revenue Account Budget Monitoring

Report of: Cllr Carole Hegley, Executive Member for Adults, Social Care and Housing Operations (carole.hegley@centralbedfordshire.gov.uk) and Cllr Richard Wenham, Deputy Leader and Executive Member for Corporate Resources (richard.wenham@centralbedfordshire.gov.uk)

Responsible Director: Charles Warboys, Director of Resources, (Charles.Warboys@centralbedfordshire.gov.uk)

This report relates to a Non Key Decision

Purpose of this report

1. The report provides information on the 2018/19 Housing Revenue Account (HRA) projected outturn revenue and capital position as at December 2018.

RECOMMENDATIONS

The Executive is asked to note and approve:

1. that the Revenue forecast position is to achieve a balanced budget with a contribution to HRA Reserves of £6.491M, thus strengthening the Council’s ability to invest and improve its stock of Council Houses;

2. that the Capital forecast position indicates a net outturn of £18.42M, representing a positive variance against budget of £25.13M, with proposals for slippage of £6.71M; and

3. that Right to Buy (RtB) sales will be monitored for the possible impact on predicted surpluses in the medium to longer term.
2. The revenue forecast position as at the end of December 2018 projects a year end surplus of £6.491M compared to a budgeted surplus of £6.501M, a slight reduction of £0.009M.

3. The forecast position for the HRA capital programme indicates a net outturn of £18.42M against a budget of £25.13M; this includes deferred works of £4.94M from 2017/18. It is proposed that £6.71M to be slipped into 2019/20.

4. The 2018/19 budget for the HRA anticipated a contribution to the Independent Living Development Reserve (ILDR) of £1.156M and a contribution to the Strategic Reserve of £5.345M. The year end forecast indicates a contribution to Reserves of £7.831M; it is proposed to allocate £1.34M to the ILDR, £6.421M to the Strategic Reserve and £0.07M to the Life Cycle Reserve. Total Reserve balances are forecast at £29.045M.

Council Priorities

5. Sound financial management contributes to the Council’s Value for Money and enables the Council to successfully deliver its priorities. The recommendations will contribute indirectly to all 6 Council priorities.

Corporate Implications

Legal Implications

6. None

Financial Implications

7. The financial implications are contained in the report.

Equalities Implications

8. Equality Impact Assessments were undertaken prior to the allocation of the 2018/19 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

Conclusion and next Steps

9. The report presents the 2018/19 HRA financial position as at the end of December 2018. It sets out spend to date against the profiled revenue and capital budgets, the forecast financial outturn, and provides explanations for any variations. This report enables the Executive to consider the overall financial position of the HRA.

Appendices

Appendix A – Housing Revenue Account Detailed Commentary
**HRA REVENUE ACCOUNT (HRA)**

1. The HRA annual expenditure budget is £22.168M and income budget is £28.669M, which allows a contribution of £6.501M to reserves to present a net budget of zero.

2. A subjective breakdown of the provisional outturn position is shown in **Table 1** below.

<table>
<thead>
<tr>
<th></th>
<th>2018/19 Budget</th>
<th>Budget YTD</th>
<th>Actual YTD</th>
<th>Variance YTD</th>
<th>Full Year Forecast</th>
<th>Variance Full Year Forecast to Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Income</strong></td>
<td>£28.669</td>
<td>(21.501)</td>
<td>(21.808)</td>
<td>(0.307)</td>
<td>(29.101)</td>
<td>(0.433)</td>
</tr>
<tr>
<td>Housing Operations</td>
<td>8.647</td>
<td>6.583</td>
<td>6.683</td>
<td>0.100</td>
<td>8.834</td>
<td>0.186</td>
</tr>
<tr>
<td>Financial Inclusion</td>
<td>0.543</td>
<td>0.407</td>
<td>0.175</td>
<td>(0.232)</td>
<td>0.280</td>
<td>(0.263)</td>
</tr>
<tr>
<td>Housing Investment</td>
<td>0.094</td>
<td>0.071</td>
<td>0.088</td>
<td>0.017</td>
<td>0.111</td>
<td>0.017</td>
</tr>
<tr>
<td>Corporate Resources</td>
<td>2.008</td>
<td>1.506</td>
<td>1.506</td>
<td>-</td>
<td>2.008</td>
<td>-</td>
</tr>
<tr>
<td>Maintenance</td>
<td>5.047</td>
<td>3.785</td>
<td>3.756</td>
<td>(0.029)</td>
<td>5.001</td>
<td>(0.046)</td>
</tr>
<tr>
<td>Debt related costs</td>
<td>0.103</td>
<td>0.077</td>
<td>0.077</td>
<td>-</td>
<td>0.103</td>
<td>-</td>
</tr>
<tr>
<td>Direct Revenue Financing</td>
<td>3.154</td>
<td>2.365</td>
<td>2.365</td>
<td>-</td>
<td>3.154</td>
<td>-</td>
</tr>
<tr>
<td>Efficiency Programme</td>
<td>(1.681)</td>
<td>(1.261)</td>
<td>(0.737)</td>
<td>0.524</td>
<td>(0.982)</td>
<td>0.699</td>
</tr>
<tr>
<td>Interest repayment</td>
<td>4.053</td>
<td>3.040</td>
<td>3.076</td>
<td>0.036</td>
<td>4.101</td>
<td>0.049</td>
</tr>
<tr>
<td>Principal repayment</td>
<td>0.200</td>
<td>0.150</td>
<td>-</td>
<td>(0.150)</td>
<td>-</td>
<td>(0.200)</td>
</tr>
<tr>
<td><strong>TOTAL Expenditure</strong></td>
<td>22.168</td>
<td>16.724</td>
<td>16.989</td>
<td>0.266</td>
<td>22.610</td>
<td>0.442</td>
</tr>
<tr>
<td>Surplus</td>
<td>(6.501)</td>
<td>(4.778)</td>
<td>(4.819)</td>
<td>(0.041)</td>
<td>(6.491)</td>
<td>0.009</td>
</tr>
<tr>
<td>Contribution to / (from)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>reserve (at year end)</td>
<td>6.501</td>
<td>4.778</td>
<td>4.819</td>
<td>0.041</td>
<td>6.491</td>
<td>(0.009)</td>
</tr>
<tr>
<td><strong>Net Expenditure</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

^ Included for balancing and illustrative purposes only

3. There is a year to date favourable variance of £0.041M, whilst the full year forecast shows a minor adverse variance of £0.009M, resulting in a full year forecast surplus of £6.491M.
4. The full year forecast variance is a result of additional income generation and increased General Fund (GF) Housing recharge for HRA staff time on Lettings Service, support for Transitional Accommodation (TA), and Traveller sites (£0.433M). Savings have also been achieved within maintenance budgets of (£0.046M) and reduced forecast outturn on the Financial Inclusion budget of (£0.263M) for reduced Discretionary Housing Payment (DHP) and Housing staff restructure.

5. Further it is proposed that no principal debt repayment occurs in this financial year, delivering a saving of (£0.2M). This is offset by the underachievement of the 2018/19 Medium Term Financial Plan (MTFP) efficiency programme (£0.699M), pressures within Housing Operations and Housing Investment as a result of an adverse variance in the Managed Vacancy Factor, and Interest repayments amounting to (£0.252M).

6. In the Budget of Autumn 2017, it was announced that Local Authorities would be given the opportunity to bid for an additional £1Bn of borrowing headroom, £0.5Bn of which was ringfenced to areas outside of London. The Council was eligible to bid for this funding and submitted bids in September 2018 for an additional £37.4M of HRA borrowing. On 3 October 2018 the Prime Minister announced that the debt cap would be scrapped altogether. In light of these significant developments, the Council’s approach to repaying principal HRA debt has been reconsidered and it is proposed that no principal debt repayments are made in 2018/19.

7. Within the efficiency programme there was an ambitious income generation target (£1.2M) relating to rent and service charge income at acquired properties, which has not been fully achieved and accounts for the shortfall of £0.699M. There have been delays in purchasing some of the properties identified for acquisition at the time of the budget build and redevelopment of acquired properties has taken longer than envisaged.

HRA CAPITAL PROGRAMME

8. The HRA Capital budget is £25.13M which includes slippage from 2017/18 of £4.944M. Across the HRA Capital Programme there is a full year forecast of £18.42M, which is predominantly due to the underspend in Future Investment projects (£6.573M). However, slippage will be requested for this amount. The full year forecast within Stock Protection is showing a reduced expenditure of £0.137M, again slippage will be requested for this amount.

9. Analysis of the outturn position and variance, for each HRA scheme, is presented at Table 2 below. The proposed funding of the programme is shown at Table 3.
Table 3

<table>
<thead>
<tr>
<th>Source</th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Contributions</td>
<td>3,154</td>
</tr>
<tr>
<td>Useable Capital Receipts</td>
<td>10,000</td>
</tr>
<tr>
<td>Independent Living Development Reserve</td>
<td>(1,340)</td>
</tr>
<tr>
<td>Strategic Reserve</td>
<td>6,606</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18,420</strong></td>
</tr>
</tbody>
</table>

STOCK PROTECTION

10. It is anticipated that Stock Protection will outturn with a reduced expenditure of £0.137M, with this amount to be requested as slippage into 2019/20.

11. The Ministry of Housing, Communities and Local Government is investigating flat entrance 30 minute fire doors. As a result the door manufacturing industry is currently reviewing test procedures and has halted all future installations of fire doors. This has delayed the door replacement programme resulting in a proposed slippage of £0.05M from the 2018/19 capital programme.

12. The Sheltered Housing Refurbishment project refers to several schemes including Tudor Court of which is unlikely to be delivered this financial year, therefore £0.087M is proposed to be slipped into 2019/20 for flooring. The other schemes, including Gale Court, Manor Court, Finch Crescent, Baker Street and Bedford Street, are currently on site and will deliver in 2019/20.

13. There are a number of minor year to date variances across Stock Protection due to expenditure being either marginally behind or ahead of profile on various projects, resulting in an overall additional expenditure of £0.033M.

FUTURE INVESTMENT

14. It is also anticipated that Future Investment will outturn below budget of £6.573M, with this amount to be requested as slippage into 2019/20. Future Investment is over budget year to date by £2.313M, which is predominantly a result of activity being ahead of profile for the New Build and Acquisitions programme with 36 purchases to date. Of the 36 purchases in the current year, 1 is a former hotel which will be converted into a 18 unit homeless hostel. Another is a site comprising 8 one bed flats, which requires only limited refurbishment. These purchases will in total deliver 90 units, which will be used for transitional accommodation, reducing cost to the Council’s General Fund (GF).
15. Houghton Regis Central (HRC) is a site comprising the vacant former Co Op site, the Grade II listed Red House and Red House Court in Houghton Regis town centre. The project will involve re-development in two stages, with construction initially taking place on the Co Op site to allow the current Red House Court residents to move to new apartments. This would enable the existing building (Red House Court) to be demolished, to then provide homes and new facilities on the existing site. The scheme will comprise 168 independent living apartments on a mixed tenure basis together with 8 re-ablement suites and a number of commercial units.

16. The scheme received planning consent in November 2016. Galliford Try have been awarded preferred contractor status following Executive approval in September. The aim was to have the contract signed in November 2018, however the contract signing has been delayed due to clarifications on the tender submission and agreeing the final contract terms. The forecast cost and income has therefore been reduced to reflect the impact of the delayed start on site date. Start on site is still planned for February 2019. Once the contractor begins work on site the Council will be able to draw down Homes England funding of £2.34M. Expenditure for the year is forecast at £1M, therefore income will exceed expenditure by £1.34M, with this sum being transferred to the Independent Living Development Reserve (ILDR). Workstream planning workshops have taken place with colleagues involved in the Operations and the Commercial Workstreams.

17. The Brook, Houghton Regis is a greenfield site that was identified as a suitable location to deliver a TA scheme. There has been a delay in the project plan due to the re-design required to the scheme to obtain planning approval. The decision was taken (considering staff resource, design risk to the Council, planning implications and required re-design), that the most suitable way to progress the project was to procure a full multi-disciplinary design team to produce the re-design and take the scheme through all of the RIBA plan stages. This changed the procurement strategy to a traditional “fully designed” route as opposed to a “design and build” model. Obtaining approvals for this and the required procurement processes and timescales resulted in a delay to the project programme during this financial year, but the ultimate completion date for the project is broadly in line with the previously issued programme of works.

18. A new Project Board structure and project governance was set up to enable clear sign off and approval requirements. The multi-disciplinary design team has now been appointed and are attending regular design team meetings to progress the scheme, with the view to obtaining planning approval in the fourth quarter of 2018/19. The forecast for this year is predominately made up of design and consultancy fees; no construction costs are envisaged to be paid within this financial year. It is therefore anticipated that only £0.212M will be spent in 2018/19, with the rest of the budget (£1.335M) to be proposed as slippage.

19. The development at Potton Road in Wrestlingworth will be a Rural Exception Site, which would not obtain planning permission for housing without meeting an identified affordable housing need. The proposal is to deliver a mix of shared ownership and
affordable rented units. Procurement for a designer has been completed. It is forecast that £0.12M will be spent in 2018/19, with proposed slippage of £0.522M.

20. Croft Green is to be refurbished to provide 6 units (four 1 beds and two 2 beds instead of the seven originally planned). The tender has been awarded, with a contract for the works to start on site on January 2019. It is expected that the cost will be in line with the budget of £0.638M. Project practical completion is expected in August 2019, accounting for the proposed slippage of £0.488M from the 2018/19 capital programme. There is an additional unit spread over two floors that has been reconfigured to provide 2 guest suites, and a ground floor office for CBC staff.

21. The Stock Remodelling 2018/19 programme will fund redevelopment of The Red House, The Birches in Shefford, and Puddlehill (formerly known as the Vicarage) in Houghton Regis. Puddlehill will be extended to deliver an additional 8 self contained bedrooms to provide homes for 16 to 25 year olds who require supported TA and will include remodelling of the separate existing 5 bedroom house. Work on site commenced in December 2018. The contract was awarded in November 2018. The continuing works to The Red House are to ensure this important Grade II listed building is protected. It is predicted that £0.235M will be spent this financial year with proposed slippage of £0.3M. Part of the contract works have been slipped to allow for redesign following consultation with the Conservation Officer; overall value should remain the same.

22. There is a forecast adverse variance of £1.429M relating to New Build & Acquisitions, delivering a projected outturn of £13.242M. This offsets other identified underspends within various site development and remodelling project codes. The budget will be used to continue the approach of reducing GF expenditure by purchasing properties for use as TA. Up to the third quarter a total of £11.542M has been spent, adding 90 units of urgently required new stock (1, 2, 3 and 4 bed) to the HRA. There are small number of purchases going through legal process with LGSS Law and work is continuing to identify, appraise, survey and offer on suitable properties at pace for the proposed MTFP budget provision for 2019/20.

23. There are increasing homelessness pressures, which are impacting upon GF TA budgets. The approach being taken is to create “system resilience” for the future, establishing flexible provision across Central Bedfordshire, to be managed intensively as either TA or other supported housing. The Housing Service has created an Intensive Property Management Team (within the HRA) that will manage all the properties and rooms that are used for TA on a ‘hotel-style’ basis, in part to maximise income; but more importantly, to avoid cost at the level seen in neighbouring Local Authorities.

24. Over time, it is envisaged that this provision will increase to circa 250 units (homes, single rooms, shared accommodation). The use of this circa 250 units will function flexibly, as both TA and accommodation based supported housing, the main aim being to avoid cost to the system. Whilst management and maintenance costs are
significantly higher for this type of accommodation, the greater concentration of tenancies will also generate additional income for the HRA. More importantly, this approach directly facilitates the Housing GF efficiencies, to reduce TA Budget provision over a three year period.

25. As part of this approach Franklin House (the former care home previously known as Greenacre), was transferred from the GF into the HRA in March 2017, and is now fully occupied. In the short to medium term this can provide flexible bedsit accommodation for up to 42 households, addressing demands for TA or Supported accommodation. In the longer term the site could be regenerated to provide new housing supply and would certainly enhance the HRA's portfolio of assets.

26. As part of the MTFP process it was agreed that a further care home, The Birches in Shefford, will be transferred to the HRA at a value of £1.15M. The Birches will provide 17 units (comprising of a variety of flats, micro flats and mobility standard units all with shared lounge and kitchen). As this will be an internal transfer it will be funded by Reserves rather than the HRA Capital programme.

HRA EFFICIENCY PROGRAMME

27. The Housing Service has been using Housemark to provide a benchmarking service. The analysis provided has assisted in identifying the areas where HRA expenditure is high relative to other stock retained authorities. Benchmarking has indicated, for example, that we should review the Repairs Delivery model, the result of which has been the achievement of in year savings and further proposals for HRA efficiencies going forward.

28. The HRA revenue budget for 2018/19 was reduced by £1.681M, as part of the Council’s efficiency programme. This year’s HRA efficiency target comprised mainly of increased growth of rental and service charge income from acquired properties (£1.2M) and increased Supported Housing service charge income (£0.150M). The remaining £0.331M was made up of: savings related to Business Process Review and Management rationalisation, changes to the repairs delivery model and contract management and reduced communications costs resulting from the use of new media.

29. The overall efficiency target for 2018/19 is forecast to be achieved with the exception of the £1.2M income efficiency where there is a £0.699M forecast adverse variance due to delays in purchasing properties and the time required for refurbishment and conversion.
30. **Table 4** shows a breakdown of the HRA debt position at December.

### Debt Analysis - Tenant Arrears

<table>
<thead>
<tr>
<th>Description of debt</th>
<th>0-4 weeks</th>
<th>4-8 weeks</th>
<th>8-13 weeks</th>
<th>13-52 weeks</th>
<th>Over 1 yr</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£M</td>
<td>£M</td>
<td>£M</td>
<td>£M</td>
<td>£M</td>
<td>£M</td>
</tr>
<tr>
<td>Current Tenant</td>
<td>0.166</td>
<td>0.115</td>
<td>0.084</td>
<td>0.096</td>
<td>0.000</td>
<td>0.461</td>
</tr>
<tr>
<td>Former Tenant</td>
<td>0.006</td>
<td>0.001</td>
<td>0.007</td>
<td>0.026</td>
<td>0.642</td>
<td>0.682</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>£M</strong></td>
<td><strong>£M</strong></td>
<td><strong>£M</strong></td>
<td><strong>£M</strong></td>
<td><strong>£M</strong></td>
<td><strong>£M</strong></td>
</tr>
</tbody>
</table>

### Debt Analysis - Other Arrears

<table>
<thead>
<tr>
<th>Description of debt</th>
<th>From 1 to 30 days</th>
<th>From 31 to 60 days</th>
<th>From 61 to 90 days</th>
<th>From 91 to 365 days</th>
<th>Over 1 yr</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£M</td>
<td>£M</td>
<td>£M</td>
<td>£M</td>
<td>£M</td>
<td>£M</td>
</tr>
<tr>
<td>Misc recoveries</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.009</td>
<td>0.014</td>
<td>0.031</td>
</tr>
<tr>
<td>Shops</td>
<td>0.008</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.031</td>
<td>0.031</td>
</tr>
<tr>
<td>Void recoveries</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.012</td>
<td>0.045</td>
<td>0.065</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>£M</strong></td>
<td><strong>£M</strong></td>
<td><strong>£M</strong></td>
<td><strong>£M</strong></td>
<td><strong>£M</strong></td>
<td><strong>£M</strong></td>
</tr>
</tbody>
</table>

31. Total tenant debt amounted to £1.143M compared to £1.093M at the end of quarter 2 2018. Current Tenant Arrears (CTA) are £0.461M or 1.52% (£0.491M or 1.6% at the end of quarter 2) of the annual rent debit of £30.413M, against a target of 1.8%, whilst Former Tenant Arrears (FTA) are at 2.4% with a balance of £0.682M against a target of 1.75% (2% with a balance of £0.602M at the end of quarter 2). £0.019M tenant debt was written off in quarter 3 of 2018/19. Housing Benefit payments account for 51.19% of the rent and service charge income received.

32. There are currently £0.065M of non tenant arrears (£0.063M at the end of quarter 2), which comprise the following: rents at shops owned by the HRA, service charges and property damage relating to existing and former tenants.

### PROMPT PAYMENT INDICATOR

33. The performance target for payment to suppliers, where there is no dispute over the amount invoiced, is 90% of invoices paid within 30 days of invoice receipt date. The HRA performance for December was 84% of 369 invoices (94.86% of 292 invoices in at the end of quarter 2). Work is ongoing to create ‘end to end’ system integration between the SAP financial system and the QL Housing system, so as to improve performance overall. This project is progressing well and has significantly improved timescales for making payment.

### HRA CAPITAL RECEIPTS

34. New Right to Buy (RtB) discounts and proposals for re-investing the capital receipts came into effect from April 2012, which increased the maximum discount available to tenants from £0.034M to their current level of £0.081M.
35. Up until the end of December 2018, 36 RtB applications were received with 22 properties being sold, compared to 46 Applications and 27 sales over the same period in 2017/18. It is currently projected that the number of RtB sales will be approximately 25 to 30 for the year, resulting in a residual receipt for the year of circa £3.25M.

36. The Council has a balance as at quarter 3 of useable capital receipts of £10.807M of which £4.101M is reserved for investment in new social housing. The Council has entered into an agreement with the Secretary of State to invest these receipts in new social housing. The use of these receipts is restricted to schemes that do not receive Homes England (formerly the Homes and Communities Agency - HCA) funding.

37. The retained receipt from RtB sales can represent no more than 30% of the cost of the replacement properties. Since the agreement was signed in 2012, £15.524M has been spent on replacement properties up to 31 December 2018. The Council is committed to spend a further £13.671M on replacement properties by 31 December 2021.

38. The HRA’s Budget proposals for the period of the Medium Term Financial Plan (MTFP) propose significant investment in New Build & Acquisitions (in excess of £22M by 31 December 2021).

39. Current projections suggest RtB sales will not have a negative impact on the Business Plan, particularly if the number of new build properties exceeds the properties sold. However, if annual RtB sales were to make up a significant percentage of the Housing Stock, such that it diminished by 10% (equivalent to approximately 500 properties) or more over the period to 31 December 2021, then this would pose a threat to the surpluses predicted both in the medium and longer term.

40. If additional sales continue to represent a small percentage of the Council’s stock, so there is no material impact on the Business Plan, there is a significant benefit as retained receipts will provide the Council with additional funds for reinvestment.

41. As at 1 April 2018 the balance of HRA Usable Capital receipts was £8.145M. It is anticipated that £3.25M of RtB receipts will be retained in the current year, to deliver a subtotal of £11.395M. It is proposed to use £10M of usable receipts to part fund the Capital programme, so the balance carried forward is forecast to be £1.395M.

RESERVES

42. The total reserves available as at year end 2017/18 were £28.970M, comprising £2M in HRA Balances, £20.5M in the ILDR, £6.141M in the Strategic Reserve, £0.129M in the Life Cycle Reserve and £0.200M in the Major Repairs Reserve.
43. A new earmarked Reserve has been created at the end of 2017/18, for Life Cycle costs at Priory View. Leaseholders at Priory View make a monthly contribution to capital replacement works, but as the building was only completed in 2016 these costs are unlikely to materialise for a number of years so a Reserve is required. This is often referred to as a “Sinking Fund”, and enables leaseholder contributions to be set aside so they can be matched against the cost of works as they are required in future years.

44. As part of the MTFP, approval has been granted for the transfer of The Birches in Shefford into the HRA. The building was owned by Assets but has been transferred to the HRA at a cost of £1.15M. This cost will be financed from the Strategic Reserve, so the total contribution from that Reserve will be £7.756M. This is made up of a £6.606M contribution to the Capital programme and £1.15M to finance the transfer of The Birches from the GF.

45. In October 2018 the Government announced the scrapping of the HRA Debt Cap, allowing Council’s to borrow above their Self Financing Debt settlement figure for the purpose of building new affordable housing. As part of the 2019/20 MTFP process, and to demonstrate the Council’s commitment to increase the supply of affordable housing, it has been proposed that the Council continues its approach of purchasing properties on the open market, with £12M identified for this purpose in the HRA Capital programme for 2019/20. To facilitate this expenditure it is proposed that £5M of borrowing is taken out to part fund expenditure at HRC in 2019/20, reducing the required balance in the Independent Living Reserve (ILDR). The profile of spend at HRC has been adjusted over the MTFP to reflect the revised timescale agreed with the contractor, further reducing the balance required in the ILDR for 2019/20. It is proposed that a transfer of £11.912M occurs from the ILDR to the Strategic Reserve, so that the balance carried forward in that Reserve is sufficient to fund the £12M of purchases, along with the funding of other HRA Capital programmes.

46. The current position indicates a year end balance in Reserves of £29.045M. HRA Balances are to remain at a contingency level of £2M, with the ILDR reducing to £9.928M, the Strategic Reserve increasing to £16.718M, the LifeCycle Reserve increasing to £0.199M, and the Major Repairs Reserve (MRR) remaining at £0.2M. This equates to a forecast contribution to Reserves of £7.831M, offset by spend from Reserves of £7.756M to result in a net increase of £0.075M.

47. An Investment Strategy has been formulated, that sets out proposals for the use of the Reserves that are forecast to materialise in the short to medium term. This strategy is referred to in the HRA Budget Report that has been approved by Council in February 2018, and continues to be refined as part of the Council’s Medium Term Financial Plan.
<table>
<thead>
<tr>
<th>Stock Protection</th>
<th>Budget 2018/19</th>
<th>Full Year Forecast</th>
<th>Variance</th>
<th>Monthly Budget Monitoring December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>Professed YTD</td>
</tr>
<tr>
<td>Stock Protection Total</td>
<td>5,938</td>
<td>5,801</td>
<td>(137)</td>
<td>2,332</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future Investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock Remodelling</td>
<td>985</td>
<td>235</td>
<td>(750)</td>
<td>100</td>
</tr>
<tr>
<td>Houghton Regis Central</td>
<td>2,588</td>
<td>(1,340)</td>
<td>(3,928)</td>
<td>500</td>
</tr>
<tr>
<td>Site Development</td>
<td>422</td>
<td>0</td>
<td>(422)</td>
<td>0</td>
</tr>
<tr>
<td>Garage Site Development</td>
<td>260</td>
<td>0</td>
<td>(260)</td>
<td>0</td>
</tr>
<tr>
<td>Croft Green</td>
<td>638</td>
<td>150</td>
<td>(488)</td>
<td>0</td>
</tr>
<tr>
<td>New Build &amp; Acquisitions</td>
<td>11,813</td>
<td>13,242</td>
<td>1,429</td>
<td>8,856</td>
</tr>
<tr>
<td>Crescent Court</td>
<td>297</td>
<td>0</td>
<td>(297)</td>
<td>0</td>
</tr>
<tr>
<td>The Brook Houghton Regis</td>
<td>1,547</td>
<td>212</td>
<td>(1,335)</td>
<td>20</td>
</tr>
<tr>
<td>Potton Road Wrestlingworth</td>
<td>642</td>
<td>120</td>
<td>(522)</td>
<td>20</td>
</tr>
<tr>
<td>Future Investment Total</td>
<td>19,192</td>
<td>12,619</td>
<td>(6,573)</td>
<td>9,496</td>
</tr>
<tr>
<td>TOTAL HRA</td>
<td>25,130</td>
<td>18,420</td>
<td>(6,710)</td>
<td>11,828</td>
</tr>
<tr>
<td>Description</td>
<td>Opening Balance 2018/19</td>
<td>Spend against reserves</td>
<td>Transfer of reserves</td>
<td>Proposed transfer to Reserves</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>-------------------------</td>
<td>------------------------</td>
<td>----------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>HRA Balances</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Independent Living Development Reserve</td>
<td>2,000</td>
<td>-</td>
<td>(11,912)</td>
<td>1,340</td>
</tr>
<tr>
<td>Strategic Reserve</td>
<td>6,141</td>
<td>(7,756)</td>
<td>11,912</td>
<td>6,421</td>
</tr>
<tr>
<td>Life Cycle Reserve</td>
<td>129</td>
<td>-</td>
<td>-</td>
<td>70</td>
</tr>
<tr>
<td>Major Repairs (HRA)</td>
<td>200</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28,970</strong></td>
<td><strong>(7,756)</strong></td>
<td>-</td>
<td><strong>7,831</strong></td>
</tr>
</tbody>
</table>

Table 6 – Summary by Service Area

<table>
<thead>
<tr>
<th>Month: December 2018</th>
<th>Year to date</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>Assistant Director</td>
<td>13,025</td>
<td>12,531</td>
</tr>
<tr>
<td>Housing Operations</td>
<td>(17,009)</td>
<td>(17,334)</td>
</tr>
<tr>
<td>Repairs HRA</td>
<td>3,710</td>
<td>3,635</td>
</tr>
<tr>
<td>Housing Initiatives</td>
<td>991</td>
<td>425</td>
</tr>
<tr>
<td>Financial Inclusion</td>
<td>(787)</td>
<td>445</td>
</tr>
<tr>
<td>Housing Investment</td>
<td>71</td>
<td>477</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>0</strong></td>
<td><strong>179</strong></td>
</tr>
</tbody>
</table>
12. Establishing a Trading Entity for the Delivery of Social Care Services

To set out the drivers for the establishment of a trading entity, to update on progress and to seek the views of the committee on key issues.
Establishing a Trading Entity for the Delivery of Social Care Services

Report of: Cllr Carole Hegley, Executive Member for Adults, Social Care and Housing Operations (HRA) (carole.hegley@centralbedfordshire.gov.uk) and Cllr Richard Wenham, Deputy Leader and Executive Member for Corporate Resources (richard.wenham@centralbedfordshire.gov.uk)

Responsible Director(s): Julie Ogley, Director of Social Care, Health & Housing, (julie.ogley@centralbedfordshire.gov.uk)

Purpose of this report

To advise the committee on the drivers for and approach to setting up a trading entity for the delivery of social care services, to report on the progress so far and the next steps.

RECOMMENDATIONS

The Committee is asked to:

1. Provide its views on the proposal to form a trading entity for the delivery of social care services.

2. Advise if it wishes to consider the report which will be prepared for a future meeting of the Executive, as set out in paragraph 34 of this report, prior to it being considered by the Executive.

Context
1. Central Bedfordshire Council is one of 152 unitary authorities, metropolitan boroughs and upper tier authorities which are defined as Councils with Adult Social Services Responsibilities (CASSRs). This confers on the Council powers and duties in relation to the provision of social care services. Most of these are enshrined in The Care Act 2014.

2. Social care provision is a ‘mixed economy’ consisting of both public sector provision (usually delivered by CASSR’s) and independent provision. Independent providers fall into two types: ‘for-profit’ and ‘not-for-profit’ organisations.

3. CASSR’s (often alongside the NHS) commission and contract for a range of services from independent providers. These services include:
   a. Residential and nursing care home places for older people and vulnerable adults (including short-term placements)
   b. Supported living for vulnerable adults
   c. Day services for older people and vulnerable adults
   d. Domiciliary care (home care) for older people and vulnerable adults including both short term reablement and long-term care

4. In addition to contracting directly with providers for social care services, CASSR’s are expected to facilitate choice and control for the users of care services by providing them with Direct Payments to enable them to purchase their own services directly.

5. CASSR’s also have duties in relation to the market. The duties include:
   a. to shape the market to try to ensure that there is enough provision to meet current and future needs,
   b. to act to try to avoid market failure
   c. to intervene if market failure occurs

6. In some areas of activity CASSR’s and the NHS are effectively the sole commissioner of services (for example in residential care for adults with learning disabilities) but in others a significant proportion of services are purchased directly by the people who use those services (known as the self-funder market). This is the case in relation to care homes for older people where it is estimated that around 40% (I thought it was higher?) of places locally are taken up by self-funders. This group also directly purchases a proportion of domiciliary care services.

7. Whilst in the past some CASSR’s have focussed their activities on people requiring public support, the Care Act makes it clear that their responsibilities in relation to the market as set out in paragraph 5 above encompasses all provision including that purchased by self-funders.

8. Although the Council undertakes quality monitoring of independent provision through its commissioning and market-shaping work, in many situations it shares responsibility for quality with the Care Quality Commission (CQC) which has the duty to regulate much of the sector.
9. Like many authorities, the Council also delivers a proportion of services ‘in house’ through directly employed staff. These services include:
   a. Residential care for older people
   b. Supported living for adults with learning disabilities
   c. Residential care for adults with learning disabilities
   d. Day care for older people
   e. Day care for adults with learning disabilities
   f. Residential reablement (Step Up/Step Down) for older people (don’t think we do)
   g. Community reablement for older people
   h. An Urgent Falls and Home Care Response service

10. Thus, the Council has three roles in relation to social care: it is a commissioner, it has market oversight responsibilities and it is also a provider. It is in this context that this report is presented.

Key Drivers and Issues
11. The Council has set itself an ambitious agenda in relation to the transformation of social care, focussing primarily on services that are currently delivered in house. It currently has programmes being delivered to:
   a. Replace outdated care home capacity
   b. Develop extra care independent living for older people
   c. Transform day services for vulnerable adults and older people

12. It is also likely that there will be a future programme to replace some accommodation-based care and support services for vulnerable adults.

13. The Council’s approach to date has focussed on working with independent sector providers to develop new and replacement services. Whilst this has yielded positive outcomes and is likely to continue to feature in the Council’s approach to future transformation, in isolation it is not delivering transformation at the scale and pace that the Council requires. One reason for this is caution on the part of both providers and their lenders to invest in all but the lowest risk schemes and/or those with the highest forecast returns.

14. It has also become clear through both formal and informal engagement with the care home market for older people that care home providers are tending to focus on people who can afford to fund their own care (and the higher fees that they can obtain from this group compared with those people placed by councils). This is especially the case for those operating newer homes which generally have a better standard of accommodation and more facilities.

15. In both the residential and home care sectors the Council has needed to intervene to manage the failure of individual providers. Most recently this involved the collapse of Allied Healthcare, a national provider of domiciliary care. Although Allied Healthcare was the second largest supplier of home care to the Council, through working intensively with the rest of the market the
Council was able to distribute work to alternative providers. However this may not always be the case.

16. The provision of social care services in house also presents a number of challenges when seen in the context of delivering transformational change. These challenges include relatively inflexible terms and conditions of employment and high operating overheads which are typical of local authorities. Whilst these could be addressed to some extent there are two other structural challenges which it is not possible to overcome in council-run services.

17. The most significant of these is the charging of ‘self-funders’ in care homes higher fees than those people who need public subsidy. Whilst independent sector providers can do this, legislation prevents a direct council service from charging differential rates. This fundamentally affects the business case for developing and operating new care homes within the Council.

18. A second barrier for in-house provision is that people cannot use Direct Payments to pay for in-house services. Whilst this is not an insurmountable issue it can be argued that it has affected the ability of in-house services to develop a flexible offer that may appeal to people in receipt of Direct Payments.

19. In order to attempt to respond to these drivers and issues the Council is actively investigating the option of creating a trading organisation to deliver some care services. In the remainder of this report the general term ‘local authority trading company’ (LATC) is used to describe such an organisation.

20. The Council would be by no means be the first to consider this. There are examples of Councils setting up separate entities (with varying degrees of success) over the last thirty years.

21. The issues and opportunities above can be summarised into the following four key drivers:
   • An overarching need for the Council to maintain access to good quality social care provision at a reasonable cost
   • The recent failure of the market to deliver new care homes where they are most needed
   • The business case for the fully ‘in house’ operation of care homes and some other provision not working because of legislative restrictions
   • Current accommodation-based care and support for vulnerable adults is expensive and not delivering transformational change

Exploring the options
22. During 2018 Council officers worked with an independent consultancy to explore in detail the drivers for creating an LATC, to establish whether or not such an entity would be an appropriate response to the challenges and to determine what type of entity would be most appropriate.

23. Thirty evaluation criteria were agreed with the consultants and these were grouped into three areas:
a. Strategic Fit
b. Complexity
c. Financial Viability

24. The LATC entity type options were also identified. These are set out in the table below with a short description.

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redesigned In-House Service</td>
<td>In house services reconfigured to be more commercially focussed and financially efficient</td>
</tr>
<tr>
<td>Strategic Partnership</td>
<td>Services would be managed and delivered by another partner public sector organisation (such as NHS Trust)</td>
</tr>
<tr>
<td>Joint Venture</td>
<td>Council and an independent organisation would create a new joint delivery vehicle to deliver services</td>
</tr>
<tr>
<td>Wholly-Owned Company</td>
<td>A 'Teckal' company wholly owned by the Council to deliver services</td>
</tr>
<tr>
<td>Independent Organisation</td>
<td>A 'not-for-profit' independent organisation created by the Council to deliver services</td>
</tr>
<tr>
<td>Outsource</td>
<td>The Council would outsource all or part of its operations to an existing independent organisation</td>
</tr>
</tbody>
</table>

25. Each of the options was scored against the criteria and the results are set out in the table below:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Option</th>
<th>Overall Score</th>
<th>% of total possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wholly Owned Company</td>
<td>4975</td>
<td>67%</td>
</tr>
<tr>
<td>2</td>
<td>Independent Organisation</td>
<td>4280</td>
<td>58%</td>
</tr>
<tr>
<td>3</td>
<td>In-House</td>
<td>4010</td>
<td>54%</td>
</tr>
<tr>
<td>4</td>
<td>Strategic Partnership</td>
<td>3675</td>
<td>50%</td>
</tr>
<tr>
<td>5</td>
<td>JV</td>
<td>3610</td>
<td>49%</td>
</tr>
<tr>
<td>6</td>
<td>Outsource</td>
<td>2510</td>
<td>34%</td>
</tr>
</tbody>
</table>

26. The wholly-owned company (WOC) is therefore the preferred option. Under this arrangement the Council would be the sole shareholder in a limited company established by the Council for the purpose of delivering care services. As such it would remain in the control of the Council and, whilst it would need to comply with legislation which applies to all limited companies, it would benefit from freedoms which an in-house service would not.

27. A constraint on the proposed company’s operation would apply if it wished to benefit from the ‘Teckal exemption’. A Teckal exemption means that (provided
28. Whilst it would be possible for the Council to set up the LATC and transfer existing in house services into the company, this is not envisaged during the initial years of operation, as the drivers for the company are focussed in the areas of the new services coming on stream as described above. These are:

   a. Operation of the new older persons home at Hockliffe Rd, Leighton Buzzard
   b. Operation of the new older persons home at Steppingley Rd, Flitwick
   c. Operation of the new learning disability respite unit at Steppingley Rd, Flitwick
   d. Delivery of personal care in the independent living schemes at All Saints View, Houghton Regis and Steppingley Rd, Flitwick

29. Future operations for the LATC could include further new care homes for older people, care in independent living schemes, domiciliary care and accommodation-based care and support for vulnerable adults.

30. Following the initial consultancy work a second phase of activity is now underway based on the outcomes of the initial work. This is focussing on developing a business case using HM Treasury 5 Case Model for the establishment of the LATC along with a plan for mobilisation should the business case support this.

31. The business case will explore the following five areas:

   a. Strategic Case
   b. Economic Case
   c. Commercial Case
   d. Financial Case
   e. Management Case

   These are described in more detail in Appendix 1.

32. The details of how the Teckal exemption would apply, the constraints that this would put on the operation of the company and the impact on the business case will also be considered in the preparation of the business case.

33. The process will also result in the checking of the Council’s working assumptions as set out in this report and, should they change, will revisit the initial analysis which showed the WOC to be the best option.

34. It is envisaged that the result of this work will form the basis of a report to the Executive in late summer or early autumn 2019. This report would recommend the establishment of the company (or otherwise), propose the terms under which the company would operate and a timetable for it becoming fully operational. This timescale would be based on the company being fully
operational when the first of the schemes set out in paragraph 28 come on stream.

**Council Priorities**

35. Although the primary focus of this work relates to protecting the vulnerable and improving wellbeing, it would also contribute to delivering great resident services and becoming a more efficient and responsive Council.

**Corporate Implications**

36. The corporate implications of the establishment of the company will be explored in detail in the forthcoming Executive report described in paragraph 33. At this stage no significant additional implications have been identified as no transfer of staff from Council employment to the company is envisaged.

**Legal Implications**

37. The legal implications of the establishment of the company will be explored in detail in the forthcoming Executive report described in paragraph 33. At this stage it is envisaged that the details of the following aspects will require a legal opinion:

   a. The legal and constitutional basis for the company
   b. The company’s relationship with the Council and governance arrangements
   c. How key aspects of public sector legislation (such as procurement law) will apply to the company

**Financial and Risk Implications**

38. The financial implications of the establishment of the company will be explored in detail in the forthcoming Executive report described in paragraph 33 and will be articulated in the business case which will underly that report. At this stage it is envisaged that the details of the following aspects will feature in the report:

   a. The proposed source of financing for the company, its working capital, cashflow projections and profit and loss forecast
   b. The details of the proposed governance structure.
   c. Ensuring the company is set up and operates in a way that is efficient in relation to taxation, especially VAT and Corporation Tax.

39. Similarly, the risk implications will be explored in detail in the forthcoming Executive report. One of the drivers for the establishment of the company is to enable to Council to manage strategic risk in relation to access to and stability of the care market so a reduction in risk is likely in this area. However, there is likely to be a consequent increase in financial risk to the Council. In addition, it will be necessary to analyse how different governance structures will impact on the risks to the authority.

**Equalities Implications**

40. The equalities implications of the establishment of the company will be explored in detail in the forthcoming Executive report described in paragraph
34. This process is likely to involve the development of an Equalities Impact Assessment (EIA), the outcome of which will form part of the future report.

41. It seems likely that the establishment of the company will result in a positive impact on equalities as it would help to ensure that vulnerable people have continued or improved access to the care and support that they need.

Appendices
Appendix 1: Building the LATC Business Case using HM Treasury 5 Case Model

Background Papers
None

Report author(s): Tim Hoyle
Assistant Director Strategic Commissioning
tim.hoyle@centralbedfordshire.gov.uk
Appendix 1

Building the LATC Business Case using HM Treasury 5 Case Model

This structures the evidence and findings which inform the recommended future service model into the business case into the following component parts:

1. **Strategic Case**

   The Strategic Case demonstrates the real need for change. This section of the business case shows the current context in which services are operating and crucially how this is expected to change over the coming years. This includes understanding the local demographic as well as national policy drivers for change. This case shows how it has directly informed the future service specification for services. The future service specification is then the key tool for the Economic Case in identifying the viable and optimum delivery model/s for services going forward.

2. **Economic Case**

   This section of the report follows directly on from the production of the service specification within the Strategic Case and takes the reader through the strategic options assessment process which informs the recommendation. This section systematically takes the reader through the process of potential options for future service delivery, through a strategic evaluation process to a single viable option for future service delivery. This single option forms the basis of the remaining cases.

3. **Commercial Case**

   The Commercial Case documents the assumptions around the future ownership and legal model for an LATC as well as the procurement route applicable to the establishment of the LATC for delivery of services to the council and key governance considerations. Ultimately this case presents the technical considerations around how the LATC will be structured and what relationship the LATC will have with the Council going forward (e.g. contractual, financial/treasury, commissioning, performance relationship). Based on an associated risk profile and engagement with key stakeholders, the most viable options for ownership models and legal structures are outlined in this case and form a working assumption for the financial case.

4. **Financial Case**

   The Financial Case details the financial modelling undertaken for the establishment of the ASDM. This includes how an LATC would be sustainable, but fundamentally for the purposes of the Business Case, what an LATC would mean financially for the Council. This case outlines the current budget situation, the financial assumptions regarding future costs of services and how the LATC will impact upon the Council financial situation. This case also covers assumption based modelling undertaken on future growth of services, different scenarios which could play out and the efficiencies which will be driven by the establishment of an LATC as well as highlighting any potential investment.

5. **Management Case**

   The Management Case articulates how the LATC will work within the Council, what the relationship will be, and the formalities involved. The case also describes how
the LATC will be structured to deliver against the Council’s priorities now and going forward along with how the implementation/transition will be managed to ‘go live’ of the LATC (including impact on staff, customers, policies/procedures etc).
13. CR OSC 2019/20 Work Programme and Executive Forward Plan

The report provides Members with details of the currently drafted Committee work programme and the latest Executive Forward Plan.
Work Programme and Executive Forward Plan

Advising Officer: Paula Everitt, Scrutiny Policy Adviser
Paula.Everitt@centralbedfordshire.gov.uk

Purpose of this report

The report provides Members with details of the currently drafted Committee work programme and the latest Executive Forward Plan.

RECOMMENDATIONS

The Committee is asked to:

1. Consider and approve the work programme attached, subject to any further amendments it may wish to make; and
2. Consider the Executive Forward Plan; and
3. Consider whether it wishes to suggest any further items for the work programme and/or establish any enquiries to assist it in reviewing specific items.

Overview and Scrutiny Work Programme

1. During 2016/17 Members have been invited to share their experiences of the overview and scrutiny process and make suggestions to the Overview and Scrutiny Coordination Panel (OSCP) on future ways of working. This feedback was subsequently considered by the OSCP who resolved to encourage the OSCs to apply the following principles for ways of working:
   a. activity be led by the OSCs and residents as well as the Executive Forward Plan;
   b. more policy development activity be undertaken through the exploration of proposals and principles at the earliest opportunity of commencement of strategy development;
   c. shorter more focused agendas through prioritisation of items that add value and enable outcomes; and
   d. create more time for Members outside of formal meetings in addition to providing more opportunity to brief Members informally on some topics.

2. In addition, the OSCP agreed that given the current experience with regard quarterly performance and budget reports a trial should be
undertaken whereby these reports will only be received by the Corporate Resources OSC from April onwards. This trial will enable Members to determine whether this approach provides greater focus on these aspects of scrutiny. All Members will be able to request an item to be added to the agenda of any the OSCs on aspects of budget or performance. The Corporate Resources OSC will also be able to refer matters to the relevant OSC for a ‘deep-dive’ of any topic if there is a particular concern.

3. The Committee is requested to consider the work programme and the indicated outcomes at appendix 1 and to amend or add to it as necessary.

4. In considering which items should be added to the work programme Members are encouraged to minimise duplication, focus on those items that have been requested by residents and the committee and to focus on those items where Members can add value.

5. The work programme aims to provide a balance of those items on which the Executive would be grateful for a steer in addition to those items that the Overview and Scrutiny Committee (OSC) wishes to proactively scrutinise.

**Overview and Scrutiny Task Forces**

6. In addition to consideration of the work programme, Members may also wish to consider how each item will be reviewed, i.e. by the Committee itself (over one or a number of Committee meetings) or by establishing a Member Task Force to review an item in greater depth and report back its findings.

**Executive Forward Plan**

7. Listed below are those items relating specifically to this Committee’s terms of reference contained in the latest version of the Executive Forward Plan. The full Executive Forward Plan can be viewed on the Council’s website at the link at the end of this report.

<table>
<thead>
<tr>
<th>Item</th>
<th>Indicative Exec Meeting date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishing a Council Owned Housing Company - Site Selection</td>
<td>11 June 2019</td>
</tr>
<tr>
<td>Extension of Contractual Arrangements for the Supply of Agency Staff</td>
<td>11 June 2019</td>
</tr>
<tr>
<td>Central Bedfordshire Council New Crematorium at Steppingley</td>
<td>11 June 2019</td>
</tr>
<tr>
<td>Variation to Capital Programme</td>
<td>11 June 2019</td>
</tr>
<tr>
<td>Disposal of Land</td>
<td>11 June 2019</td>
</tr>
<tr>
<td>Local Council Tax Support Scheme (2020/21)</td>
<td>07 January 2020</td>
</tr>
</tbody>
</table>

**Non Key Decisions**

<table>
<thead>
<tr>
<th>Item</th>
<th>Indicative Exec Meeting date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter 4 Performance Report 2018/19</td>
<td>11 June 2019</td>
</tr>
<tr>
<td>Revenue, Capital and HRA Budget Monitoring Provisional Outturn 2018/19</td>
<td>11 June 2019</td>
</tr>
</tbody>
</table>
Corporate Implications

8. The work programme of the Overview and Scrutiny Committee will contribute indirectly to all 5 Council priorities. Whilst there are no direct implications arising from this report the implications of proposals will be details in full in each report submitted to the Committee.

Conclusion and next Steps

9. Members are requested to consider and agree the attached work programme, subject to any further amendment/additions they may wish to make and highlight those items within it where they may wish to establish a Task Force to assist the Committee in its work. This will allow officers to plan accordingly but will not preclude further items being added during the course of the year if Members so wish and capacity exists.

Appendices - Appendix A: OSC work programme

Background Papers

Executive Forward Plan (can be viewed at any time on the Council’s website) at the following link:-
http://centralbeds.moderngov.co.uk/mgListPlans.aspx?RPId=577&RD=0
<table>
<thead>
<tr>
<th>Meeting date</th>
<th>Report Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thursday 26 July 2019</td>
<td>Farm Strategy Update and Action Plan</td>
<td>To receive an update on the implementation of the Farm Strategy</td>
</tr>
<tr>
<td>Thursday 26 July 2019</td>
<td>2018/19 Provisional Outturn Budget Monitoring - Revenue, Capital and HRA</td>
<td>To update on the provisional revenue, capital and HRA outturn for 2018/19</td>
</tr>
<tr>
<td>Thursday 26 July 2019</td>
<td>Residents’ Survey - Listening to our Customers</td>
<td>To consider and comment on the 6 month update report detailing the Council’s response to the residents’ survey. Members also requested to recommend individual aspects of the survey be submitted to the appropriate Overview and Scrutiny Committee.</td>
</tr>
<tr>
<td>Thursday, 19 September 2019</td>
<td>2020/21 MTFP Budget Framework Report</td>
<td>To advise on the budget process for 2020/21</td>
</tr>
<tr>
<td>Thursday, 19 September 2019</td>
<td>2019/20 Q1 Revenue Budget, Capital and HRA Monitoring</td>
<td>To update the Committee on the Q1 revenue, capital and HRA performance</td>
</tr>
<tr>
<td>Thursday, 19 September 2019</td>
<td>2020/21 Fees &amp; Charges (exc SCHH and Schools Trading)</td>
<td>To approve the Councils Fees &amp; Charges for 2020/21 (exc SCHH and Schools Trading)</td>
</tr>
<tr>
<td>Thursday 19 September 2019</td>
<td>Executive Update on Phase I of the Voluntary and Community Sector Funding Review</td>
<td>To consider and comment on the Executive 6 month update and work to implement the Task Force recommendations to review the Council’s relationship with the Voluntary and Community sector.</td>
</tr>
<tr>
<td>Thursday, 28 November 2019</td>
<td>Local Council Tax Support Scheme 2019/20</td>
<td>? Check with Gary Muskett down for Executive in January 2020</td>
</tr>
<tr>
<td>Thursday, 30 January 2020</td>
<td>2019/20 Q2 Revenue, Capital and HRA Budget Monitoring Update</td>
<td>To update the Committee on the Q2 2019/20 revenue, capital and HRA performance</td>
</tr>
<tr>
<td>Date</td>
<td>Topic</td>
<td>Description</td>
</tr>
<tr>
<td>--------------------</td>
<td>-------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Thursday, 30 January 2020</td>
<td>2020/21 Investment Strategy</td>
<td>To recommend to Council the approval of the <strong>Investment Strategy</strong> for 2020/21.</td>
</tr>
<tr>
<td>Thursday, 30 January 2020</td>
<td>2020/21 Capital Strategy</td>
<td>The content of the strategy is imposed on Councils and the document will be audited by Ernst &amp; Young. OSC members do have the ability to consider/influence the capital schemes &amp; level of borrowing.</td>
</tr>
<tr>
<td>Thursday, 30 January 2020</td>
<td>2020/21 Treasury Management Strategy and Treasury Policy</td>
<td>Members are asked to consider the proposals outlined in the Treasury Report and provide their comments, observations and recommendations for the Executive Members to consider at their next meeting.</td>
</tr>
<tr>
<td>Thursday, 30 January 2020</td>
<td>Schools Trading 2020/21</td>
<td>To receive information and provide comments on the proposals to schools trading.</td>
</tr>
<tr>
<td>Thursday, 30 January 2020</td>
<td>2020/21 Social Care Health and Housing Fees and Charges</td>
<td>To review the fees and charges for the Social Care, Health and Housing directorate.</td>
</tr>
</tbody>
</table>
14. Variation to the Capital Programme (report to follow)

To seek comment from the Committee on the Executive report 'Variation to Capital Programme'.
Central Bedfordshire Council

Variation to Capital Programme

Report of: Cllr Eugene Ghent, Executive Member for Assets and Housing Delivery,
(eugene.ghent@centralbedfordshire.gov.uk)

Responsible Director(s): Marcel Coiffait, Director of Community Services,
(marcel.coiffait@centralbedfordshire.gov.uk)

This report relates to a decision that is Key

Purpose of this report

To seek comment from the Committee on the Executive report “Variation to Capital Programme”

RECOMMENDATIONS

The Committee is asked to:

1. Recommend to Executive that it agree that the Council should deliver the relief road and other advance infrastructure necessary to progress the development or sale of Chase Farm Arlesey.

2. Recommend to Executive that it recommend to Full Council that the Capital Programme 19/20 is varied to include up to £15 million for the provision of the advance infrastructure at Chase Farm Arlesey

Background

2. The Council’s Executive are receiving a report “Variation to Capital Programme” on the 11th June 2019. This report is attached at Appendix A.
Reason/s for decision
3. As per paper at Appendix A.

Council Priorities
4. As per paper at Appendix A.

Corporate Implications

Legal Implications
5. As per paper at Appendix A.

Financial and Risk Implications
6. As per paper at Appendix A.

Equalities Implications
7. As per paper at Appendix A.

Conclusion and next Steps
8. Corporate Resources Overview and Scrutiny Committee are asked to consider the report and make comment. These comments will be reported back verbally at Executive.

Appendices
Appendix A: Report to Executive on 11th June 2019 - “Variation to Capital Programme”

Report author(s): Marcel Coiffait
Director of Community Services
Marcel.coiffait@centralbedfordshire.gov.uk
Variation to Capital Programme

Report of: Cllr Richard Wenham, Deputy Leader and Executive Member for Corporate Resources, Richard.wenham@centralbedfordshire.gov.uk

Cllr Eugene Ghent, Executive Member for Assets and Housing Delivery, eugene.ghent@centralbedfordshire.gov.uk

Responsible Director(s): Charles Warboys, Director of Corporate Resources (Charles.warboys@centralbedfordshire.gov.uk)

Marcel Coiffait, Director of Community Services, (marcel.coiffait@centralbedfordshire.gov.uk)

This report relates to a decision that is Key

RECOMMENDATIONS

The Executive is asked to:

1. Agree that the Council should deliver the relief road and other advance infrastructure necessary to progress the development or sale of Chase Farm, Arlesey.

2. Recommend to Full Council that the Capital Programme 19/20 is varied to include up to £15 million for the provision of the advance infrastructure at Chase Farm, Arlesey

Overview and Scrutiny Comments/Recommendations

1. This report was considered by Corporate Resources Overview and Scrutiny Committee on 30 May 2019 and their comments will be provided to the Executive verbally.
### Background

2. The Council owns land at Chase Farm Arlesey and has the benefit of planning permission for the following:
   - a. construction of section of relief road between A507 and High Street, formation of a new roundabout junction on the A507 and mini roundabout on the High Street (CB/15/02916/REG3)
   - b. 950 dwellings, 80 bedroomed extra care unit, 2 form entry lower school, employment space, retail space, a hotel, healthcare and community uses (CB/17/01158/OUT)
   - c. construction of roundabouts, crossings and laybys on the relief road (CB/17/00492/FULL)

3. The Council has made a commitment to the local community that it will provide the advance infrastructure ahead of significant numbers of dwellings being built.

4. The Chase Farm site is subject to a promotion agreement with Telereal Trillium (TT) and work is being undertaken by TT to discharge the various planning conditions to allow the site to be developed. TT have, however, in line with the terms of the promotion agreement, indicated a preference not to undertake the provision of the advance infrastructure.

5. The advance infrastructure works consist of the provision of a link road and a bridge, together with the primary utilities needed to serve the site.

6. It has, therefore, been identified that it is desirable for the Council to provide the advance infrastructure to de-risk the site, as it considered unlikely that any one potential purchaser (in the market or the Council’s housing company) would be willing to undertake the provision of this level of infrastructure, as the investment required to provide the advance infrastructure would be onerous.

7. The Council’s ability to borrow from the Public Works Loan Board at competitive rates of interest offers a saving against the likely cost of capital available to any developer who undertook the provision of the infrastructure - this offers a direct benefit to the Council as the impact on the site value is reduced.

8. The Council, therefore, has an opportunity to increase the value of the site, if it is marketed for sale, by providing the infrastructure. If the Council decides to develop the site or part of the site itself or through its housing company or HRA the provision of the advance infrastructure will enable this development to progress, as without infrastructure the site is not accessible and will not be delivered.

9. The borrowing will be repaid by the capital receipt from Phase 1 (anticipated in 2019/20). At the same time opportunities for external funding are being explored.

10. The costs of the provision of the advance infrastructure would be phased according to the delivery programme for the infrastructure and it is unlikely that the borrowing will be required in one lump sum and will be drawn down as required to fulfil any contractual requirements.

11. The short-term nature of the borrowing and anticipated interest rates, means that the cost of the Council delivering infrastructure will be less than if it was delivered by a
developer. It is expected to save the Council £650,000 per annum in interest payments.

12. It had been assumed that interest costs would be netted off the capital receipt to the Council by the developer, consequently the cost of interest has not been accounted for within 2019/2020 budget and will therefore be a financial pressure until the borrowing is repaid.

13. The Council’s budget, including the capital programme was approved on 21 February 2019, however, no sum had been included for the provision of the infrastructure as it had not been identified at that time that the Council would seek to deliver the infrastructure itself.

**Options for consideration**

14. The Council to undertake the provision of the advance infrastructure

**Main Advantages**

- The Council would retain control of the phasing of the infrastructure which gives flexibility for the delivery of the development
- The Council’s ability to access borrowing at a low rate offers a financial saving against the likely borrowing available to a developer
- The Council has framework arrangements which can be accessed to allow the infrastructure to be procured.

**Main Disadvantages**

- There will be a resource impact within the Council, however, there are framework arrangements available to mitigate this impact.
- The Council will be required to increase its borrowing over a limited period.

15. Offer the Site for Sale without the provision of the advance infrastructure

**Main Advantages**

- The purchaser of the site (or part thereof) would undertake the infrastructure at their own risk using their own finance.
- There would be no impact on the Council’s staffing resource.
Main Disadvantages

- The ability for the Council to borrow at low interest rate represents a significant saving against the likely interest rate at which a developer could borrow.
- The Council will have no control over the phasing and timing of the provision of the infrastructure and this could impact the ability of the Council to develop any part of the site itself.
- The commitment to local residents that key infrastructure will be provided in advance of significant housebuilding is unlikely to be met.

Reason/s for decision

16. TT have indicated, as permitted by the terms of the promotion agreement, that they do not wish to undertake the provision of the advance infrastructure. The Council has made a commitment to the local community that it will provide the advance infrastructure ahead of significant numbers of dwellings being built. The Council will be able to achieve its commitment to the local community if it undertakes the provision of the infrastructure itself.

17. The provision of the advance infrastructure will de-risk the site to make it attractive to potential purchasers, the level of infrastructure investment needed may deter purchasers, particularly if the site is sold in phases and this or the level of investment required may impact the land values.

18. The Council may decide to develop part(s) of the site itself either, through its housing company of the HRA and the ability to control the phasing and timing of the delivery of the advance infrastructure will offer an opportunity to optimise these opportunities

Council Priorities

19. Making the best use of the Council’s land assets to deliver housing and commercial floorspace supports at least one of the Council’s priorities, listed below:

Access to housing is fundamental to:

- Protecting the vulnerable; improving wellbeing – providing access to the right housing in the right place has a fundamental impact on the wellbeing of residents.
- A more efficient and responsive Council – developing appropriate housing and commercial floorspace helps reduce demand on other Council services and reduces asset value leakage to the private sector.
Corporate Implications

Legal Implications

20. The report seeks a recommendation for the Council to undertake the provision of the infrastructure itself, utilising borrowing and the Council’s Section 151 Officer will be required to approve the borrowing.

21. The procurement of the infrastructure will be subject to the Council’s procurement procedures and public procurement legislation.

22. Full Council is required to approve this proposed variation to the Capital Programme.

Financial and Risk Implications

23. The report sets out the likely interest rate and interest payments for the period for which the borrowing will be outstanding and demonstrates the saving which could be achieved against the option of a developer undertaking the infrastructure works.

24. There will be no negative impact on the overall financial position for the Council as the construction costs of the relief road and other infrastructure will be recovered from the capital receipts for the sale of the site.

Equalities Implications

25. Central Bedfordshire council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

26. The proposal includes planning permission for 950 dwellings, 80 bederoomed extra care unit, 2 form entry lower school, employment space, retail space, a hotel, healthcare and community uses. Supporting the delivery of the relief road and other advance infrastructure is therefore likely to have a positive equality impact for local communities.

Conclusion and Next Steps

The report sets out the rationale for the Council to undertake the provision of the advance infrastructure itself and for Executive to recommend to Full Council the variation of the Capital Programme to facilitate borrowing of up-to £15 million for the provision of infrastructure at Chase Farm Arlesey.

27. A report will be prepared for consideration at Full Council at its meeting of 18 July 2019 to consider the variation to the 2019/20 Capital Programme

28. If Full Council approves the variation to the Capital Programme the Council will deliver the advance infrastructure itself through its existing contractual framework arrangements.
Background Papers

None

Report author(s): Marcel Coiffait
Director of Community Services
Marcel.coiffait@centralbedfordshire.gov.uk
15. Establishing a Council Owned Housing Company - Identification of Priority Sites for the Delivery of Housing by the Council (report to follow)

At the Executive meeting 05.02.19 approval was given to establish a Council owned development company, one of the initial actions being to bring forward a list of potential sites for transfer into the housing company. The purpose of the report is to seek comment on the Executive report.

Note: Exempt Appendix to follow.
Central Bedfordshire Council

Corporate Resources Overview and Scrutiny Committee
30 May 2019

Identification of Sites for the Delivery of Housing by the Council

Report of: Cllr Eugene Ghent, Executive Member for Assets and Housing Delivery, (eugene.ghent@centralbedfordshire.gov.uk)

Responsible Director(s): Marcel Coiffait, Director of Community Services, (marcel.coiffait@centralbedfordshire.gov.uk)

This report relates to a decision that is Key

Purpose of this report

To seek comment from the Committee on the Executive report “Identification of Sites for the Delivery of Housing by the Council”

RECOMMENDATIONS

The Committee is asked to:

1. Agree that the sites referred to in Table 1 of this report should be identified as Phase 1 sites to be utilised to meet the Council’s housing delivery ambitions.

2. Delegate authority to Director of Community Services and the Director of Resources, in consultation with the Executive Member for Assets and Housing Delivery and the Deputy Leader and Executive Member for Corporate Resources to identify the sites set out in Table 2 as Phase 2 sites at the appropriate time.

Background

2. The Council’s Executive are receiving a report “Identification of Sites for the Delivery of Housing by the Council” on the 11th June 2019. This report is attached at Appendix A.
Reason/s for decision
3. As per paper at Appendix A.

Council Priorities
4. As per paper at Appendix A.

Corporate Implications

Legal Implications
5. As per paper at Appendix A.

Financial and Risk Implications
6. As per paper at Appendix A.

Equalities Implications
7. As per paper at Appendix A.

Conclusion and next Steps
8. Corporate Resources Overview and Scrutiny Committee are asked to consider the report and make comment. These comments will be reported back verbally at Executive.

Appendices
Appendix A: Report to Executive on 11th June 2019 - “Identification of Sites for the Delivery of Housing by the Council”

Report author(s): Marcel Coiffait
Director of Community Services
Marcel.coiffait@centralbedfordshire.gov.uk
Central Bedfordshire Council

Executive

Identification of Sites for the Delivery of Housing by the Council

Report of: Cllr Eugene Ghent, Executive Member for Assets and Housing Delivery, eugene.ghent@centralbedfordshire.gov.uk

Responsible Director(s): Marcel Coiffait, Director of Community Services, Marcel.Coiffait@centralbedfordshire.gov.uk

This report relates to a decision that is Key

Purpose of this report

1. To update Executive on the sites being considered as the priority sites for the delivery of housing by the Council.

RECOMMENDATIONS

The Executive is asked to:

1. Agree that the sites referred to in Table 1 of this report should be identified as Phase 1 sites to be utilised to meet the Council’s housing delivery ambitions.

2. Delegate authority to Director of Community Services and the Director of Resources, in consultation with the Executive Member for Assets and Housing Delivery and the Deputy Leader and Executive Member for Corporate Resources to identify the sites set out in Table 2 as Phase 2 sites at the appropriate time.

Overview and Scrutiny Comments/Recommendations

1. This report was reviewed by the Corporate Resources Overview and Scrutiny Committee on 30th May 2019 and comments from the committee will be reported verbally.

Background

1. Central Bedfordshire is seeing and will continue to experience significant growth and is taking a proactive approach to ensure and influence the supply of new homes in a
sustainable way. There is a shortfall between the demand and supply of new affordable homes both in absolute terms as viability issues result in below policy delivery and in specialist tenures, particularly affordable rented, older person’s housing, specialist accessible housing and social rented house.

2. Intervening in the housing market through direct delivery offers the opportunity to deliver a wider housing offer in areas and tenures that reduce demand elsewhere in the Council’s service provision.

3. This paper sets out sites identified where the Council can intervene to help meet demand.

4. Executive, at its meeting on 5th February 2019, agreed to the establishment of a wholly owned housing company for the development of sites owned by the Council and to the creation and, where appropriate retention, by the company, of housing stock with a range of uses that address gaps in the market.

5. This enables the Council to have greater impact, as it can use a mixture of tools to bring its land assets into play to deliver housing. Being able to deliver housing both within the Housing Revenue Account (HRA) and outside of its specific constraints, alongside influencing the private sector, offers a sophisticated response to a complex but fundamentally important issue.

6. The report to Executive stated that a number of sites would be identified in order to provide the Company with sufficient critical mass to become effective quickly and that a report would be brought to Executive for consideration.

7. The sites identified in Table 1 below have been identified as suitable for further consideration and, subject to Executive approval, each site will be considered for disposal in line with current methodology, as set out in the Council’s constitution and financial regulations.

8. Work to progress these sites, irrespective of the ultimate delivery vehicle needs to begin in parallel with the work to set up the housing company to avoid future delay. The decision to deliver via the housing company, directly via the Housing Revenue Account (HRA) or through release to the market will be made at the point of disposal.

9. The sites in Table 2 are sites which will come forward in due course and at the appropriate time will be considered for disposal in line with current methodology, as set out in the Council’s constitution and financial regulations.

10. Disposal options will be compared and decided on via a report to Executive or through delegated powers dependent on site value. The transfer of sites into the housing company would be at market value and would be considered alongside other options such as direct sale or transfer to the HRA.
Sites for Consideration

11. Work has been undertaken in respect of many of the Council’s sites as part of the HRA debt cap bid to Homes England and this work, together with a market analysis undertaken by Strutt and Parker on behalf of Assets has been used to identify the Phase 1 sites.

12. The sites set out in Table 1 below have been considered and are either in sustainable locations for development or are allocated for housing within the Central Bedfordshire Local Plan 2015-2035. The Council owned sites set out in Table 2 are not considered to be Phase 1 sites at the moment due to the reasons articulated in the table but will be considered on an ongoing basis.

13. The sites in Table 1 have been considered and financial modelling undertaken against the Council’s policy requirement for the provision of at least 30% affordable housing and the gaps identified in the market through the emerging Housing Enabling Strategy and through local understanding of housing need via as assessed by the Council’s Housing Service. The National Planning Policy Framework defines Affordable Housing as ‘housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is essential for local workers); and which complies with one or more of the following; affordable housing for rent; starter homes, discounted market sales housing and other affordable routes to home ownership.’

14. The sites will also be subject to other planning policy requirements such as education and leisure provision and any other mitigation required to make the development acceptable.

15. The three Dunstable sites will be considered together as they are close in terms of location and it is likely that they will be delivered via a combined in-house and housing company approach. The reports referred to in the recommendation will address the overall levels of affordable housing required across the sites and will consider a series of options for delivery.
### Table 1 - Phase 1 Sites

<table>
<thead>
<tr>
<th>Site</th>
<th>Indicative Uses</th>
<th>Approximate No of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Court House Dunstable</td>
<td>Affordable and market apartments – general and over 55 modern sheltered.</td>
<td>90-135</td>
</tr>
<tr>
<td>Vernon Place Dunstable</td>
<td>Affordable apartments</td>
<td>22 - 40</td>
</tr>
<tr>
<td>Court Drive Dunstable</td>
<td>Health hub and affordable apartments</td>
<td>100</td>
</tr>
<tr>
<td>Houghton Lodge Ampthill</td>
<td>Older persons apartments for market sale / market rent</td>
<td>80</td>
</tr>
<tr>
<td>Steppingley Road Flitwick</td>
<td>Older persons downsizer dwellings</td>
<td>37</td>
</tr>
<tr>
<td>Trunk Furlong Aspley Guise</td>
<td>Affordable housing and market rent / market sale</td>
<td>30</td>
</tr>
<tr>
<td>Northwood End Road Haynes</td>
<td>Affordable housing and market rent / market sale</td>
<td>40</td>
</tr>
<tr>
<td>Heathfield School Caddington</td>
<td>Older persons downsizer dwellings / general housing</td>
<td>30</td>
</tr>
<tr>
<td>Chase Farm Arlesey (Phase 1)</td>
<td>Affordable housing (20% of 200 units)</td>
<td>40</td>
</tr>
</tbody>
</table>
### 17. Table 2 – Phase 2 Sites

<table>
<thead>
<tr>
<th>Site</th>
<th>Reason Not Priority Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Green Beeston</td>
<td>Review for potential service delivery – possibly for specialist accommodation for people with learning disabilities</td>
</tr>
<tr>
<td>Former Highways Depot Clophill</td>
<td>Further work required to determine best use of site so not priority</td>
</tr>
<tr>
<td>Flitwick Road Maulden</td>
<td>To be prioritised after adoption of the Local Plan</td>
</tr>
<tr>
<td>Markyate Road Slip End</td>
<td>To be prioritised after adoption of the Local Plan</td>
</tr>
<tr>
<td>Chase Farm Arlesey (Remaining Phases)</td>
<td>To be brought forward as the market dictates demand – consider for future releases to housing Co and HRA development</td>
</tr>
<tr>
<td>Land to the East of Arlesey</td>
<td>Site allocated in Local Plan but some time away from a planning application/delivery.</td>
</tr>
<tr>
<td>Luton Road Barton le Clay</td>
<td>Requirements for the re-provision of the football facility being established</td>
</tr>
</tbody>
</table>

### Reason/s for decision

18. To enable work to progress to deliver the Council’s housing delivery aspirations.

### Council Priorities

19. Making the best use of the Council’s land assets to directly deliver housing supports three of the Council’s key priorities:

- Protecting the vulnerable; improving wellbeing providing access to the right housing in the right place has a fundamental impact on improving the wellbeing of residents
- Creating stronger communities – providing a wide range of affordable housing helps to support sustainable and diverse communities.
- A more efficient and responsive Council – developing appropriate housing helps to reduce demand on other Council services and reduces asset value leakage to the private sector.
Corporate Implications

Legal Implications

20. This report is seeking approval for the identification of sites for further consideration by Executive so there are no direct legal implications arising at this time. However, the following statutory provisions provide the Council with the power of sale or redevelopment in respect of the site.

21. Section 123 of the Local Government Act 1972 provides that the Council may dispose of any of its land as it chooses but, except in the case of a short tenancy, the consent of the Secretary of State is required if it is intended to dispose of land at less than the best consideration that can reasonably be obtained. A failure to obtain ministerial consent under this section may make an agreement for the disposal of land ultra vires. If the land is open space within the meaning of the Town and Country Planning Act, the disposal is subject to the requirements of subsection (2)(a)

Financial and Risk Implications

22. This paper is seeking approval for the Phase 1 sites to be the subject of planning applications and further financial analysis and as such there are no specific financial implications arising that require Executive approval.

23. Where sites are identified for transfer into the housing company agreement will also be sought for debt and equity funding to provide working capital to the housing company for development of those sites. This approval will be sought from Executive at a later date.

Equalities Implications

24. The Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimization and foster good relations in respect of nine protected characteristics; age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

25. The development of the Council’s sites will provide additional housing in Central Bedfordshire and includes a focus on increasing the supply of affordable housing and providing more housing options for older people and people with learning disabilities which all have a positive impact in terms of promoting equality of opportunity.

Conclusion and next Steps

26. The sites identified in Phase 1 above will provide approximately 400 units of accommodation that can help offset unmet need. The development of these sites could be delivered via the Council’s housing service and/or the housing company.
27. Planning applications will be progressed on all of the sites at the appropriate time.

28. Developing within the Council’s HRA and the housing company which will allow greater control of the development and improved financial return to the Council.

29. Where sites are identified for transfer into the housing company Executive approval will be sought for debt and equity funding to provide working capital to the housing company for development of those sites. This approval will be sought from Executive once the housing company is established and planning permission has been granted.

Appendices

Appendix A: Site Plans
Appendix B: Financial Information (Exempt) by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 ‘Information relating to the financial or business affairs of any particular person (including the authority holding that information)’.

Background Papers

The following background papers, not previously available to the public, were taken into account and are available on the Council’s website:

None

Report author(s): Marcel Coiffait
Director of Community Services
Marcel.coiffait@centralbedfordshire.gov.uk
16. Exclusion of Press and Public

To consider whether to pass a resolution under section 100A of the Local Government Act 1972 to exclude the Press and Public from the meeting for the following items of business on the grounds that the consideration of the items is likely to involve the disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.
17. Establishing a Council Owned Housing Company - Identification of Priority Sites for the Delivery of Housing by the Council (report to follow)

To consider the exempt Appendix pertaining to item 15.
By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.
18. Disposal of Land (Report to follow)

To seek comment from the Committee on the Executive report 'Disposal of Land'.