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Meeting: CABINET

Date and Time: Tuesday, 15 August 2017 at 9.30 am

Venue: COUNCIL CHAMBER, CATMOSE, OAKHAM,
RUTLAND, LE15 6HP

**Corporate support
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A G E N D A

5) QUARTER 1 PERFORMANCE MANAGEMENT REPORT

Report No. 141/2017

(Circulated under separate cover)
(Pages 3 - 32)

6) QUARTER 1 FINANCE UPDATE (KEY DECISION)

Report No. 147/2017

(Circulated under separate cover)
(Pages 33 - 42)

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MEMBERS OF THE CABINET: Mr T Mathias Chairman
Mr R Clifton
Mr R Foster
Mr O Mathias
Mr A Walters
Mr D Wilby

SCRUTINY COMMISSION:

Note: Scrutiny Members may attend Cabinet meetings but may only speak at the prior invitation of the person presiding at the meeting.

**ALL CHIEF OFFICERS
PUBLIC NOTICEBOARD AT CATMOSE
CORPORATE SUPPORT TEAM**

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CABINET

15th August 2017

PERFORMANCE MANAGEMENT REPORT – QUARTER 1 2017/18

Report of the Chief Executive

Strategic Aim:	All	
Key Decision: No	Forward Plan Reference: FP/260517/08	
Exempt Information:	No	
Cabinet Member(s) Responsible:	Mr Tony Mathias, Leader, Portfolio Holder for Finance and Places (Highways, Transport and Market Towns)	
Contact Officer(s):	Helen Briggs, Chief Executive	01572 758201 hbriggs@rutland.gov.uk
	Jason Haynes, Performance and Projects Co-ordinator	01572 720962 jhaynes@rutland.gov.uk

DECISION RECOMMENDATIONS

- | |
|--|
| 1. That Cabinet notes the overall position in relation to performance for the first quarter of 2017/18 and the actions being taken to address areas of underperformance. |
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1 PURPOSE OF THE REPORT

- 1.1 To provide Cabinet with strategic oversight of the Council's performance for the first quarter of 2017/18 in delivering our Corporate Plan Aims and Objectives. Members are accountable for the delivery of the Council's Corporate Plan and this monitoring information reports on progress and highlights any key challenges.

2 INTRODUCTION

- 2.1 Work was conducted throughout 2016/17 to align the Quarterly Performance Report with the new Corporate Plan which was approved in September 2016.
- 2.2 The Corporate Plan sets the strategic direction for Rutland County Council for the remaining period of this Council (to May 2019). The plan is reviewed annually and will be reviewed and presented to Cabinet in September 2017.
- 2.3 The Strategic Aims set out in the plan are as follows:
- Deliver sustainable growth in our County supported by appropriate housing, employment, learning opportunities and supporting infrastructure (including other public services) whilst protecting our rural environment in accordance with

our Local Plan

- Safeguard the most vulnerable and support the health and well-being needs of our community
- Plan and support future population and economic growth in Rutland to allow our businesses, individuals, families and communities to reach their full potential
- Ensure that our Medium Term Financial Plan is in balance and is based on delivering the best possible value for the Rutland pound

2.4 The Corporate Plan also sets out a range of Strategic Objectives and the targets we will use to measure our success. Each quarter we will monitor how these are being delivered by reporting on:

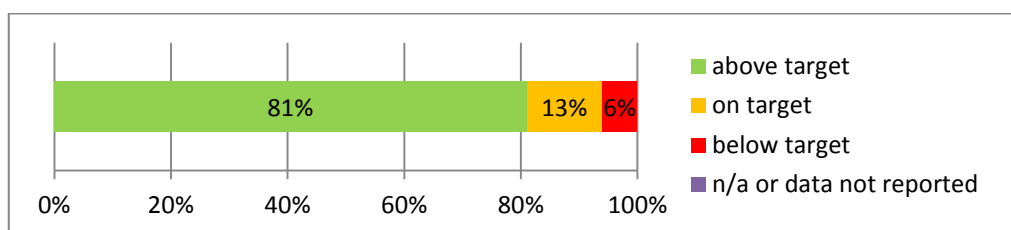
- Performance measures – how well are we doing
- Progress of targets and key projects
- Trend measures – to demonstrate performance over time and compared to national performance and our statistical neighbours where this information is available.

3 OVERALL SUMMARY

3.1 This report brings together an update on progress across a number of areas:

3.2 **Appendix A** contains detailed information on the Council's performance in relation to a number of local and statutory indicators covering the Council's Aims and Objectives. The Council's overall performance is summarised below:

3.3 Performance against targets:



3.4 At the end of Quarter 1, 44 (94%) indicators were on or above target with 3 (6%) currently below target.

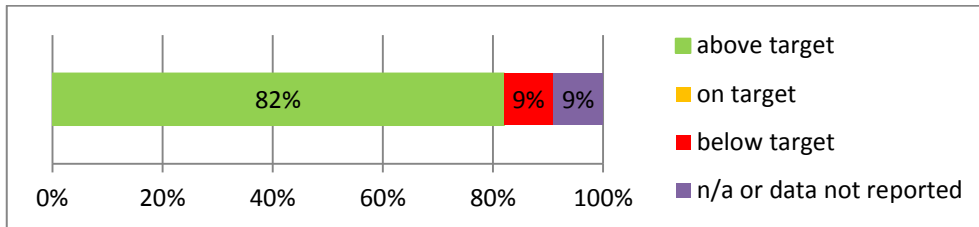
3.5 Key successes include percentage of children not in education, employment or training (NEET) where only two children in Rutland currently are classed as NEET (para 4.2), percentage of single assessments that were completed within 45 days, with 95% of assessments completed within timescales (para 5.2) and average sickness days lost per employee where there has been a 40% drop in absence compared to the previous quarter (para 7.3)

3.6 Key areas where performance is being monitored include the number of affordable homes delivered, with only 4 completed so far during 2017/18 (para 4.3), % of contacts progressed within one working day (para 5.3), and % of pupils reaching the expected standard in reading, writing and maths at Key Stage 2 (para 6.3)

4 SUSTAINABLE GROWTH

Delivering sustainable growth in our County supported by appropriate - housing, employment, learning opportunities and supporting infrastructure (including other Public Services).

4.1 Performance against targets:



Good performance in this area with nine indicators (91%) on or above target at the end of 2016/17 and one (Number of affordable homes delivered) currently below target.

Achievements and issues

4.2 Continued improvement in the service offered to young people in Rutland means that currently only 2 (0.3%) children in Rutland out of 609 eligible 16-18 year olds are registered as NEET. This is the lowest number of NEET registered with the service ever recorded in an area where performance was already one of the highest in the country.

4.3 Both residual waste per household and the percentage of waste sent for recycling have moved back above target this quarter following an expected dip in Quarter 4.

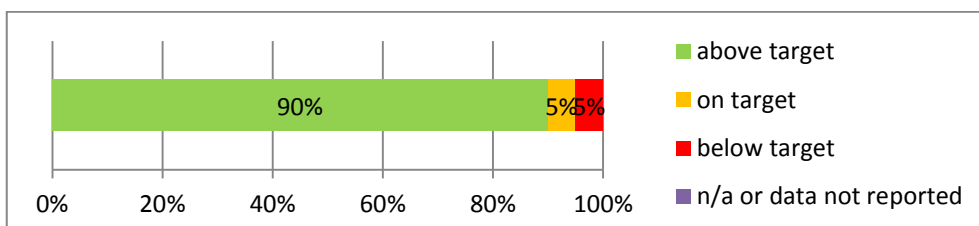
Update on issues from previous quarter

The number of affordable homes completed during the first quarter of 2017/18 still remains low with only 4 completed (6 were completed during the whole of 2016/17 against a target of 40). Although the number of affordable homes completed in Quarter 1 is below target, the prediction for completions during the year is good with a tentative forecast of 40 completions during 2017/18 and a further 47 in 2018/19.

5 SAFEGUARDING

Safeguard the most vulnerable and support the health and well-being needs of our community.

5.1 Performance against targets



Good performance with nineteen indicators (95%) on or above target at the end of Quarter 1 and one (5%) below target.

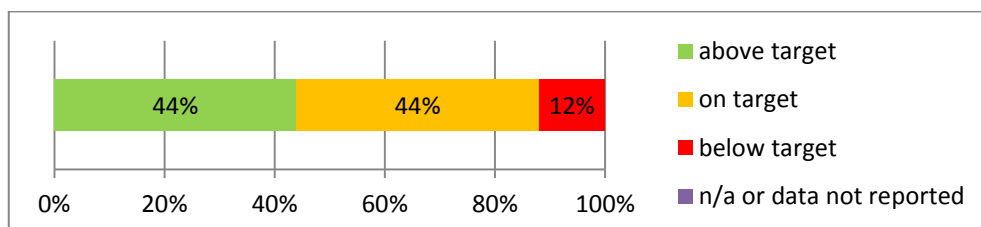
Achievements and issues

- 5.2 The % of single assessments that were completed within 45 days has moved above target this quarter. 127 assessments were completed during the first quarter, a 45% increase on the previous quarter. Despite this increase (this is the most single assessments completed during a single quarter) 95% were completed within timescales. This continues the good performance shown towards the end of 2016/2017 and reflects the work done during the year to improve processes and the use of Liquidlogic.
- 5.3 91% of contacts were progressed within one working day during Quarter 1 (the target is 100%). We have seen a high demand over this quarter for contacts (a 58% increase compared to the previous quarter, with 444 contacts received compared to 281 in Q4), some of which have been very complex in nature and this coupled with the team being one short has had an impact on productivity. A new member of staff joins the team in July and this will help to increase capacity and address this performance issue going forward.

6 REACHING OUR FULL POTENTIAL

Plan and support future population and economic growth in Rutland to allow our businesses, individuals, families and communities to reach their full potential.

6.1 Performance against targets



Good performance with eight indicators (88%) on or above target and one (12%) below target.

Achievements and issues

- 6.2 Education data will be updated and reported in Quarter 2 when results for the current year are published.

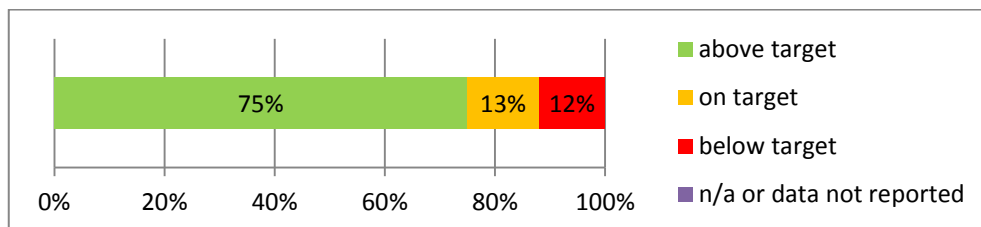
Update on issues from previous quarter

- 6.3 We are currently ranked 63rd nationally at Key Stage 2, with 53% of pupils reaching the expected standard at this level, only just above the national average of 52%. This phase remains the area of greatest challenge for our schools. Schools are collaborating to raise standards and are looking particularly at the performance of disadvantaged, SEND, boys and service children. Training is being provided and will offer a programme of support to schools focused on raising standards for these groups. Key Stage 2 results will be updated in Quarter 2 when educational data for the current year is published.

7 SOUND FINANCIAL AND WORKFORCE PLANNING

Ensure that our medium term financial plan is in balance and is based on delivering the best possible value for the Rutland pound.

7.1 Performance against targets



Good performance with seven indicators (88%) on or above target at the end of Quarter 1 and one (12%) below target.

Achievements and issues

7.2 91% of calls received by the Customer Services team were answered within four minutes during Quarter 1. A summary of performance for Customer Services is included as **Appendix B**.

Update on issues from previous quarter

7.3 There has been a 40% reduction in the number of days lost through sickness in this quarter, compared to the previous quarter. The average days lost per employee is now 1.6, compared to 2.28. This is the lowest it has been for 12 months. Over the past quarter we have seen the return to work of two long term absence cases and also a reduction in the number of employees with sickness absence. The HR team continues to use a case management approach to managing sickness and have introduced monthly reports to Directors of employees who have hit the sickness absence triggers to further provide some local rigour in monitoring and taking appropriate action.

7.4 The table below shows the number of days lost by each directorate in Quarter 1, expressed as total days lost per directorate and days lost per employee:

Directorate	Days lost through Sickness	Headcount 1 st April 2017	Headcount 30 th June 2017	Average	Days lost per employee
PEOPLE	439	223	228	225.5	1.95
PLACES	236	154	155	154.5	1.53
RESOURCES	59	78	79	78.5	0.75
Total	734	455	462	458.5	1.60

7.5 The table below shows a comparison of sickness for the whole council over the last four quarters.

Year	Days lost through sickness	Average no of employees	Days lost per employee	Days lost per month
Q1 2017/18	734	459	1.60	245
Q4 2016/17	1,051	461	2.28	350
Q3 2016/17	887	466	1.91	296
Q2 2016/17	777	466	1.67	259
AVERAGE	862	463	1.86	288

8 OUTSTANDING AUDIT RECOMMENDATIONS

8.1 There are three high priority audit recommendations overdue for implementation:

- Two actions relate to a review of the Council's data management arrangements. Internal Audit recommended that the Records Management Policy be updated so that officer accountability for records management is clearly defined and Senior Management Team should discuss and agree a strategy for reviewing Council records. This is to ensure that all data is retained in accordance with the data retention schedule and to address concerns regarding lack of time and resources. This will be progressed by the new Head of Legal and Governance.
- Segregation of duty conflicts were identified during a review of the financial systems upgrade – system administration. This is currently being reviewed and a list of compensating controls will be completed by the end of July 2017.

9 CONSULTATION

9.1 Consultation is not required as no changes are being proposed within this report.

10 ALTERNATIVE OPTIONS

10.1 Alternative options are not considered within this report.

11 FINANCIAL IMPLICATIONS

11.1 There are no direct costs associated with this report.

12 LEGAL AND GOVERNANCE CONSIDERATIONS

12.1 There are not considered to be any legal or governance issues associated with this report. However, poor performance may lead to legal and/or governance challenges.

13 EQUALITY IMPACT ASSESSMENT

13.1 An Equality Impact Assessment (EqIA) has not been completed because no service, policy or organisational changes are being proposed.

14 COMMUNITY SAFETY IMPLICATIONS

14.1 There are no Community Safety implications arising from this report.

15 HEALTH AND WELLBEING IMPLICATIONS

15.1 There are no Health and Wellbeing implications arising from this report.

16 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

16.1 At the end of Quarter 1, 93% of indicators measured were on or above target. 7% of indicators are currently below target and main areas of concern have been highlighted in this report and the remedial action being undertaken to improve performance has been identified.

16.2 Overall performance based on activity in the first quarter of 2017/18 is satisfactory.

17 APPENDICES

17.1 Appendix A – Quarterly Performance Report

17.2 Appendix B – Customer Services summary

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.

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Appendix A




Report 141/2017

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Rutland County Council Quarterly Performance Report Quarter 1 summary 2017/18






















Key to symbols used within the report

Where icons appear in this report, they have been applied to the most recently available information.

	<u>Performance against target</u>	<u>Compared to 12 months ago</u>
	Meeting/Exceeding Target	Better performance now than twelve months ago
	Performance approaching target (within 5%)	Same performance now as twelve months ago
	Performance >5% behind target	Worse performance now than twelve months ago

Sustainable Growth - Performance

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Indicator	Target	Cumulative Year to Date	Current Performance to Target	Performance compared to 12 months earlier	
LI085 - % of children not in Education, Employment or Training	2.2%	0.3%		1.4%	
LI213 - % of children whose destination is not known	2.6%	1.1%		0.8%	
PI152 – Working age people in receipt of benefits	7.3%	5.5%		5.5%	
PI154 – Net additional homes provided	140	47		42	
PI155 – Number of affordable homes delivered	40	4		5	
PI157a – Processing of major planning applications	60%	100%		100%	
PI157b – Processing of minor planning applications	65%	100%		95%	
PI157c – Processing of other planning applications	80%	100%		99%	
PI191 – Residual waste per household	130kg	121kg		122kg	
PI192 - % of waste sent for recycling	59%	63.6%		65.1%	
LI190 – Number of fly tipping incidents		68		94	

Sustainable Growth -

	Scrutiny Panel	RAG
Develop Phase 2 of Oakham Enterprise Park to create further employment and business growth opportunities	Places	
<p>Currently there are 4 vacant units at OEP out of 106. This represents a void rate of circa 4% which is excellent considering the type of units at OEP.</p> <p>Work is ongoing to identify development opportunities and to future proof the site to ensure its longevity. Future year's expenditure is expected to focus on ensuring compliance issues and increasing revenue income.</p> <p>Projected rental income for 2017/18 is £456.9k with a net surplus estimated at £100.3k. This is due to significant revenue spend on essential building works and infrastructure improvements.</p>		
Complete the improvement of broadband, developing and implementing a strategy for 2020 connectivity for the County	Places	
<p>Phase 1 deployment connected circa 9,600 homes and businesses to fibre broadband with the majority of these having access to superfast broadband speeds.</p> <p>Phase 2 deployment is now completed connecting some further 970 premises to fibre broadband with the majority of these at superfast broadband speeds. This brings the combined total across all deployed phases to circa 10,600.</p> <p>The project board is currently reviewing options for a final phase of fibre delivery via a contract change process and is due to make recommendations to meetings of Cabinet(15th August 2017), Scrutiny(31st August 2017) and Council (11th September 2017).</p>		

Good mobile broadband coverage alongside fixed broadband provides maximum flexibility for both residents and businesses and the project board will continue to monitor and encourage 4G roll out in Rutland by commercial operators.

Castle Restoration Project

Places

Restoration works to the Great Hall are complete; official opening took place in May 2016. Work on the external curtain wall was completed on 19th October 2016, bringing a close to the major construction phase. Inspection at the end of the defects period was undertaken on 30th June, and final issues are being addressed.
An agreed scheme for Motte stabilisation and gardens has been developed, and will be issued for quotations after briefing adjacent landowner.
Project remains currently within budget.

Oakham Town Centre Phase 1

Places

The stakeholder engagement strategy was approved by Cabinet on 17th January 2017. Stage 1 consultation is complete and 2 outline designs have been developed for one way and two way options.
Stage 2 consultation involving public exhibitions on these options are underway at the time of writing and will close on 7th July 2017.

Highway Asset Management Plan

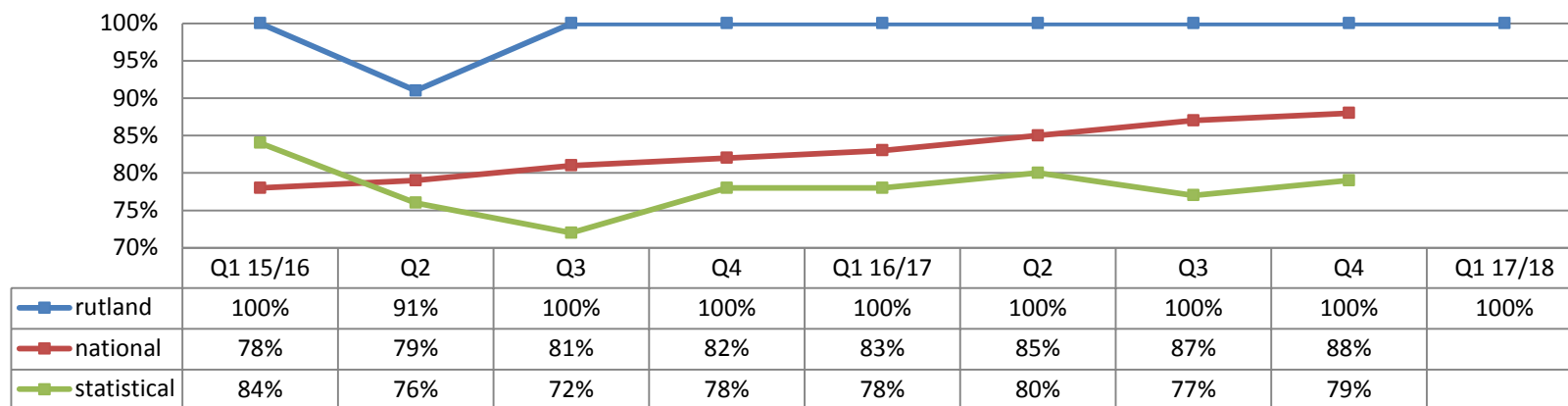
Places

The Highway Asset Management Plan has been updated and signed off by Cabinet. RCC submitted the return as a Band 2 authority in January 2017 and we are currently awaiting DfT confirmation of the final banding.

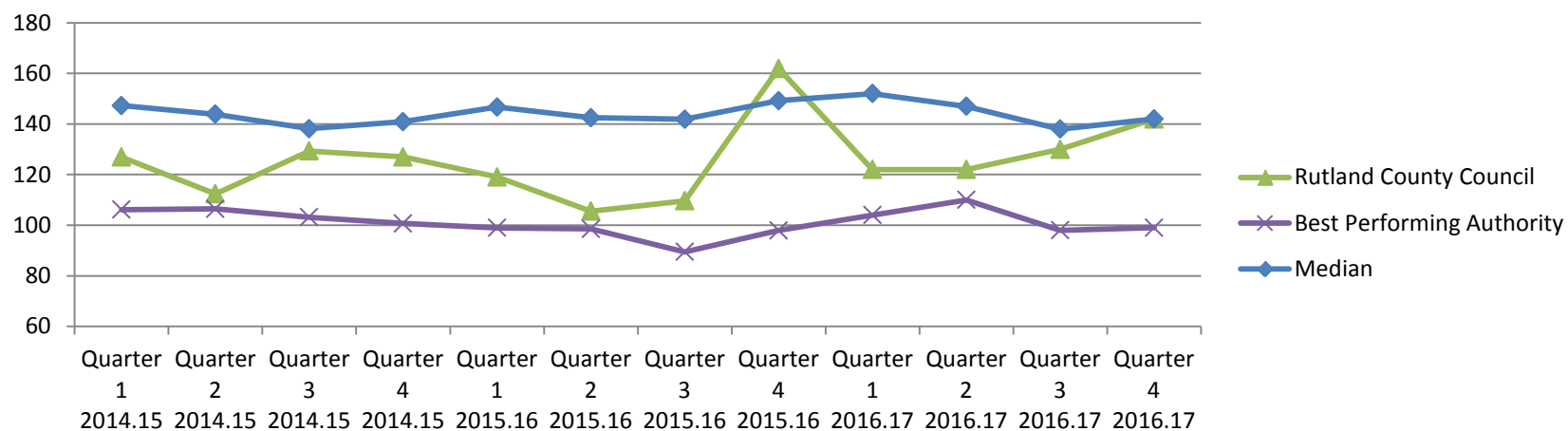
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Sustainable Growth - Trends

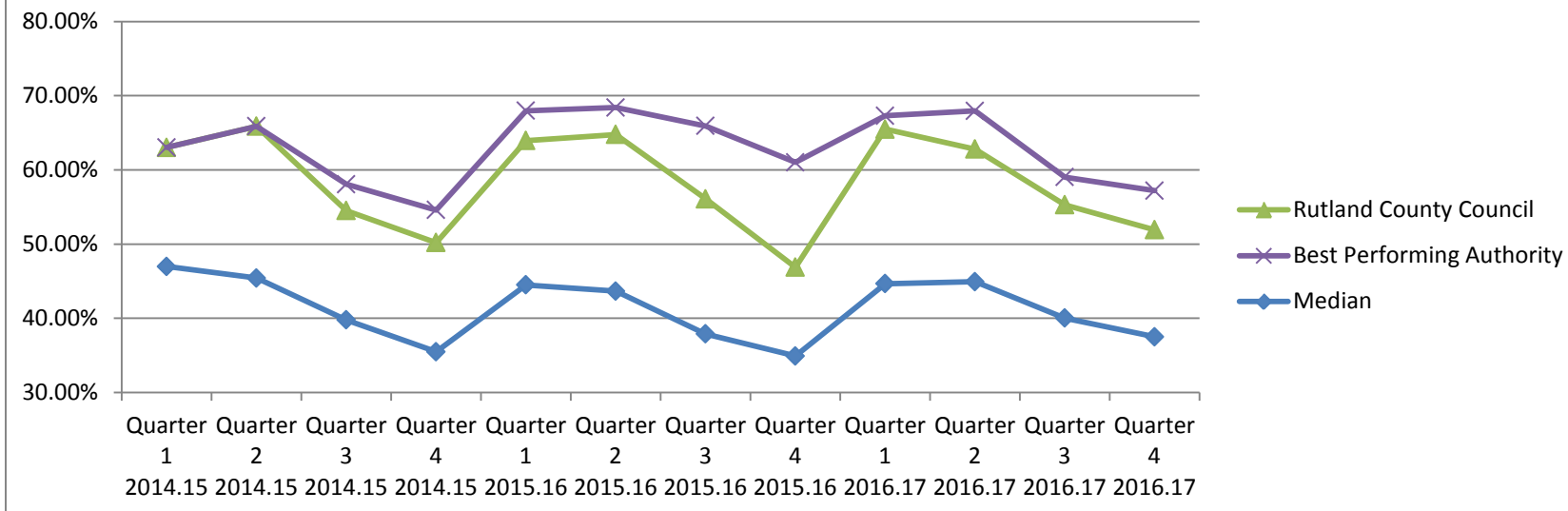
Major Planning Applications processed within timescales


























Residual Household Waste per Household (kg/household)

















% of Household Waste sent for Reuse, Recycling or Composting



Safeguarding – Performance

Indicator	Target	Cumulative Year to Date	Current Performance to Target	Performance compared to 12 months earlier	
PI047 – People killed or seriously injured in road traffic accidents	Less than 23	1		4	
PI060 - % of single assessments that were completed within 45 days	85%	95%		67%	
PI062 – CLA stability: Number of placements (% of CLA children who have had 3 or placements in last 12 months)	4%	2.3%		0%	
PI063 – CLA stability: Length of placements (% of children in care for 2.5 years or more who have been in the same placement for 2 years)	70%	71.4%		80%	
PI064 – Child Protection Plans lasting 2 years or more	5%	0%		0%	
PI065 - % of children becoming subject to a Child Protection plan for a second time within previous 2 years	5%	0%		0%	
PI066 – CLA cases reviewed within timescales	100%	100%		100%	
PI067 – CP cases reviewed within timescales	100%	100%		100%	
PI068 - % of referrals going onto single assessment	95%	100%		76%	
LI209 – Number of contacts progressed within one working day	100%	91%			
LI210 – Number of section 47 enquiries completed in 10 working days	90%	85%			
LI211 - % of permanent staff in post	80%	83%			
LI111 - % of carers signposted	80%	100%		88%	

Indicator	Target	Cumulative Year to Date	Current Performance to Target	Performance compared to 12 months earlier	
LI176 - % of adult social care reviews for LD completed annually	80%	93%		86%	
LI181 - % of adult social care reviews completed on time	80%	94%		95%	
LI182 - % of service users who were still at home 91 days after discharge	87%	98%		90%	
LI191 – Total number of delayed days in transfer of care (DTC) per 100,000 population (aged 18+)	1462	317		928	
LI192 – Permanent admissions of older people (65+) to residential and nursing care homes	28	6		3	
LI173 - % of eligible children registered with Childrens Centres	80%	94%		91%	
LI174 - % of target families registered with sustained engagement	65%	73%		89%	

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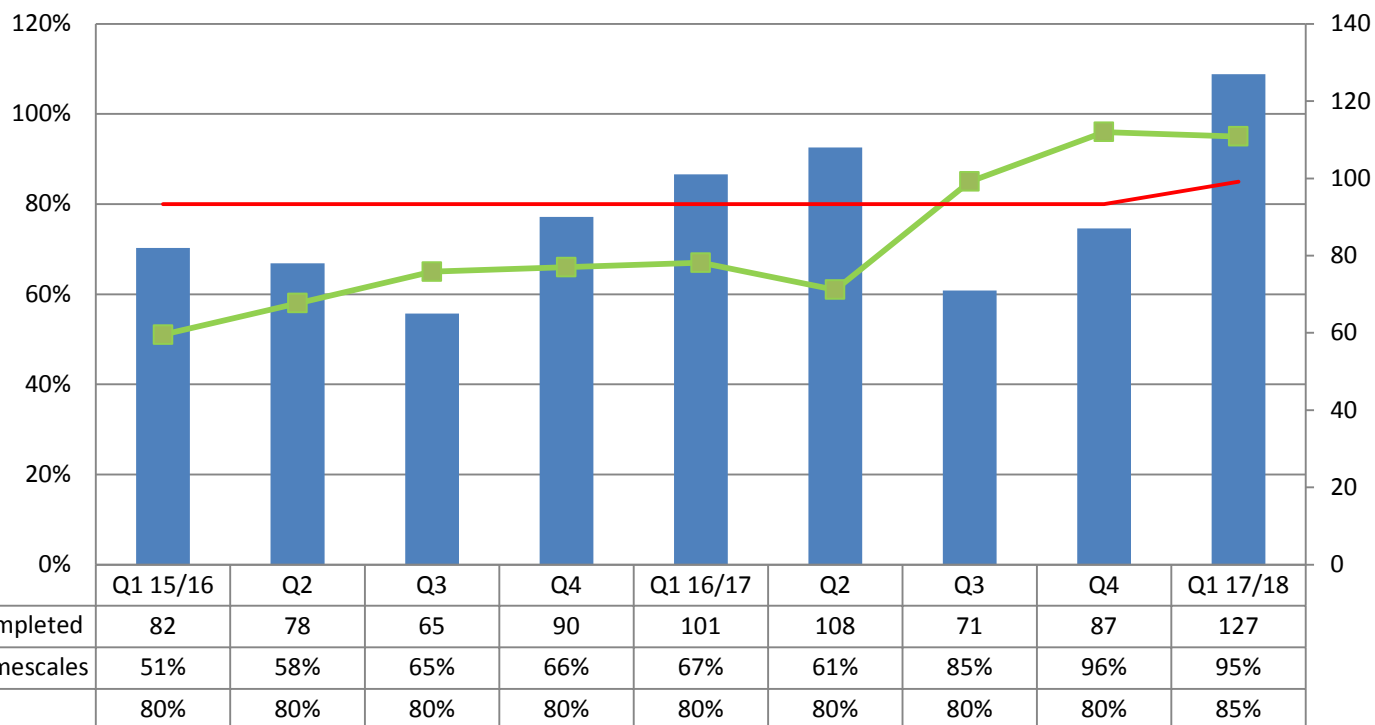
Safeguarding -

	Scrutiny Panel	RAG
Better Care Fund	Peoples (Adults and Health)	
<p>Rutland has ranked first nationally in a new Department of Health performance dashboard for health and social care. The dashboard uses six key metrics which show how health and social care partners in each Local Authority are performing. Each Authority is assessed on six individual measures against a national average and given a combined overall ranking. The metrics cover the key issues where health and social care work most closely together, such as emergency admissions to hospital, the length of stay and delayed discharges.</p> <p>Key targets for the 2016-17 BCF programme were met. The Department of Health are visiting Rutland on 24th July to hear more about our achievements and to share learning. The BCF is now a two year programme (2017-19), the national deadline for submissions is 11th September. BCF areas have been allowed to continue to implement prior to this, subject to local agreement by partners. The large majority of actions from 2016-17 will continue. The focus for 2017-18 is on four priorities:</p> <ul style="list-style-type: none"> - Unified prevention, including supporting people to be more active and socially connected; - Long term conditions and complex health needs; - Avoiding hospital admissions and enabling effective discharge; and - Enablers to programme delivery, including analytics, IT improvements and user engagement. <p>The Department of Health have set an expectation to further reduce numbers of delayed transfers of care (DTOCs), setting levels which match or improve February's performance. This is extremely challenging for Rutland as February was an exceptionally good month.</p> <p>Funding for this year is confirmed as:</p> <ul style="list-style-type: none"> - Core BCF £2.098m - Disabled Facilities Grant £203k - Improved BCF £203k (for use on social care, including to reduce DTOCs). 		

Poverty Review	All	
<p>The consultation on the Green Paper began in April and finished on 9th June 2017 and whilst the level of response to the consultation was disappointing all the responses have now been collected and will be used to inform the White Paper which will be presented to Cabinet for discussion in due course.</p>		
Liquidlogic Implementation	Peoples (Children and Adults)	
<p>The Briefcase module for Adult Social Care has now been fully tested, and is being rolled out to staff over the next couple of months. The module is being uploaded on to the new tablet computers that have been procured which will provide staff with the ability to input information directly on to their computers whilst they are out in the field.</p> <p>Once the roll out of the new equipment/Briefcase has been completed for the Adult Social Care team, the next step will be to do the same for the Children Social Care team/Early Help team.</p>		

Safeguarding - Trends














PI060 Single Assessments completed within timescales




Reaching our Full Potential – Performance

Performance reported as at 2016/17 – will be updated once current year results are published during Quarter 2.

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Indicator	Target	Cumulative Year to Date	Current Performance to Target	Performance compared to 12 months earlier	
LI200 - % of children whose application was received within statutory timeframe, offered their first choice primary school place	95%	96%		93%	
LI201 - % of children whose application was received within statutory timeframe, offered a primary school of their choice (1 st to 3 rd choice)	100%	99.7%		99.2%	
LI202 - % of children whose application was received within statutory timeframe, offered their first choice secondary school place	90%	94%		89%	
LI203 - % of children whose application was received within statutory timeframe, offered a secondary school of their choice (1 st to 3 rd choice)	98%	98%		97%	
LI204 - % of pupils reaching a good level of development in Early Years Foundation Stage Profile	75% by 2017	72%		75%	
LI205 - % of pupils reaching the expected standard in Reading, Writing and Maths at Key Stage 1	67% by 2017	65%			
LI206 - % of pupils reaching the expected standard in Reading, Writing and Maths at Key Stage 2	60% by 2017	53%			
LI212 - Progress 8 score	Will be reported in Quarter 2 when new data is available				
LI207 - % gap between boys and girls reaching the expected standard in Reading, Writing and Maths at Key Stage 2	7% gap by 2017	1%			

Indicator	Target	Cumulative Year to Date	Current Performance to Target	Performance compared to 12 months earlier	
LI208 - % gap between boys and girls reaching the expected standard in Reading, Writing and Maths at Key Stage 4	9% gap by 2017	12%			

Reaching our Full Potential -

	Scrutiny Panel	RAG
School Place Planning	Peoples (Children's)	
We are working with Oakham C of E on an expansion in line for September 2018. This has been delayed due to ample capacity at the school and therefore currently sufficient places in Oakham.		
Additional Secondary Places	Places	
Report being prepared to allow allocation of funding as per report 219/2016 to Catmose College so they can proceed with the expansion. This will require Cabinet and Full Council sign off due to the value.		
Barleythorpe Primary	Places	
Due to current level of vacancies this build programme has been put on hold although expansion at Oakham C of E still continues.		
Library and Children's Centre	Places	
<p>The refurbishment works are well under way on the Library and will be completed at the end of July – this will then enable the Library to decant from the Museum in time for the new Library to be opened to the public in early September.</p> <p>Works commenced on the development of the new modular building for the Children Centre in early May, and with a 18 week programme of works, the plan is for the Children Centre to be completed mid September.</p> <p>Both elements of the project are on track in terms of time and budget, which are both being closely monitored to ensure this position is not at risk.</p>		

Sound Financial and Workforce Planning – Performance

Indicator	Target	Cumulative Year to Date	Current Performance to Target	Performance compared to 12 months earlier	
LI221 – Reduction in the financial gap following an agreed savings target programme		1.24m		2.59m	
LI222 – Deliver an annual savings programme, to be reported end of each financial year		delivered			
LI223 – Maintain reserve balances across the life of the MTFP	>2m	All reserves above target			
LI001 - % of invoices paid on time (30 calendar days of receipt)	95%	98%		97%	
LI029 - % of sundry debt recovered	90%	81%		88%	
LI020 - % of Council Tax received	95%	34%		34%	
LI021 - % of NNDR received	95%	38%		38%	
LI195 - Average sickness days lost per employee		1.6		1.28	

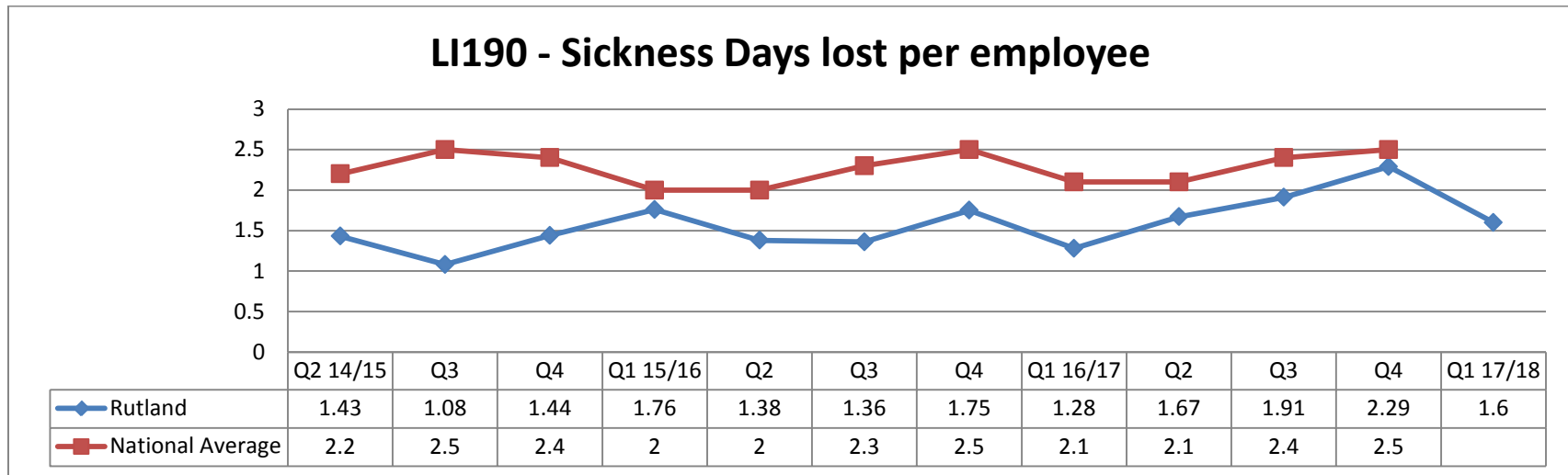
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Sound Financial and Workforce Planning -

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	Scrutiny Panel	RAG
Deliver a new website that increases online transactional services year on year	Resources	
<p>The new corporate website was launched on the 6th March and has been successfully implemented, reflected by a 20% increase in page views on the new site compared to a comparable period last year (from March to July). All works planned for the first phase of development (e.g. mapping to include 'find my nearest' by simply entering a postcode) were completed with phase two now being planned, which will include a greater number of online services.</p> <p>The number of online transactions available through the new website is 79, compared to the 2016 baseline of 39, a 102% increase in the number of transactions available.</p>		
Improve Staff Satisfaction scores based on our staff survey compared to March 2015 baseline	Resources	
<p>A staff survey is planned to take place later this year, the results from this survey will be used to compare staff satisfaction with the original survey conducted in March 2015.</p>		
Deliver against the actions and targets identified within our Workforce Development Strategy	Resources	
<p>Actions and targets from the Workforce Development Strategy are currently being monitored and an initial report on progress is currently planned for Quarter 3 of this year.</p>		

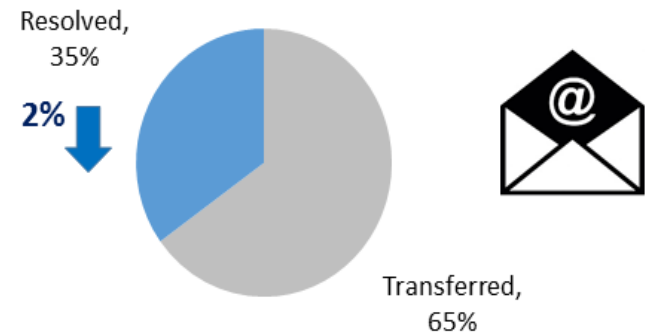
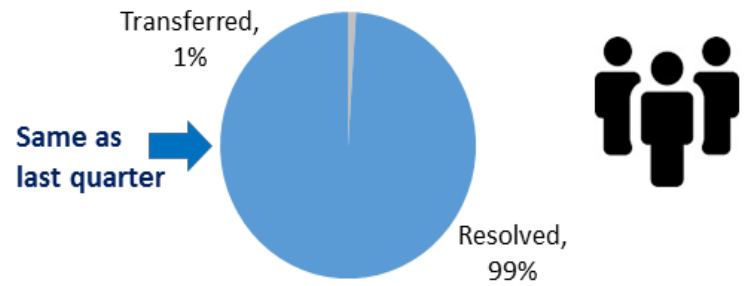
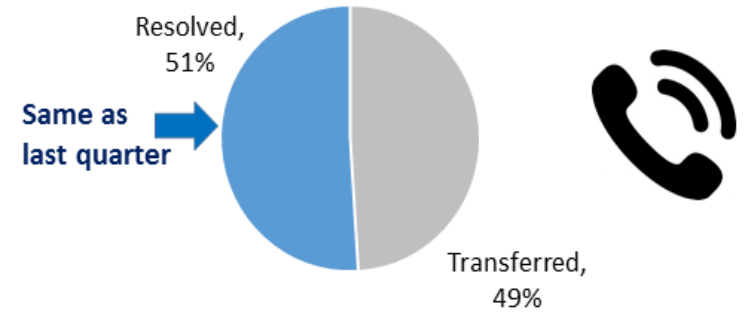
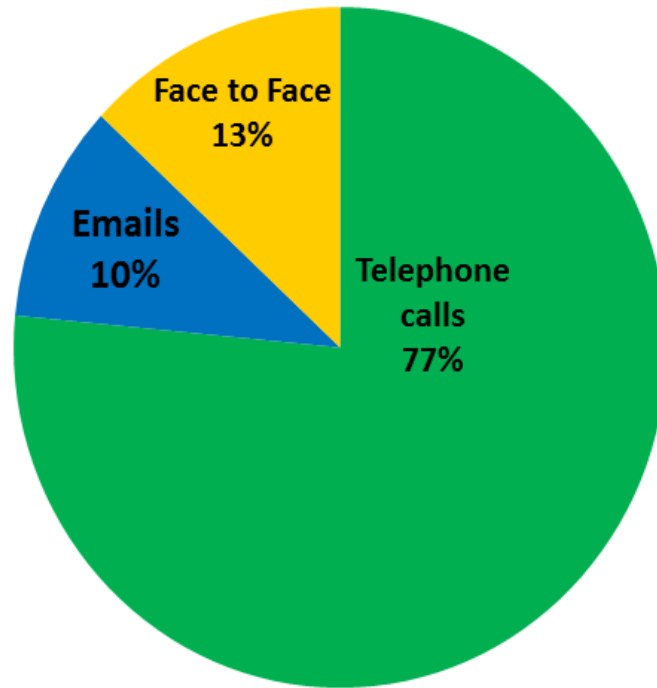
Sound Financial and Workforce Planning - Trends



*National average in the chart above is based on those Authorities who have submitted data to LGInform for Quarterly comparison.

CST Quarter 1 Performance

Q1 2017 Customer Service – Highlights



↑ = Direction of travel from previous quarter

Q1 2017 Customer Service – Highlights

**Top 5 Services
=
50% of all calls**



**Council Tax
Waste
Planning
Adult Social Care
Elections**

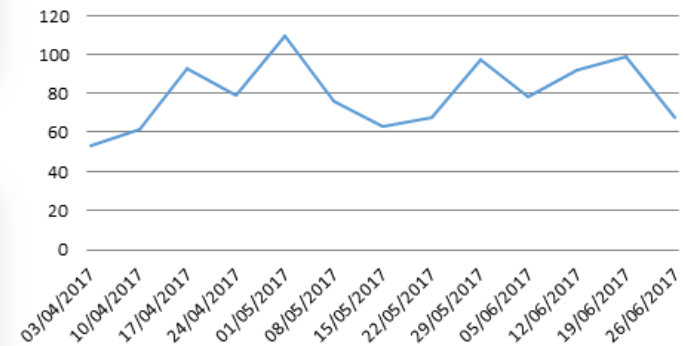
**% Answered
within 1 mins**



**Q2 2016 – 70%
Q3 2016 – 69%
Q4 2017 – 68%
Q1 2017 – 60%
2017/18 – 60%**



Average Wait Times (Sec)



Q1 2017 Customer Service – Highlights



**% Answered
within 4 mins**



Q2 2016 – 94%
Q3 2016 – 94%
Q4 2017 – 94%
Q1 2017 – 91%
Year to date – 91%

**% Answered
within 5 mins**



Q2 2016 – 97%
Q3 2016 – 97%
Q4 2017 – 97%
Q1 2017 – 95%
Year to date – 95%

**% Abandoned
calls after 5
minutes**



Q2 2016 – 1%
Q3 2016 – 1%
Q4 2017 – 1%
Q1 2017 – 1.5%
Year to date – 1.5%

CABINET

16 August 2017

QUARTER 1 FINANCIAL MANAGEMENT REPORT

Report of the Director for Resources

Strategic Aim:	Sound Financial Planning	
Key Decision: Yes	Forward Plan Reference: FP/140717/01	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor Tony Mathias, Leader and Portfolio Holder for Corporate Finance	
Contact Officer(s):	Debbie Mogg, Director for Resources	Tel: 01572 758358 dmogg@rutland.gov.uk
	Saverio Della Rocca, Assistant Director - Finance	Tel: 01572 758159 sdrocca@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That Cabinet:

- i) Note the 2017/18 revenue and capital outturn position as at Quarter 1.
- ii) Approve the use of £150k from the Adult Social Care Contingency and £114k Social care earmarked reserve as requested in para 2.2.3.
- iii) Note the increase in Non Ringfenced grants of £13k as detailed in para 2.2.3.
- iv) Note the Council has submitted a bid to the National Productivity Investment Fund for 2018/19 and 2019/20 to support the Town Centre Development (para 2.4.2)

1 PURPOSE OF THE REPORT

- 1.1 To inform Cabinet and all members of the full year forecast position as at Quarter 1 for 2017/18 and to highlight issues that may impact on the Medium Term

Financial Plan to enable them to maintain sound financial management of the Council's operations.

2 BACKGROUND AND MAIN CONSIDERATIONS

2.1 Overall position

2.1.1 This reports sets out the latest financial position as at Quarter 1. It includes:

- A summary of the revenue budget forecast for 17/18 (2.2)
- Details of high risk/pressures (2.3)
- A summary of the capital budget forecast for 17/18 (2.4)
- Other updates (2.5)

2.2 2017/18 Revenue forecast

2.2.1 The Council approved its 2017/18 budget in February 2017. Since the budget was approved, Cabinet approved further budget changes in the Revenue and Capital Outturn report (111/2017, Appendix G). The Q1 revenue position is that the Council is forecasting a deficit of £76k compared to a budgeted deficit of £53k.

	Ref	Budget (Report 111/2017) £000	Revised Budget £000	Q1 Forecast Outturn £000	Latest Forecast Year End Variance £000
People	A,B	17,202	17,466	17,750	284
Places		12,605	12,605	12,251	(354)
Resources		6,049	6,049	5,833	(216)
Directorate Totals		35,856	36,120	35,834	(286)
Pay Inflation		45	45	0	(45)
Social Care Contingency	B	150	0	0	0
Corporate Headcount Saving	C	(121)	(121)	0	121
Net Cost of Services		35,930	36,044	35,834	(210)
Appropriations		(1,897)	(1,897)	(1,897)	0
Capital Financing		1,930	1,930	1,930	0
Interest Receivable	D	(180)	(180)	(220)	(40)
Net Operating Expenditure		35,783	35,897	35,647	(250)
Financing	E	(34,251)	(34,251)	(34,264)	(13)
Transfers to/(from) reserves	F	(1,479)	(1,593)	(1,307)	286
(Surplus)/Deficit		53	53	76	23
General Fund 1 April 17		(9,634)	(9,634)	(9,634)	0
General Fund 31 March 18		(9,581)	(9,581)	(9,558)	23

2.2.2 Whilst the overall position is broadly in line with budget and it is still early in the financial year, the key issues to note are:

- A There are 5 functional areas where forecast overspends are more than £25k over budget. Details are given in 2.3;
- B The Council is required to pick up backdated social care costs of £264k for a supported living project previously funded by Lincolnshire County Council (this was highlighted as a risk in Report 111/2017 (para 3.3.4)). £150k of this will be funded from the ASC contingency with the remaining £114k being funded from the adult social care earmarked reserve.
- C The budget includes a corporate saving on Headcount of £121k. Whilst no savings have as yet been identified, there are underspends as a result of staff vacancies recorded within the three Directorate overall forecasts. These underspends will be reviewed at Q2.
- D Income received on investments has been better than predicted and it is anticipated that this will be over achieved by £40k.
- E Additional grant income has been received of £13k for Lead Local Flood Authority (£3k) and New Homes Bonus share of funds held back (£10k).
- F The forecast includes underspends of £286k which will be requested to be carried forward at Q4.

2.3 High risk/pressure areas

2.3.1 Whilst it is still early in the financial year and many forecasts can change quickly particularly those in demand-led areas (children’s and adult social care, fostering and adoption, homelessness for example), the position at Quarter 1 is as follows:

Directorate	Within budget?	Ceilings>25k overspent?	Ceilings>£25k underspent?	Requests for budget changes?
Places	Yes	2	2*	No
Resources	Yes	0	2*	No
People	No	3	5*	No

***Note:** Only underspends included where Directorates are not currently proposing to carry forward unused budget to next year

2.3.2 The functional forecasts projected to be more than £25k under budget are mainly due to staff vacancies and receipt of additional income. These forecasts will be reviewed at Q2 as to whether they result in permanent savings to be taken in 2018/19.

2.3.3 Where functional forecasts are projected to be more than £25k over budget, an

explanation can be found in Appendix A. There is no request for additional budget in any area at Quarter 1 to enable the Council to keep clear visibility of where pressures exist. This may be reviewed at Q2.

Function	Amount Overspent	Further Detail Appendix A
Peoples		
Fostering and Adoption	£350,500	A1
Children with Disabilities	£139,800	A2
Non BCF Contract and Procurement	£92,500	A3
Places		
Development Control	£27,000	A4
Property Services	£43,800	A5

- 2.3.4 One of the emerging themes at Q1 is the pressure the Council is facing around the demand for and costs of placements in Peoples Directorate. Whilst existing caseload is known, the budget is always set with a certain degree of uncertainty with respect to future trends. Irrespective of the budget set, the Council has a statutory duty to respond to social care needs and “safeguarding” is one of the Council’s key priorities. To meet any unexpected demand, the Council has earmarked reserves alongside the General Fund.
- 2.3.5 The Council has some discretion over how needs are met but has to balance cost alongside client preference, availability of provision and individual needs. While total expenditure is increasing, the Council’s spend on Children Looked after, for example, remains below average per 0-17 population (£245 v £368) and an external consultant (commissioned on a contingent fee basis to deliver reductions in placement costs) has indicated that the Council is achieving good value for money.
- 2.3.6 Notwithstanding our relative position, Officers in the Directorate are reviewing the current position with a view to documenting the reasons behind the recent trends and assessing what action, if any, it can take in the short term to reduce the emerging pressures and in the medium term to consider whether alternative types of provision may offer a more cost effective solution.

2.4 Capital update

- 2.4.1 There have been no changes to the capital programme shown in Report 111/2017. The table below shows the position at Quarter 1 on the capital programme.

Portfolio	Total Project Budget	Prior Years Outturn (A)	Estimated Outturn 2017/18 (B)	Total Project Expenditure (A+B)	Total Project Variance
	£000	£000	£000	£000	£000
Approved Projects					
People	850	572	278	850	0
Places	15,649	6,100	9,547	15,647	(2)
Resources	150	0	150	150	0
Total	16,649	6,672	9,975	16,647	(2)

	Outturn 2017/18
	£000
Financed by:	
Grant	(7,566)
Prudential Borrowing	(702)
Capital Receipts	(882)
Oakham North Agreement	(256)
S106	(569)
Total Financing	(9,975)

2.4.2 Some key points to note include:

- The Council has submitted a bid to the National Productivity Investment Fund for 2018/19 and 2019/20. Ministers have asked for bids from across the country that will deliver improvements quickly. We have submitted a bid for funding to support the Town Centre development.
- The outturn for the Libraries and Children's Centre project is estimated to be £3k over budget. Finance is working closely with Property and the Quantity Surveyor to monitor this position.
- A 5 year loan for £25k was approved for Ketton Sports and Community Centre (Delegated Approval – 18th April 2017). The loan is to extend and refurbish the facilities at the site. The £25k loan is within the original £500k capital budget for Sports Grants.

2.5 Other updates

- 2.5.1 The **Integration and Better Care Fund** planning requirements for 2017-19' were released on 4 July 2017. This has clarified that BCF plans must have Delayed Transfer of Care (DTOC) metrics which meet set expected reductions for NHS and social care based on levels of DTOC in February 2017. However, Rutland's DTOC performance in February was exceptionally good, posing a challenge locally in the realism of sustaining this level of performance. Government will review DTOC progress in November, when September's performance figures are released and ahead of 2018/19 allocations, and consider changes to IBCF allocations for poorly performing areas. This means that our IBCF allocation for 18/19 of £168k is not guaranteed.

- 2.5.2 The Government has abandoned plans for **100% Business Rates Retention** for the time being. The **Fairer Funding review** continues and this will determine the extent of any Government funding (including business rates) that we receive. This will apply from 2020/21. In the next Quarter, the Council will be looking at business rate projections and in particular 20/21 onwards. Some commentators are indicating that there is likely to be a reset of the business rates system which could have an adverse impact on business rates income retained.
- 2.5.3 The national **pay negotiation** for next year continues with the Unions pushing for an increase above 1%. The Council has 1.5% built in.

3 CONSULTATION

- 3.1 Formal consultation is not required for any decisions being sought in this report. Internal consultation has been undertaken with all officers regarding pressures and forecasts.

4 ALTERNATIVE OPTIONS

- 4.1 Cabinet are requested to approve the use of £150k of the Adult Social Care Contingency and £114k from the Social Care earmarked reserve to fund the backdated social care costs transferring from Lincolnshire. Cabinet can choose to approve the request or request that budget managers assess whether such expenditure can be absorbed within existing budgets thereby deferring any decision until later in the year when more information is known.

5 FINANCIAL IMPLICATIONS

- 5.1 The report highlights the impact of the forecast on the MTFP. General Fund balances will decrease by c£76k compared to £53k budgeted for if all recommendations are approved.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1 Where Directors wish to increase a functional budget by over £100k OR they anticipate that the overall Directorate budget is likely to be overspent (there is no de-minimis level) they must seek approval in advance from Cabinet or Council for a virement to cover any increase.
- 6.2 There are two functions (Children with Disabilities and Fostering and Adoption) within the People Directorate that falls into this category and the Directorate as a whole is forecasting to overspend. The over spend on one of these functions can be contained within the overall directorate budget, however the overspend on Fostering and Adoption where unprecedented demand levels are being experienced cannot be contained. The Director is not requesting to change the budget but will review this at Q2.
- 6.3 There are no legal implications arising from this report.

7 EQUALITY IMPACT ASSESSMENT

7.1 An Equality Impact Assessment (EqIA) has not been completed because there are no service, policy or organisational changes being proposed.

8 COMMUNITY SAFETY IMPLICATIONS

8.1 There are no community safety implications.

9 HEALTH AND WELLBEING IMPLICATIONS

9.1 There are no health and wellbeing implications.

10 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

10.1 As the Council is required to make savings over the medium term, the Q1 position is positive as, despite a number of significant variances, the forecast is broadly in line with budget.

11 BACKGROUND PAPERS

11.1 None

12 APPENDICES

Appendix A: Key Variances

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.

Appendix A: Adverse variances over £25k

This Appendix shows budgets where existing forecasts predict that they will be overspent by more than £25k.

Ref	Function	Reason for Overspend
A1	Fostering & Adoption	<p>The key reasons for this overspend are:</p> <ul style="list-style-type: none"> • Foster placement pressure arising from change of placement needs equating to £160k. • £40k of budget was used to fund the Project Management Officer post. This was a post identified as a staffing need to support the whole of children services. • Increased use of Independent Fostering Agencies – Currently have 41 children in care meaning that further use of IFA, in particular for sibling groups, has been required. This means additional IFA costs of £117k for the year. <p>The Directorate is currently looking at ways to encourage in house carers to take a 2nd/3rd child to reduce costs longer term. If agreed, this is likely to show dividends in Q4 or 2018/19.</p>
	Budget £1,431k	
	Forecast £1,882k	
A2	Early Intervention - Children with Disabilities	<p>The key reasons for this overspend are:</p> <ul style="list-style-type: none"> • Staffing Costs - £18k overspend as a result of use of agency staff to cover long term sickness. • Changes to care packages – resulting in additional £100k of costs for 2017/18 which were not known at the time of setting the budget. <p>Whilst not in the forecast as yet, there is another potential change to an existing package which could also result in a further £100k of costs. This package is still being assessed and it is not clear what the final split of costs will be between Education, Social Care and Children with Disabilities.</p>
	Budget £1,150k	
	Forecast £1,290k	
A3	Non BCF Contracts & Procurement	<p>The budget included a saving of £150k on external placements for 2017/18 with a further saving of £150k in 2018/19. External consultants were appointed to review the placements in both children and adult services and were incentivised to find savings. The review has generated savings of c£60k but beyond that has indicated that there is very little scope for immediately reducing the cost of external placements further through contract renegotiation as the Council is already achieving value for money. Any savings identified are more likely to be around the High Needs placements in Education which will save funding on the Dedicated Schools Grant (DSG)</p>
	Budget £422k	
	Forecast £515k	

Ref	Function	Reason for Overspend
		rather than on the General Fund. However, the review identified a number of potential placement changes which could save costs on the medium term but are dependent on the availability of specialised provision in Rutland.
A4	Development Control	The reason for the overspend is as a result of the use of agency staff to cover maternity and paternity leave as well as backfilling for staff working on the procurement of replacement software for Development Control, Building Control and Land Charges as the current contract expires in June 2018.
	Budget £185k	
	Forecast £212k	
A5	Property Services	The reasons for the over spend results from the delay in implementing the Facilities Management Contract to provide the cleaning and premises services for the Council. A £45k saving was built into the budget and this is unlikely to be achieved in 2017/18.
	Budget £939k	
	Forecast £983k	

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