

## Appendix A. Q2 Budget Report 2017/18

### 1 REVENUE MONITORING

#### 1.1 The Budget – what is the current budget?

- 1.1.1 The current budget is that approved by Council/Cabinet as shown in the Quarter 1 Financial Management Report on 16<sup>th</sup> August 2017 (report No. 147/2017) and subsequently amended following changes made by Cabinet/Council as set out in Appendix B and summarised in the table below.

<b>Reconciliation of approved budget to current budget</b>	<b>£000</b>	<b>£000</b>
<b>Approved Net Cost of Services (147/2017)</b>		<b>35,930</b>
Changes already approved (as listed in Appendix B) (£35,930k to £36,475k)		545
Changes in this quarter for approval by Cabinet/Council (Appendix B note viii and ix)		100
<b>Current Net Cost of Services</b>		<b>36,575</b>
<b>Approved (Surplus)/Deficit (147/2017)</b>	<b>53</b>	
<i>Changes already approved (as listed in Appendix B)</i>	490	
Changes in this quarter – Additional grant income received (as listed in Appendix B).	(56)	
<b>Current (Surplus)/Deficit</b>	<b>487</b>	

#### 1.2 Overall Position – are we on track to achieve budget?

- 1.2.1 The table in para 1.2.2 sets out the Council's forecast revenue outturn for 31 March 2017 as at the end of September (Quarter 2). The Q2 revenue position is that the Council is forecasting a deficit of £769k compared to a budgeted deficit of £487k. The Council is in overall terms £282k over budget, a change of £259k since Q1.

1.2.2 The Revenue budget position at Q2 is as follows:

	<b>Budget (Report 111/2017)</b>	<b>Revised Budget</b>	<b>Q1 Forecast Outturn</b>	<b>Q2 Forecast Outturn</b>	<b>Latest Forecast Year End Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
People	17,202	17,686	18,045	17,956	270
Places	12,605	12,326	11,956	12,166	(160)
Resources	6,049	6,069	5,833	5,859	(210)
<b>Directorate Totals</b>	<b>35,856</b>	<b>36,081</b>	<b>35,834</b>	<b>35,981</b>	<b>(100)</b>
Pay Inflation	45	45	0	0	(45)
Planning One off Settlement	0	500	0	500	0
Social Care Contingency	150	70	0	0	(70)
Corporate Headcount Saving	(121)	(121)	0	0	121
<b>Net Cost of Services</b>	<b>35,930</b>	<b>36,575</b>	<b>35,834</b>	<b>36,481</b>	<b>(94)</b>
Appropriations	(1,897)	(1,897)	(1,897)	(1,897)	0
Capital Financing	1,930	1,930	1,930	1,930	0
Interest Receivable	(180)	(180)	(220)	(220)	(40)
<b>Net Operating Expenditure</b>	<b>35,783</b>	<b>36,428</b>	<b>35,647</b>	<b>36,294</b>	<b>(134)</b>
Financing	(34,251)	(34,344)	(34,264)	(34,364)	(20)
Transfers to/(from) reserves	(1,479)	(1,597)	(1,307)	(1,161)	436
<b>(Surplus)/Deficit</b>	<b>53</b>	<b>487</b>	<b>76</b>	<b>769</b>	<b>282</b>
<b>General Fund 1 April 2017</b>	<b>(9,634)</b>	<b>(9,634)</b>	<b>(9,634)</b>	<b>(9,634)</b>	<b>0</b>
<b>General Fund 31 March 2018</b>	<b>(9,581)</b>	<b>(9,147)</b>	<b>(9,558)</b>	<b>(8,865)</b>	<b>282</b>

1.2.3 The key points to note are:

- The overspend has moved from £23k at Q1 to £282k at Q2, a movement of £259k;
- The movement of £259k is a result of an underspend of £70k on the social care contingency (forecast to be spent at Q1) offset by additional net expenditure of £179k (increase in SEN transport requirements and investment in Permanency and Protection service to reduce the

likelihood of children being brought into care) and additional requests to carry forward underspends (some of which are ring fenced) of £150k.

- At Q1, Members approved the use of up to £264k for the backdated social care costs of a supported living project previously funded by Lincolnshire County Council and this was reflected in the People Directorate budget and forecast at that time. The actual backdated costs agreed between the two councils is £80k (to be funded from the Adult Social Care Contingency) and therefore the budget forecast have been reduced accordingly;
- The budget includes a corporate saving on headcount of £121k. Whilst there are underspends as a result of staff vacancies recorded within the three Directorate overall forecasts, none are deemed to be recurring and therefore contribute towards the target. More detail is included at section 1.6;
- Income received on investments has remained better than predicted at the time of setting the budget and therefore is still expected to over achieve by £40k;
- The Directorate forecasts include requests for carry forward of underspends of £57k on ringfenced grants (Public Health and Better Care Fund), £70k of unspent grants received for Planning purposes and £309k of unspent General Fund budget (Libraries, Learning & Skills, Elections). The ringfenced grant underspend will be carried forward to be used in future years and the remaining underspends will be requested to be carried forward at Q4 when the final outturn is known; and
- Outside the General Fund, there is a forecast underspend on the Dedicated Schools Grant (DSG) arising from an overspend on High Needs funding and an underspend on Early Years placements. This forecast has been discussed at Schools Forum and the situation is being kept under review.

## 1.3 Directorate spend – what’s the latest position at directorate level?

- 1.3.1 A full analysis of Directorate performance in respect of each function is provided in the accompanying Budget Excel file which is available on the Council website at:

[http://www.rutland.gov.uk/council\\_and\\_democracy/council\\_budgets\\_and\\_spending.aspx](http://www.rutland.gov.uk/council_and_democracy/council_budgets_and_spending.aspx)

## **People Directorate**

- 1.3.2 In overall terms, the variance in forecast to budget for the People Directorate has not changed significantly from that reported at Q1. Whilst the forecast is an overspend of £270k, the carry forward of underspends to next financial year results in an 'actual' overspend of £404k.
- 1.3.3 Within the Directorate forecast there are some significant over and under spends as follows:
- (i) An increase in underspend on the Better Care Fund of £53k. The Better Care Fund is a ringfenced grant and any under spend will be transferred to reserves at year end for use in future years. The forecast under spend is due to delays in the start of some schemes as a result of delays in the release of the planning requirements for 2017-19;
  - (ii) On Adult Social Care budgets, there has been a favourable movement of £100k since the forecast at Q1 made up of underspends on Residential and Nursing care (£49k due to increase in income from Health), Housing (£23k due to staff vacancies) and Direct Payments (£72k due to Q1 forecast anticipating shift from Homecare with introduction of increased rates) and an overspend on Homecare £50k (due to the anticipated shift to Direct Payments not taking place);
  - (iii) The Learning and Skills budget includes one off budget of c£77k for school improvement support. The Q2 forecast underspend has increased by £48k from that reported at Q1. Discussions have taken place with schools on what services are required to support school improvement. These discussions have resulted in delays in implementing contracts for services. A request will be made at Q4 to carry forward the underspend to next year to support the services implemented; and
  - (iv) The Childrens services forecast overspend has increased since that reported at Q1 by £169k. The Permanency and Protection service is now forecasting an overspend of £77k (a movement of £96k from that reported at Q1) as a result of the requirement to use agency staff to cover vacant posts and increased costs in supporting families in order to reduce the likelihood of children being taken into care. Children with Disabilities forecast overspend has increased by £75k due to changes to care packages and additional placements since Q1.
- 1.3.4 In order to maintain visibility of pressures, the Directorate is not requesting additional budget from the General Fund and will report an updated position at Quarter 3. Work has been undertaken to assess the impact of these pressures on the 2018/19 budget.

## **Resources Directorate**

- 1.3.5 The Resources Directorate forecast has changed little since Q1 with only a

£6k increase in forecast spend. The Council has been successful in a bid for £25k of grant funding to support the Rutland One Public Estate project and this grant has been reflected within the forecast.

- 1.3.6 The forecast includes underspends within the Elections service (£62k) and Financial Support service (£14k) where budget carry forwards will be requested at year end.
- 1.3.7 The Legal forecast is currently being reviewed by the Head of Governance. The mid-year position indicates that the budget could be overspent if the rate of spending continues. Various issues are being investigated including a) the basis of billing on individual projects, b) whether we need to use the service in all cases, and c) queries that the Head of Governance will deal with rather than use Legal services.
- 1.3.8 No formal request for budget changes are being made as small overspends can be contained within the overall Directorate budget.

### ***Places Directorate***

- 1.3.9 In overall terms, the Places Directorate is under budget by £160k, an increase in spend since that reported at Q1 of £194k. The key movements in forecast are as follows:
  - (i) There has been an increase in forecast spend on Highways Management of £52k due to a reduction in recharges to capital schemes and increased IT costs;
  - (ii) The forecast spend on Commissioned Transport has increased by £96k. The increase is due to additional SEN transport requirements since September and an increase in out of county foster care placements resulting in costs for parental visits;
  - (iii) Waste Management is forecasting an increase in spend of £82k at Q2. The new green waste collection service will require expenditure in 2017/18 for the initial set up costs of £60k (in line with Report 150/2017) and £20k for staffing to register households for the service. The staffing costs would ordinarily be incurred in 18/19 but timing of the start of the service necessitates early sign up. The total costs of £80k will be recouped from income in future years and therefore it is requested that £80k be used from Invest to Save reserve to fund the expenditure in 2017/18;
  - (iv) Any income for Green Waste received in 17/18 will be carried forward to when the service is running;
  - (v) Commercial and Industrial Properties is forecasting an overspend of £8k (a change in forecast of £44k from that reported at Q1) due to essential repair works at Oakham Enterprise Park and Pit Lane Business Park; and

(vi) The forecast on Libraries has reduced by £76k from that reported at Q1. The budget included £70k to support maintenance works at the libraries and this has been deferred to 2018/19.

1.3.10 No formal request for budget change is being made as overspends can be contained within the overall Directorate budget.

### ***Dedicated Schools Grant (DSG)***

1.3.11 The Dedicated Schools Grant for 2017/18 is currently forecasting a slight under spend of £7k. Within this forecast there is an over spend on High Needs of £77k and an under spend on Early Years (£39k). The Council has also received additional income for Early Years for last financial year of £40k resulting in the overall position of a more or less breakeven.

1.3.12 High Needs costs are driven by both number and complexity of cases and how the needs of children are met whether in or out of county. The increase in forecast spend since Q1 is as a result of increase in the number of children placed in the Parks and Catmose DSP units. This increase will be discussed at Schools Forum in January.

1.3.13 The underspend on Early Years results from the DfE revising the amount of funding available based on the January 2017 census data. The funding also covers the increase in entitlement to 30 hours for working parents and current indications are that there have been 181 approvals to parents (funding allocation currently assumes 178.4FTE), however it is too soon to know how many have taken up the full extra entitlement. This will be monitored throughout the remainder of the year. The funding settlement for Early Years will not be finalised until after the end of the financial year when the January 2018 census data is confirmed (usually around July). Therefore, the variance at year end will be carried forward to 2018/19.

### ***Planning – one off Settlement***

1.3.14 In September 2017, the Council paid a sum of £500k to settle a compensation claim made by a landowner in relation to an order made modifying the grant of planning permission for the construction of a golf course.

1.3.15 This case relates to a golf course and club house that received outline planning consent in 1996. When an application was made to deal with reserved matters (i.e. the outstanding details of the outline application proposal, including appearance, protection or surrounding area etc) the Council imposed a phasing condition (via a modification order made in January 2006) requiring the construction of the golf course before the club house for reasons of environmental protection.

1.3.16 The Council accepted that any financial loss or damage, or alternatively the costs of any abortive works, arising directly from the modification order would be met by the Council (as this is what the statutory scheme for compensation provides) but the Council and the landowner could not agree

on the amount involved. The case was due to be heard at the Upper Tribunal (Lands Chamber) in October 2017, but a settlement figure was agreed in advance of the hearing taking into account legal costs and interest incurred to date in order to protect the Council from the risks associated with litigation. The requirements of the modification order are unaffected by the agreement in respect of the compensation payable.

- 1.3.17 The Council had £68k in the budget to meet legal costs associated with this claim. The actual costs were £88k with the additional amount to be funded from the Legal reserve.

## 1.4 Approvals – in line with Financial Procedure Rules (FPRs), what requests for changes to budget are being made?

- 1.4.1 In line with the Financial Procedure Rules para 4.10, Appendix D includes a full list of budget virements between functional budgets undertaken by Directors. None of these change the net budget.
- 1.4.2 Where Directors wish to increase a functional budget by over £100k or a budget is expected to be £25k overspent or they anticipate that the overall Directorate budget is likely to be overspent they must seek approval in advance from Cabinet or Council for a virement to cover any increase or report retrospectively. This is particularly relevant for demand-led budgets or where the Council has a statutory responsibility to provide a service.
- 1.4.3 The table below summarises the overall position at the end of Q2:

Directorate	Within budget?	Ceilings > £25k overspent?	Requests for budget changes?
Places	Yes	Yes (1)	No
Resources	Yes	No	No
People	No	Yes (6)	No

- 1.4.4 Where functional forecasts are projected to be more than £25k over budget (listed in the table below) a detailed explanation of the current position is included in Appendix H. There is no request for additional budget from the general fund from the People or Places Directorates to enable Council to keep clear visibility of where pressures exist.

Function	Amount Overspent	Further Detail Appendix H
Peoples		

Fostering and Adoption	£358,900	H1
Early Intervention - Targeted	£215,000	H2
Contract savings	£90,000	H3
Community Inclusion	£29,200	H4
Support & Review – Homecare	£45,800	H5
Permanency and Protection Service	£77,300	H6
Property Services	£65,900	H7

## 1.5 Fees and charges income – are key income budgets on target?

1.5.1 The Council collects a significant amount of income in areas such as car parking etc. The latest position on key income budgets is shown below:

<b>Income Description</b>	<b>Current Budget £000</b>	<b>Q1 Forecast £000</b>	<b>Q2 Forecast £000</b>	<b>Variance £000</b>
Charging for Residential Accommodation	930	930	891	(39)
Parking Income	606	606	606	0
Rents from Business Units and Business Park	539	553	528	(11)
Planning Fees	347	346	346	(1)
Fairer Charging Income	265	276	285	20
Building Regulations	192	192	201	9
Registrars - Births, Marriages etc.	131	160	165	34
Other Rents including room hire	108	96	80	(28)
Licensing - Premises, Traders, Events etc.	89	98	98	9
<b>Total</b>	<b>3,207</b>	<b>3,257</b>	<b>3,201</b>	<b>(6)</b>

## 1.6 Corporate Headcount Saving

1.6.1 The below table summarises the position within each Directorate as recorded in the Q2 forecast:

<b>Directorate</b>	<b>Budget FTE</b>	<b>Staff FTE</b>	<b>Agency FTE</b>	<b>Variance FTE</b>	<b>Net savings £'000</b>



People	186.7	167.4	12.9	(6.4)	80
Places	114.4	100.8	7.7	(5.9)	79
Resources	80.2	72.6	3.0	(4.6)	70
<b>Total</b>	<b>381.3</b>	<b>340.8</b>	<b>23.6</b>	<b>(16.9)</b>	<b>229</b>

1.6.2 Whilst £229k is forecast to be saved in 17/18, none of these savings have been identified as permanent savings and so have not been transferred to the Corporate Headcount saving.

## 1.7 Earmarked Reserves – how are we using reserves?

1.7.1 The transfers from Earmarked Reserves include transfers specifically to cover service expenditure that would otherwise be funded from the General Fund.

1.7.2 At Q1, it had been anticipated that there would be a requirement to utilise up to £114k of the Social Care reserve to fund backdated social care costs from Lincolnshire. The costs agreed between the two councils are lower than previously anticipated and therefore there is no longer a requirement to utilise this funding. The Chief Executive has approved the use of s106 monies to support the Discover Rutland Website of £18k.

1.7.3 At Q2, the Places Directorate is requesting the use of £80k from the Invest to Save earmarked reserve to fund the initial set up costs for the new Green Waste Collection service. These costs will be recouped from income in future years and will be repaid over the next 3 years.

1.7.4 The Legal services budget included £68k to fund the settlement costs of a one off planning compensation claim. The actual costs incurred are £88k and the Resources Directorate are requesting the use of £20k from the Legal Reserve to fund the increase.

1.7.5 At Q2, the Directorates have identified the need to carry forward underspends of £436k as follows:

- Planning Grants (£70k) – A number of grants have been received by the Council for Brownfield sites, Community Housing and Self Build schemes. These will be carried forward to be used to support the Local Development Framework
- Welfare Reserve (£14k) – The underspend on Financial Support services will be carried forward to fund future years
- Better Care Fund (£60k) – The BCF is funded from ringfenced grant and so any underspend at year end will be carried forward to support schemes in future years

- S38 Income (£34k) – S38 income is forecast to exceed budget by £34k and this will be carried forward to be used to maintain roads in future years
- Tourism (£12k) – Tourism is currently forecasting to be under budget by £12k. As this budget is 100% funded from earmarked reserves, this funding will be transferred back to the reserve at year end.
- Budget Carry Forwards (£249k) – Directorates are currently forecasting underspends of £249k that will requested to be carried forward at year end. These include Schools and Early Years (£77k for schools improvement work), Elections (£62k), Digital Rutland (£40k to be used on phase 3) and Libraries (£70k for maintenance work).

<b>Reserve</b>	<b>Ceiling £000</b>	<b>Balance @ 1/4/17 £000</b>	<b>Planned Use 2017/18 £000</b>	<b>Forecast usage Q2 £000</b>	<b>Transfers to Reserve £000</b>	<b>Balance @ 31/3/18 £000</b>
Invest to Save	500	420	(244)	(244)	0	176
Audit	Unlimited	20	0	0	0	20
Planning Grants	Limited*	149	(114)	(114)	70	105
Welfare Reserve	150	118	0	0	14	132
Public Health Grant	Unlimited	414	(67)	(67)	(3)	344
Better Care Fund	Unlimited	135	83	83	60	278
Training	80	70	0	0	0	70
Social Care	1,000	1,000	(75)	(75)	0	925
Travel 4 Rutland	50	26	(26)	(26)	0	0
Insurance/Legal	250	170	(20)	(20)	0	150
Highways	300	353	(60)	(60)	34	327
Extreme Weather	100	100	0	0	0	100
Pressure	1,000	500	(25)	(25)	0	475
SEND Grant	Limited*	126	(50)	(50)	0	76
Digital Rutland	Limited to Funding	48	(47)	(47)	0	1
Tourism	Limited to Funding	35	(14)	(14)	12	33
Budget Carry Forwards		840	(834)	(834)	249	255
Commuted Sums		250	(36)	(36)	0	214
<b>Total Reserves</b>		<b>4,774</b>	<b>(1,529)</b>	<b>(1,529)</b>	<b>436</b>	<b>3,781</b>
S106 Revenue					(68)	
<b>Actual net use</b>					<b>(1,161)</b>	
*Limited to grant received*						

1.7.6 As in prior years, the amounts to be transferred to reserves will be confirmed at outturn when the final position is known.

## 2 CAPITAL PROGRAMME

### 2.1 Overall Programme – are we on track to achieve our approved capital budget?

2.1.1 The following table sets out the position against the Capital Programme as at the end of September 2017, including the total approved project budget, estimated outturn to the end of the projects and variances against budget.

Portfolio	Prior Year's Budget	Remaining Budget	Total Project Budget	Estimated Outturn	Total Project Variance Over/(Under)
	£000	£000	£000	£000	£000
<b>Approved Projects</b>					
People	573	278	850	856	6
Places	5,189	10,063	15,252	15,260	8
Resources	0	150	150	150	0
<b>Total Approved</b>	<b>5,762</b>	<b>10,490</b>	<b>16,252</b>	<b>16,266</b>	<b>14</b>
<b>Financed by:</b>					
Grant	(3,970)	(8,589)	(12,559)	(12,558)	0
Prudential Borrowing	(582)	(602)	(1,184)	(1,184)	0
Capital Receipts	(274)	(438)	(712)	(718)	(6)
Revenue Contribution to Capital Outlay (RCCO)	(274)	0	(274)	(274)	0
Oakham North Agreement	(130)	(256)	(386)	(395)	(8)
S106	(532)	(605)	(1,137)	(1,137)	0
<b>Total Financing</b>	<b>(5,762)</b>	<b>(10,490)</b>	<b>(16,252)</b>	<b>(16,266)</b>	<b>(14)</b>

## 2.2 Approved programme – Are there changes to the approved programme?

- 2.2.1 The approved capital programme was £15.733m as per the 2016/17 Outturn Report (Report No: 111/2017). The net change to the capital programme total £519k, therefore giving a revised capital programme of £16,252
- 2.2.2 A full list of additional and withdrawals are shown in Appendix I.

## 2.3 Project progress – What is the current progress on major capital projects?

- 2.3.1 Highways (Report 06/2017) - Currently no delays are expected on any of the highways capital projects.
- 2.3.2 Oakham Town Centre (Report No 142/2017) – On the 10<sup>th</sup> October Cabinet approved the preferred design (Option A, one-way) to be taken forward for detailed design.
- 2.3.3 Oakham Castle –The capital works for Oakham Castle is complete. All future works are set out in the Heritage Lottery funding agreement to assist with the promotion and advertising of the castle over the coming years.
- 2.3.4 Digital Rutland Phase 3 – Phase 2 of the capital programme is in the final stages, BDUK is currently undertaking assurance before BT issues their final invoice. Phase 3 of the project is expected to be delivered within 12 months once sign off has been approved. We estimate that phase 3 will be completed by October 2018
- 2.3.5 King Centre – We are currently working with suppliers to obtain quotes on the building and compliance work on the King Centre. The project is planned to be completed by January 2018.
- 2.3.6 Oakham Library and Children Centre (Report 181/2016 and 72/2017) – The official opening of the new library and children centre was held on the 2<sup>nd</sup> October. The last invoices and payments for the project are currently being finalised. We estimate that the outturn of the project will be £997k, £8k over budget.
- 2.3.7 Other updates on capital projects are as follows;
- IT Projects (Report 111/2017) – Cabinet authorised the Director of Resources to allocate the IT capital allocation of £150k for individual projects. Delegated approval was given on the following IT projects.
    - a) Disaster Recovery £25k – the project is to support the IT service for Rutland County Council to ensure that in the event of a disaster the IT systems and data can be recovered.

- b) Smart boards £9k – The project is to purchase smart boards for the Council offices. A smart board is an interactive whiteboard that allows you to project an image and interact with it by writing or moving around the image either by touch screen or using a mouse and keyboard.

2.3.8 Appendix I includes a detailed breakdown of the capital projects and current forecast

## 2.4 Unallocated funding – what are we holding?

2.4.1 Currently the Council is holding capital funds that have not yet been committed to a project. A breakdown of the funds held is shown in the table below.

Uncommitted Funding Held	Opening Balance 2017/18	Grant Awarded 2017/18	Capital Financing 2017/18	Uncommitted Funding
	£000	£000	£000	£000
Adult Social Care	(255)	0	0	(255)
Basic Needs	(2,590)	(846)	3,436	0
Capital Maintenance	(1,018)	(196)	525	(689)
Highways	(1,292)	(2,756)	2,992	(1,055)
Schools Targeted Capital	(149)	0	149	0
Miscellaneous	(78)	(832)	868	(42)
<b>Total</b>				<b>(2,012)</b>
Developer Contributions	(2,582)	(1,100)	605	(3,077)
Oakham North Agreement	(1,991)	(551)	256	(2,286)
Capital Receipts	(1,571)	(214)	438	(1,347)
<b>Total Uncommitted Funding Available</b>				<b>(8,722)</b>

### 3 MEDIUM TERM FINANCIAL PLAN (MTFP)

#### 3.1 Overview - have there been changes since the budget was approved?

3.1.1 The MTFP was updated as part of the budget setting process, then further updated in the outturn report (Report 111/2017) and adjusted again in the Quarter 1 Finance Report (147/2017). In the annual budget report it was explained that the MTFP is based on a number of assumptions in respect of inflation, pay inflation, funding, pension contributions, interest rates and business rates growth which, should they change, could have an adverse or positive impact on the MTFP.

3.1.2 In the past few months, there have been various updates to the MTFP. The changes are summarised in the table and explained below:

	Ref	18/19	19/20	20/21	21/22
<b>Total available funds Q1</b>		<b>(33,597,914)</b>	<b>(34,118,118)</b>	<b>(35,176,055)</b>	<b>(36,592,885)</b>
RSG	3.2	0	0	£150,944	£271,248
Business Rates	3.2	(£40,298)	(£17,165)	£330,563	£437,396
NHB	3.4	£30,287	£22,164	£29,605	£36,069
Grants	App J	(£93,100)	(£93,100)	(£93,100)	(£93,100)
Council tax	3.4	£19,856	(£28,144)	(£42,722)	(£69,778)
<b>Total available funds Q2</b>		<b>(33,681,170)</b>	<b>(34,234,364)</b>	<b>(34,800,767)</b>	<b>(36,011,051)</b>

3.1.3 The following sections provide an update on and the potential consequences on the MTFP.

#### 3.2 RSG and Business Rates Reset

3.2.1 Most commentators believe that a business rates reset will take place in 20/21. Each local authority keeps an amount of business rates (known as its “baseline” – what the Government equates to our “needs”) plus any excess minus a tariff (in effect a tax on the excess). The excess is the amount left over after deducting amounts paid to Government, the Fire Authority and a tariff (also paid to Government but then redistributed to other authorities who have greater needs).

3.2.2 Since 2013/14, business rates have grown and this means that a number of

authorities retain business rates way above the baseline originally set. In order to ensure fairness, the Government indicated it would “reset” the system from time to time. For example, a local authority continuously retaining £1m above its baseline (because of significant growth) would see its tariff increase with the excess rates being redistributed to other authorities that have not seen growth or that need it more.

3.2.3 It is anticipated that the system will reset in 2020/21 and that the impact on Rutland would be:

- Rutland tariff increases by £700k to return funds into the Government pot for redistribution. This is because the retained rates figure has been higher than the authority baseline (c£4m)
- The Council receives c£300k in additional funding based on “need”. Our modelling assumes will be pro rata to Baseline Funding Level. Current estimate is that the local share of the surplus will be about £700m in 2020-21.
- There will continue to a reduction in Revenue Support Grant i.e. the Council will have a negative RSG at an increasing rate c£120-130k per annum. The Council assumed that negative reductions in RSG would stop. However, it is more likely that the negative RSG will increase further. This is because the Government looks at business rates and RSG together and then applies reductions to RSG. By reducing RSG our core funding flat lines after 20/21.

3.2.4 The modelling above represents the most likely position. On this basis the MTFP has been updated.

## 3.3 Local Government Finance Settlement Consultation

3.3.1 The Government issued 2018/19 Local Government Finance Settlement consultation paper in mid-September. The headlines from this paper and the likely impact are considered below:

### 3.3.2 **The four year offer**

3.3.3 The 2016/17 settlement offered local authorities a four year deal, giving greater certainty over their funding. This was accepted by 97% of local authorities including the Council. The proposed 2018/19 settlement funding is therefore allocated in accordance with the agreed methodology announced by the Secretary of State at that time. The offer covered:

- Revenue Support Grant
- business rates tariff and top-up payments, which will not change for reasons relating to the relative needs of local authorities
- Rural Services Delivery Grant and
- Transition Grant.

3.3.4 Barring exceptional circumstances and in accordance with the 2017/18



settlement, we are not expecting our settlement to change. This is disappointing as the Council had hoped that authorities losing Government funding would be given Transition grant (worth c£300k) for a further year at least.

### 3.3.5 **Better Care Fund**

3.3.6 Individual local authority allocations for the improved Better Care Fund until 2019/20 were published in 2017/18 and there is no indication that there will be changes.

3.3.7 The BCF partnership, like all others, has been set targets for reducing Delayed Transfers of Care (DTC). The target was set using February 2017 as a baseline. Rutland had exceptionally low DTCs in February 2017 (just 34 nights in total against an adult population of 30,314). For example, our mean monthly performance in Q4 was 51.3 v the February performance of 34.

3.3.8 The Partnership has proposed a target of 5.6 DTCs per 100,000 adults per day rather than 4. This remains an extremely challenging target (Rutland performance in Q1 has been a mean of 63.7 actual DTCs per month). The target is also substantially lower than both the national average target of 9.4.

3.3.9 There is potential for funding to be held back in 18/19 but at this stage the Council assumes full funding will be available.

### 3.3.10 **New Homes Bonus**

3.3.11 We have received confirmation that there will be a baseline again for New Homes Bonus in 2018/19. The baseline was set at 0.4% in 2017-18; only tax base growth above this baseline earned NHB payments. The actual baseline for 2018/19 will not be announced until the provisional settlement, and there is no indication of the level at which it will be set. As expected, some further conditions are proposed which would give a lower payment (or even no NHB payment) on those new properties that were given planning permission on appeal. The Government is consulting now on those additional conditions. Based on the current MTFP, an increase of just 0.1% to say 0.5% would have an impact of £78k over the period 2018/19 to 2022/23.

3.3.12 The Government decided not to take forward proposals linking the New Homes Bonus to planning reforms in 2017/18 but confirmed that it would consider withholding the part of the Bonus from authorities not planning effectively for new homes from 2018/19. Government has considered the position and has decided to consult on revised proposals. It also intends to go further in 2019/20. This could include linking payment of the bonus to the housing delivery test or the standard approach to local housing need. It will consult on any further changes to the Bonus before implementation in 2019/20.

3.3.13 One of the options under consideration is to link Bonus allocations to the ratio of successful appeals to residential planning decisions (major and

minor) over an annual period using data collected by the Planning Inspectorate (PINS). The number of successful appeals/appeals allowed by PINS divided by the number of decisions made, in the last financial year, would result in a percentage reduction to be applied to the New Homes Bonus allocation for the following financial year, so:

- A local planning authority (LPA) makes decisions on 100 residential planning applications (i) during the course of the relevant year. 10 (ii) of these decisions were to refuse permission for new homes.
- 5 developers (iii) involved decide to appeal the decisions, and those appeals are then considered by PINS.
- 3 of the appeals (v) are subsequently successful and 2 unsuccessful (iv).
- The impact of the new mechanism would be to reduce the authority's New Homes Bonus payment for that year by 3% (v divided by i).

### 3.3.14 **Council tax**

3.3.15 The referendum principles will continue on the same basis as per 2017/18. Councils will be able to levy an Adult Social Care precept of an additional 2% with additional flexibility to increase the precept by 1% to 3% in 2018/19, provided that increases do not exceed 6% between 2017/18 and 2019/20. The MTFP assumes a 2% social care precept for 2017/18 to 2019/20 but the Council does have the option of moving to 3% in 2018/19 and then 1% in 2019/20. The existing profile of adult social care spending does not anticipate the need for a 3% rise in 2018/19.

### 3.3.16 **Business Rates**

3.3.17 The most recent business rates revaluation took effect from 1 April 2017. Revaluation is a revenue neutral exercise so the total rates bill stays the same at the England level in real terms, after allowing for appeals.

3.3.18 When the Government introduced the 50% business rate retention scheme it signalled that it would adjust each authority's tariff or top-up following a revaluation to ensure, as far as is practicable, that their retained income is the same after revaluation as immediately before. This will ensure that the growth incentive created by the rates retention scheme and the delivery of public services will not be weakened by losses of income outside the control of authorities.

3.3.19 The Government has confirmed a methodology for adjusting the tariffs and top-ups following consultation at the 2017/18 provisional settlement. The Councils view is that there is no impact.

## 3.4 **School Funding – what changes are emerging?**

3.4.1 The Government has announced that it is to proceed with the implementation of National Funding Formulae for the Schools, High Needs and Central Schools Services blocks starting in 2018/19.

- 3.4.2 The Central Schools Services block (CSSB) will be introduced in 2018/19 to fund local authorities for the statutory duties that they hold for both maintained schools and academies. The CSSB brings together funding previously allocated through the retained duties element of the Education Services Grant, funding for ongoing central functions such as admissions and nationally agreed licenses and funding for historic commitments. For 2017/18, the Council received £75k for the retained duties element of the Education Services Grant.
- 3.4.3 Baselines have been adjusted to take into account the spending pattern of local authorities for 2017/18. All local authorities were asked to re-submit baseline data based on their current spend plans to allow the Department for Education (DfE) to ensure that national spend on each block reflected existing spend patterns.
- 3.4.4 Within the Schools block, the Government will provide for at least a 0.5% per pupil increase for each school in 2018/19 through the national funding formula. Local authorities' schools block allocations will be calculated by aggregating schools' notional allocations under the national funding formula. These notional allocations will reflect the 0.5% increase.
- 3.4.5 The formula will provide local authorities with per pupil funding of at least £4,800 for all secondary schools that have pupils in years 10 and 11 by 2019/20. A new factor will be allowed in local authority formulae so they can set a transitional amount of per pupil funding in 2018/19 as a step towards £4,800 in 2019/20.
- 3.4.6 Local authorities have the option of using their own local funding formula to allocate funding to individual schools rather than implementing the national formula in full. The impact on individual schools of implementing the national formula versus the use of a local formula are currently being analysed.
- 3.4.7 Within the high needs block, the Government will provide for at least a 0.5% overall increase in 2018/19 through the high needs national funding formula.
- 3.4.8 The minimum funding guarantee (MFG) for schools will continue, but local authorities will have flexibility to set a local MFG between 0% and minus 1.5% per pupil.
- 3.4.9 The schools block will be ring-fenced for 2018/19, but local authorities will be able to transfer up to 0.5% of their schools block funding out with the agreement of their schools forum. There will be an exceptions process, which will require Secretary of State approval for considering transfers above 0.5% limit and/or where the Schools Forum is opposed to the transfer. In 2017/18, the schools block for the Council was £22m, therefore, the maximum amount that could be transferred to the high needs block would be in the region of £110k.
- 3.4.10 The Department for Education have issued indicative allocations for the four blocks based on the October 2016 census data and this data is currently being analysed to assess the impact for individual schools. This analysis will

be used to consult schools on the preferred option for the allocation of funding to individual schools.

- 3.4.11 The final allocations will be published in December based on the October 2017 census data and local authorities will need to submit by the middle of January. Therefore, any proposed changes to the funding formula including the size of any contingency fund to be retained will need to be agreed by 30<sup>th</sup> November as this is the cut-off date for any requests to be submitted to the Secretary of State.

## 3.5 Business Rates Pooling – the potential to bid?

- 3.5.1 The Government has requested expressions of interest in becoming a business rate pilot. The deadline is Friday 27 October 2017.

- 3.5.2 The selection criteria are;

- proposed pooling arrangements operate across a functional economic;
- the Government is particularly interested in piloting in two-tier areas;
- proposals would promote the financial sustainability of the authorities involved (i.e. that surpluses in one area would be used to support losses in another); and,
- there is evidence of how pooled income from growth will be used across the pilot area.

- 3.5.3 As the Council is not part of an existing pool, combined authority or functional economic area (one that covers more than single authority), the likelihood of being successful is very low and no bid has been submitted.

## 3.6 Business Rates Retention – what is the latest position?

- 3.6.1 The Council's budgeted position on Business Rates is £4.786m. The amount of rates budgeted comprises actual rates retained net of the levy (£156k, payable because the Council has achieved an actual outturn above its baseline) and tariff (£1.010m). The rates retained figure also includes compensation from DCLG (in the form of section 31 grants) for rates foregone due (c£375k) for implementation of Government policy e.g. small business rate relief.

- 3.6.2 The current position is showing that we would be in a deficit position which would mean that the Council would have to repay c£152k in 2018/19. The main reasons for the deficit is that the Council has awarded more mandatory reliefs than budgeted for and the Council has settled appeals against business rates totalling £375k. Both of these factors are outside the control of the Council.

- 3.6.3 The MTFP has not been adjusted for this position because it is too early to assess the impact on 18/19 as overall rates retained will depend on perspective for growth, potential for appeals next year and eligible discounts.

## 3.7 New Homes Bonus – latest position?

- 3.7.1 The NHB is a scheme aimed at encouraging local authorities to grant planning permission for the building of new houses, in return for additional revenue. It is based on the net increase in the number of dwellings (additions less demolitions), with extra bonus for affordable homes, empty homes brought back into use and local authority owned and managed gypsy site pitches. Each additional property attracts a grant equivalent to the national average council tax for that Band (approx. £1,530 for a Band D property). An additional £350 is received for each affordable home.
- 3.7.2 In terms of latest performance, the NHB allocation for 2018/19 is based on performance achieved between October 2016 and September 2017.

<b>New Homes Bonus (Council Tax Band)</b>	<b>Start position CTB1 Oct 2016</b>	<b>Actual CTB1 Oct 2017</b>	<b>Movement from base</b>
A	1,606	1,596	(10)
B	4,538	4,574	36
C	3,047	3,115	68
D	2,435	2,489	54
E	2,282	2,286	4
F	1,592	1,616	24
G	1,257	1,261	4
H	146	149	3
<b>Properties</b>	<b>16,903</b>	<b>17,086</b>	<b>183</b>
Empty Homes	183	127	56
Movement			239

- 3.7.3 The target in the MTFP was a movement in base of 274 properties which would have contributed £317,800. The 239 properties the base has moved will contribute £287,600.
- 3.7.4 The underperformance can be attributed to a general slowdown in house building over the last 6 months and the demolition of some properties by Spire Homes. Homes taken out the rating system adversely impact on performance.
- 3.7.5 The current MTFP has been updated to reflect this change and the latest housing trajectory figures which result in small changes to NHB and Council tax.

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Growth (Outturn MTFP)	252	179	158	194
Growth (Current Position)	259	196	146	144

## 3.8 Other updates

- 3.8.1 Council Tax represents 60% of the total income the Council receives, and even slight fluctuations can have a significant impact on the General Fund balance. For that reason the position on Council Tax is monitored closely. There are a variety of movements that can affect the Council Tax Collection Fund Balance, including additional Council Tax Support claims; fluctuations in the council tax base (e.g. number of properties the Council bills); and write offs. The current deficit is c£98k which would be paid in 2018/19 but this is not included in the current MTFP as we expect this position to improve during the remainder of the year due to expected housing growth and further clarity on the expected debt / write off position for Council Tax payers.
- 3.8.2 The Council put £50k into a Discretionary Hardship Fund to support those who need additional support paying their council tax. The latest position is shown below. Awards have been made for the full year in order to reduce administration of repeat claims where claimants circumstances are unlikely to change.

<b>Hardship Fund</b>	<b>2016/17 Outturn</b>	<b>Q1 Actual</b>	<b>Q2 Actual</b>
Number of applications	126	38	60
Number awarded	102	19	32
Number of appeals (won)	2	0	0
Value of awards (£000)	25	4	7
Budget remaining (£000)	25	46	43

## 4 FINANCIAL PERFORMANCE

### 4.1 Debtors – are we recovering our debts?

- 4.1.1 The Council's aged debt position shows an increase in debts outstanding from the previous quarter. The main rise is in short term debt, with the long term debt staying consistent with the previous quarter. The increase in the debt rated as red is down to debt in relation to property leases and steps have begun to remove tenants from the properties in question.

<b>Aged debt</b>	<b>Q1 £000</b>	<b>Q2 £000</b>
0-30 days	616	758
31-60 days	50	143
61-90 days	176	125
> 91 days	502	525
Deferred Payments	242	261
<b>Total</b>	<b>1,586</b>	<b>1,812</b>
<b>By Directorate</b>		
People	1,063	1,217
Places	456	374
Resources	67	221
<b>Total</b>	<b>1,586</b>	<b>1,812</b>
<b>By Recovery Rating</b>		
Red	4	92
Amber	728	232
Green	854	1,488
<b>Total</b>	<b>1,586</b>	<b>1,812</b>

### 4.2 Investment Income – is our return on investments as expected?

- 4.2.1 In the second quarter, the Council's average interest rate received on investments has been 0.66% on an average investment balance of £32,143k, which is a decrease from the 0.82% in 2016/17. The decrease is due to interest rates reducing following the reduction of the Bank Rate on 4 August 2016 from 0.50% to 0.25%.
- 4.2.2 Although the achieved is below what we achieved last year, the rate is above the above the 6 month LIBOR interest rate - the average interest rate at which a selection of banks in London are prepared to lend to one another in British pounds with a maturity of 6 months – of 0.48%.
- 4.2.3 The table below shows the current investments as at 30 September 2017 by RCC.

Investment Number	Amount Invested	Interest Rate	Date Invested	Maturity Date	Number of Days
<b>Banks - UK</b>					
1	2,000,000	0.70%	28-Apr-17	27-Oct-17	182
2	1,000,000	0.70%	04-May-17	06-Nov-17	186
3	1,000,000	0.80%	29-Mar-17	28-Mar-18	364
4	1,000,000	0.80%	29-Mar-17	28-Mar-18	364
5	2,000,000	0.95%	30-Mar-17	29-Mar-18	364
6	3,000,000	0.80%	31-Mar-17	29-Mar-18	363
7	2,000,000	0.80%	11-Apr-17	10-Apr-18	364
8	1,000,000	0.80%	12-Apr-17	11-Apr-18	364
9	2,000,000	0.85%	28-Apr-17	27-Apr-18	364
10	3,000,000	0.81%	06-Jun-17	05-Jun-18	364
<b>Building Societies</b>					
11	1,000,000	0.48%	04-Apr-17	03-Oct-17	182
12	1,000,000	0.51%	12-Apr-17	12-Oct-17	183
13	1,000,000	0.55%	12-Apr-17	12-Oct-17	183
14	2,000,000	0.51%	15-May-17	14-Nov-17	183
15	1,000,000	0.55%	15-Jun-17	19-Dec-17	187
16	1,000,000	0.58%	04-Jul-17	04-Jan-18	184
17	1,000,000	0.36%	13-Jul-17	13-Oct-17	92
18	1,000,000	0.52%	26-Jul-17	30-Jan-18	188
19	1,000,000	0.34%	01-Aug-17	01-Nov-17	92
20	1,000,000	0.51%	01-Aug-17	01-Feb-18	184
21	1,000,000	0.35%	04-Sep-18	06-Mar-18	183
<b>Money Market Funds</b>					
22	1,014,099		Instant Access		
<b>Total</b>	<b>31,014,099</b>				



## Appendix B. Approved Budget Changes

This Appendix shows changes to functional budgets and other budget changes. In accordance with FPR's, Cabinet can approve virements in any functional budget of up to £250k in any one year to a cumulative value of £500k across all functions. Changes above £500k must be approved by Council on a recommendation from Cabinet. In approving requests, Cabinet or Council may agree the use of earmarked reserves (ER), use the General Fund (GF) or make virements between directorates.

For the purposes of the rules, Cabinet is allowed to use earmarked reserves (approved by Council) in an unlimited way as long as they are used for their intended purpose and is allowed to carry forward unused budget from one period to the next so use of these reserves are not counted against the delegated limit for functional budget changes and are therefore shown separately (Cabinet Other).

Description	Source of Funding	Net Cost of Services £000	Capital Financing £000	Funding £000	Transfer to/(from) Reserves £000	Spend on Capital £'000	(Surplus)/ Deficit £000	Cabinet* £500k Limit £000	Cabinet Other £000	Council £000	Ch Exec. s151 Officer £000
<b>Changes already made</b>											
<b>Approved Budget (44/2017)</b>		<b>34,192</b>	<b>(172)</b>	<b>(33,731)</b>	<b>(270)</b>	<b>0</b>	<b>19</b>				
<b>Approved Budget at Q1 (111/2017)</b>		<b>35,930</b>	<b>(147)</b>	<b>(34,251)</b>	<b>(1,479)</b>	<b>0</b>	<b>53</b>	<b>67</b>	<b>1,198</b>	<b>126</b>	<b>545</b>
Backdated Social Care costs (147/2017) (i)	Contingency	0					0		80		
BCF – Inflationary increase on grant funding (ii)	Grant	37		(37)			0				37
One Public Estate – successful grant application (iii)	Grant	0					0				25
Planning – One off settlement (iv)	GF	500					500			500	
Discover Rutland Website (v)	ER	8			(18)		(10)				18
<b>Approved Budget at Q2</b>		<b>36,475</b>	<b>(147)</b>	<b>(34,288)</b>	<b>(1,497)</b>	<b>0</b>	<b>543</b>	<b>67</b>	<b>1,278</b>	<b>626</b>	<b>625</b>
<b>Changes awaiting approval</b>											
War Pensions Scheme Disregard (vi)	Grant			(15)			(15)				(15)

Description	Source of Funding	Net Cost of Services £000	Capital Financing £000	Funding £000	Transfer to/(from) Reserves £000	Spend on Capital £'000	(Surplus)/ Deficit £000	Cabinet* £500k Limit £000	Cabinet Other £000	Council £000	Ch Exec. s151 Officer £000
Local Reform & Community Voices (vi)	Grant			(21)			(21)				(21)
Care Act – Prison Assessment (vii)	Grant			(20)			(20)				(20)
Green Waste Project (viii)	ER	80			(80)		0		80		
Legal Costs (ix)	ER	20			(20)		0		20		
<b>Approved Budget at Q2</b>		<b>36,575</b>	<b>(147)</b>	<b>(34,344)</b>	<b>(1,597)</b>	<b>0</b>	<b>487</b>	<b>67</b>	<b>1,378</b>	<b>626</b>	<b>569</b>

- (i) At Q1, Members approved the use of up to £264k for the backdated social care costs of a supported living project previously funded by Lincolnshire County Council. The actual backdated costs agreed by both parties of £80k will be funded from the Adult Social Care Contingency.
- (ii) The Council has been notified of an inflationary increase to the Better Care Fund Grant of £37k. The grant is ringfenced and therefore the expenditure budgets have been increased to match the increase in income.
- (iii) The Council has been successful in its bid for additional funding to support the One Public Estate project and will receive £25k. This grant is ringfenced and therefore the income and expenditure budgets have been adjusted within the Net Cost of Services.
- (iv) At the Council Meeting on 11<sup>th</sup> September, Members approved the payment of £500k to settle a compensation claim made by the landowner in relation to an order made modifying the grant of planning permission for the construction of a golf course.
- (v) The Chief Executive has approved the use of S106 funding to support the Discover Rutland website. The set up costs of £10k were funded from the General Fund in 2016/17.
- (vi) Additional grant income has been received of £15k War Pensions Scheme Disregard and £21k Local Reform and Community Voices.
- (vii) The Council has received notification that the Care Act – Prison Assessment grant will be £20k more than previously anticipated.
- (viii) The new Green Waste Collection service (report 150/2017) to commence in 2018/19 is expected to incur initial set up costs to be recouped in subsequent years. Therefore Members will be asked to approve the use of £80k from the Invest to Save reserve in 2017/18 which will be refunded over the next 3 years.
- (ix) The Council had £68k in the budget to meet legal costs associated with the planning compensation claim (see note (iv)). The actual costs were £88k with the additional amount to be funded from the Legal reserve.

## Appendix C. Reconciliation of Directorate budgets

This Appendix shows the changes to individual Directorate budgets and in accordance with Financial Procedure Rules identifies movement of budgets between directorates.

	Approved Budget 2017/18	Budget at Q1 2017/18	Backdated Social Care Costs	BCF Inflation	Transfer of Housing & Crime Prevention	One Public Estate	Planning One off Settlement	Discover Rutland Website	Green Waste Collection	Legal Costs of Planning	Budget At Q2 2017/18
	£'000	£000	£000 (i)	£000 (iv)	£000 (iii)	£000 (iv)	£000 (ii)	£'000 (iv)	£'000 (v)	£'000 (vi)	£000
People	16,379	17,202	80	37	367						17,686
Places	12,240	12,605			(367)			8	80		12,326
Resources	5,399	6,049				0				20	6,069
Pay Inflation	45	45									45
Planning One off settlement	0	0					500				500
Social Care Contingency	250	150	(80)								70
Headcount Savings	(121)	(121)									(121)
<b>Net Cost of Services</b>	<b>34,192</b>	<b>35,930</b>	<b>0</b>	<b>37</b>	<b>0</b>	<b>0</b>	<b>500</b>	<b>8</b>	<b>80</b>	<b>20</b>	<b>36,575</b>

- (i) At Q1, Members approved the use of up to £264k for the backdated social care costs of a supported living project previously funded by Lincolnshire County Council. The actual backdated costs agreed by both parties is £80k.
- (ii) At the Council Meeting on 11<sup>th</sup> September, Members approved the payment of £500k to settle a compensation claim made by the landowner in relation to an order made modifying the grant of planning permission for the construction of a golf course.
- (iii) The Housing and Crime Prevention functions have been transferred from the Places Directorate to the People Directorate.
- (iv) A number of minor adjustments have occurred since Q1, See Appendix B note (ii) (iii) and (v)
- (v) Members are being asked to approve the use of £80k from Invest to Save reserve to fund the initial set up costs of the new Green Waste Collection service. This will be returned to the earmarked reserve over 3 years (Appendix B note (viii)).
- (vi) Members are being asked to approve the use of £20k from Legal reserve to fund the increased costs associated with the settlement of a one off planning compensation claim (Appendix B note (ix)).

## Appendix D. Virements

This Appendix shows virements made within Directorate budgets in accordance with para 4.10 of the Financial Procedure Rules by Directors and the Chief Executive/Section 151 Officer.

Function	Current Ceiling	Revised	Movement	Reason
Environmental Maintenance	£1,153,700	£1,073,200	(£80,500)	Community Safety team staffing transferred budget into Crime Prevention as part of service transfer to People Directorate
Crime Prevention	£157,000	£237,500	£80,500	
Highways Management	£190,300	£180,300	(£10,000)	Virement to Asset Surveys in Road Maintenance to facilitate the completion of statutory condition surveys
Road Maintenance	£889,300	£899,300	£10,000	

## Appendix E. People Budget Monitoring Summary

Function	Outturn 2016/17	Approved Budget	Revised Budget	Q1 Forecast	Q2 Forecast	Q2 Variance to budget
Directorate Management Costs	1,782,567	1,573,500	1,437,200	1,438,200	1,439,400	2,200
Business Intelligence	105,511	126,700	126,700	134,500	126,700	0
Crime Prevention	138,534	157,000	237,500	238,100	242,700	5,200
Contract Savings	(157,000)	0	(150,000)	0	(60,000)	90,000
<b>Total Directorate Costs</b>	<b>1,869,612</b>	<b>1,857,200</b>	<b>1,651,400</b>	<b>1,810,800</b>	<b>1,748,800</b>	<b>97,400</b>
Public Health	1,257	67,400	67,400	75,300	70,600	3,200
BCF Programme Support	79,050	72,800	158,000	138,000	151,200	(6,800)
BCF Unified Prevention	234,181	310,200	395,000	412,200	380,900	(14,100)
BCF Holistic Management of Health & Wellbeing	734,158	743,000	1,080,000	1,059,000	1,052,600	(27,400)
BCF Hospital Flows	935,235	936,000	999,400	973,000	988,000	(11,400)
<b>Adults and Health (Ringfenced)</b>	<b>1,983,881</b>	<b>2,129,400</b>	<b>2,699,800</b>	<b>2,657,500</b>	<b>2,643,300</b>	<b>(56,500)</b>
Non BCF Contract and Procurement	593,848	422,200	572,200	514,700	538,300	(33,900)
ASC Community Inclusion	713,654	758,500	757,500	753,800	786,700	29,200
ASC Prevention and Safeguarding	114,926	141,000	141,000	104,800	131,300	(9,700)
ASC Prevention and Safeguarding - Staffing	462,752	461,400	412,400	421,000	413,200	800
ASC Housing	214,486	128,700	128,700	56,900	105,900	(22,800)
ASC Support and Review - Daycare	165,506	169,800	204,800	195,800	207,200	2,400
ASC Support and Review - Direct Payments	573,212	666,000	666,000	671,500	599,500	(66,500)
ASC Support and Review - Homecare	1,092,451	1,122,000	1,332,000	1,511,800	1,377,800	45,800
ASC Support and Review - Other	300,346	284,500	284,500	284,600	290,100	5,600
ASC Support and Review - Residential & Nursing	2,763,792	2,871,700	2,871,700	2,849,900	2,801,100	(70,600)
ASC Support and Review - Staffing	597,326	543,700	550,100	566,400	558,100	8,000
ASC Hospital and Reablement	336,365	496,900	540,500	528,300	516,000	(24,500)

Function	Outturn 2016/17	Approved Budget	Revised Budget	Q1 Forecast	Q2 Forecast	Q2 Variance to budget
<b>Adults and Health (Non Ringfenced)</b>	<b>7,928,664</b>	<b>8,066,400</b>	<b>8,461,400</b>	<b>8,459,500</b>	<b>8,325,200</b>	<b>(136,200)</b>
Safeguarding	140,965	190,700	190,700	138,500	166,500	(24,200)
Referral, Assessment and Intervention Service	268,141	255,000	291,100	245,900	219,900	(71,200)
Permanency and Protection Service	637,198	509,300	457,200	437,700	534,500	77,300
Fostering, Adoption and Care Leaver Service	1,680,277	1,431,100	1,531,100	1,881,600	1,890,000	358,900
Early Intervention - Targeted Intervention	1,137,706	1,124,900	1,149,900	1,289,700	1,364,900	215,000
Early Intervention - SEND & Inclusion	256,826	203,500	284,500	295,900	283,900	(600)
Early Intervention - Universal and Partnership	369,149	409,500	409,500	358,600	357,200	(52,300)
<b>Childrens</b>	<b>4,490,261</b>	<b>4,124,000</b>	<b>4,314,000</b>	<b>4,647,900</b>	<b>4,816,900</b>	<b>502,900</b>
Schools and Early Years	377,685	487,900	558,900	482,100	439,000	(119,900)
Rutland Adult Learning and Skills Service (RALSS)	10,494	0	0	(12,800)	(17,400)	(17,400)
<b>Learning and Skills</b>	<b>388,179</b>	<b>487,900</b>	<b>558,900</b>	<b>469,300</b>	<b>421,600</b>	<b>(137,300)</b>
<b>Total People - GF (Ringfenced)</b>	<b>1,983,881</b>	<b>2,129,400</b>	<b>2,699,800</b>	<b>2,657,500</b>	<b>2,643,300</b>	<b>(56,500)</b>
<b>Total People – GF (Non Ringfenced)</b>	<b>14,676,716</b>	<b>14,535,500</b>	<b>14,985,700</b>	<b>15,387,500</b>	<b>15,312,500</b>	<b>326,800</b>
<b>Total People (Excluding DSG)</b>	<b>16,660,597</b>	<b>16,664,900</b>	<b>17,685,500</b>	<b>18,045,000</b>	<b>17,955,800</b>	<b>270,300</b>
Schools Dedicated Schools Grant (DSG)	187,512	0	0	19,600	(7,400)	(7,400)
<b>Total People (Including DSG)</b>	<b>16,848,109</b>	<b>16,664,900</b>	<b>17,685,500</b>	<b>18,064,600</b>	<b>17,948,400</b>	<b>262,900</b>

## Appendix F. Places Budget Monitoring Summary

Function	Outturn 2016/17	Approved Budget 2017/18	Revised Budget 2017/18	Q1 Forecast	Q2 Forecast	Q2 Variance to budget
Directorate Management Costs	193,272	198,200	198,200	200,200	200,200	2,000
<b>Directorate Management Costs</b>	<b>193,272</b>	<b>198,200</b>	<b>198,200</b>	<b>200,200</b>	<b>200,200</b>	<b>2,000</b>
Development Control	136,013	184,700	184,700	211,700	206,100	21,400
Drainage & Structures	198,594	191,100	191,100	191,100	192,900	1,800
Emergency Planning	28,131	29,700	29,700	30,100	30,100	400
Environmental Maintenance	1,159,341	1,149,700	1,073,200	1,062,400	1,074,700	1,500
Forestry Maintenance	129,277	117,000	117,000	117,000	117,000	0
Highways Capital Charges	1,332,300	1,332,300	1,332,300	1,332,300	1,332,300	0
Highways Management	53,635	190,300	180,300	129,100	180,800	500
Commissioned Transport	1,445,589	1,356,000	1,464,200	1,379,300	1,475,100	10,900
Lights Barriers Traffic Signals	260,552	134,400	134,400	134,400	134,400	0
Parking	(289,071)	(350,000)	(350,000)	(345,200)	(346,000)	4,000
Pool Cars & Car Hire	86,619	97,200	97,200	88,900	90,900	(6,300)
Public Protection	369,084	388,300	410,300	398,500	400,300	(10,000)
Public Rights of Way	73,024	90,400	90,400	89,200	89,200	(1,200)
Public Transport	818,218	897,000	788,800	773,100	748,200	(40,600)
Road Maintenance	1,018,551	889,300	899,300	898,000	899,300	0
Transport Management	345,983	385,600	493,600	488,800	465,900	(27,700)
Waste Management	2,385,852	2,369,600	2,449,600	2,369,000	2,450,500	900
Winter Maintenance	208,466	267,500	267,500	267,500	267,500	0
<b>Environment, Planning and Transport</b>	<b>9,760,158</b>	<b>9,720,100</b>	<b>9,853,600</b>	<b>9,615,200</b>	<b>9,809,200</b>	<b>(44,400)</b>

<b>Function</b>	<b>Outturn 2016/17</b>	<b>Approved Budget 2017/18</b>	<b>Revised Budget 2017/18</b>	<b>Q1 Forecast</b>	<b>Q2 Forecast</b>	<b>Q2 Variance to budget</b>
Planning Policy	307,446	257,000	380,000	308,900	324,900	(55,100)
Tourism	21,726	14,600	22,200	12,500	9,900	(12,300)
Health & Safety	29,433	38,100	38,100	38,100	38,100	0
Property Services	930,894	939,100	939,100	982,900	1,005,000	65,900
Building Control	3,236	(48,100)	(48,100)	(48,100)	(48,500)	(400)
Commercial & Industrial Properties	(187,131)	(260,400)	(260,400)	(297,100)	(252,800)	7,600
Economic Development	151,159	199,400	237,400	190,000	191,100	(46,300)
Culture & Registration Services	58,024	83,700	83,700	82,300	82,700	(1,000)
Libraries	399,673	459,200	529,200	514,900	438,500	(90,700)
Museum Services	356,650	352,600	352,600	347,500	354,000	1,400
Sports & Leisure Services	35,108	600	600	8,800	14,100	13,500
<b>Development and Economy</b>	<b>2,106,218</b>	<b>2,035,800</b>	<b>2,274,400</b>	<b>2,140,700</b>	<b>2,157,000</b>	<b>(117,400)</b>
<b>Total Places</b>	<b>12,059,648</b>	<b>11,954,100</b>	<b>12,326,200</b>	<b>11,956,100</b>	<b>12,166,400</b>	<b>(159,800)</b>



## Appendix G. Resources Budget Monitoring Summary

Function	Outturn 2016/17	Approved Budget	Revised Budget	Q1 Forecast	Q2 Forecast	Q2 Variance to Budget
Chief Executives Office	205,056	222,000	372,000	371,300	372,000	0
Direct Management Cost	270,561	216,800	286,800	286,800	286,800	0
Corporate Costs	168,387	206,000	206,000	209,600	217,000	11,000
Pensions	237,484	220,000	220,000	220,000	214,500	(5,500)
Audit Services	145,449	165,500	165,500	162,400	174,200	8,700
Insurance	209,538	215,200	240,200	243,500	243,900	3,700
Accountancy & Finance	591,356	617,200	685,200	685,200	682,000	(3,200)
Information Technology	1,428,964	1,280,700	1,467,500	1,455,900	1,423,500	(44,000)
Corporate Support Services	542,790	573,400	495,100	488,500	486,900	(8,200)
Members Services	191,537	206,800	206,800	201,300	201,300	(5,500)
Customer Services Team	205,738	235,600	235,600	230,200	228,800	(6,800)
Elections	(32,458)	17,100	128,600	54,300	72,400	(56,200)
Legal & Governance	353,108	360,300	426,300	367,800	388,100	(38,200)
Human Resources	419,192	450,200	484,200	488,100	488,200	4,000
Revenues & Benefits	342,007	386,800	398,800	332,200	343,300	(55,500)
Financial Support	37,549	25,000	50,000	36,000	36,000	(14,000)
<b>Total Resources Directorate</b>	<b>5,316,258</b>	<b>5,398,600</b>	<b>6,068,600</b>	<b>5,833,100</b>	<b>5,858,900</b>	<b>(209,700)</b>

## Appendix H. Adverse variances over £25k

This Annex shows requests for increases in budget ceilings where existing forecasts predict that budgets will be overspent or an explanation of the current position.

Ref	Function	Reason for Overspend
H1	<b>Fostering &amp; Adoption</b>	<p>The key reasons for this overspend are:</p> <ul style="list-style-type: none"> <li>Foster Placement pressure arising from changes in needs as well as an increase in the numbers since Q1 of 8. This is partially offset by the movement of 3 existing placements to Special Guardianship Orders. Total overspend equating to £120k.</li> <li>Increase costs in residential placements due to one placement not ceasing as anticipated when setting the budget - £125k.</li> <li>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 £123k for the year.</li> </ul> <p>The Directorate is currently looking at ways to encourage in house carers to take a 2<sup>nd</sup>/3<sup>rd</sup> child to reduce costs longer term. If agreed, this is likely to show dividends in 2018/19.</p>
	Budget £1,531k	
	Forecast £1,890k	
H2	<b>Early Intervention - Children with Disabilities</b>	<p>The over spend is a result of additional care packages for children with disabilities which were not known at the time of setting the budget. Subsequent care package changes and additional placements have increased this overspend further in Q2. Agency staff costs to cover long term sickness for statutory function has further contributed to the over spend.</p>
	Budget £1,150k	
	Forecast £1,365k	
H3	<b>Contract savings</b>	<p>The budget included a savings estimate of £150k on external placements for 2017/18. External consultants were appointed to review the placements in both children and adult services 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</p>
	Budget (£150k)	
	Forecast (£60k)	

Ref	Function	Reason for Overspend
		through contract renegotiation as the Council is already achieving value for money. 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.
H4	<b>Community Inclusion</b>	Forecast overspend is due to increased levels of support for individuals with Mental Health and Learning Disabilities to live independently in the community. Budget will be realigned in 18/19 to reflect increase in costs as service provision increases in line with supporting people at home in their communities.
	Budget £758k	
	Forecast £787k	
H5	<b>Support &amp; Review - Homecare</b>	Since budget setting when an average of 1,000 hours per week in Older People Homecare were being provided, actual activity has increased to an average of 1,300 hours per week reflecting the strategy of keeping people at home longer with more complex needs. If the proposed direct payment rate increase takes place in the New Year we may see a move from traditional commissioned homecare packages to more direct payments.
	Budget £1,332k	
	Forecast £1,378k	
H6	<b>Permanency and Protection</b>	The function is forecast to be overspent due to a number of reasons as follows: <ul style="list-style-type: none"> <li>• The family support service is overspending due to a number of families requiring additional support in order to reduce the likelihood of the children being taken into care thereby reducing potential costs in the future.</li> <li>• The Children Looked After area is overspending due to an increase in costs associated with parental contact visits for children placed out of county.</li> <li>• Children's Social Care Staffing is forecasting an overspend due to the need to use agency staff to cover vacant posts.</li> </ul>
	Budget £457k	
	Forecast £534k	
H7	<b>Property Services</b>	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	

## Appendix I. Detailed Capital Programme

Project Description	Index	Budget at Outturn (11/2017)	Approval since Outturn	Withdrawn Projects	Total Project Budget	Prior Year Outturn	Estimated Project Outturn 2017/18	Estimated Project Outturn Future Year(s)	Estimated Project Outturn	Project Over(Under) Spend
Devolved Formula		32	0	0	32	0	32	0	32	0
Disabled Facilities Grants		210	0	0	210	0	210	0	210	0
Autism Innovation		19	0	0	19	15	3	0	18	0
ASC System Replace		590	0	0	590	558	38	0	596	6
<b>Total People Capital Programme</b>		<b>850</b>	<b>0</b>	<b>0</b>	<b>850</b>	<b>573</b>	<b>284</b>	<b>0</b>	<b>856</b>	<b>6</b>
Digital Rutland	(i)	2,670	0	(292)	2,378	2,068	310	0	2,378	0
Digital Rutland Phase 3	(i)	0	613	292	905	0	905	0	905	0
Oakham Enterprise Park	(v)	600	0	(594)	6	0	6	0	6	0
King Centre		200	0	0	200	0	200	0	200	0
Uppingham College		74	0	0	74	34	40	0	74	0
Schools Maintenance	(iv)	45	410	0	455	0	114	341	455	0
Oakham C of E		651	0	0	651	8	25	618	651	0
Catmose College – Phase 2		130	0	0	130	0	0	130	130	0
Catmose College – Phase 3		1,950	0	0	1,950	0	0	1,950	1,950	0
Uppingham C of E		200	0	0	200	0	0	200	200	0
Barleythorpe Primary		200	0	0	200	0	0	200	200	0
SEN – Increase cap		200	0	0	200	0	0	200	200	0
English Martyrs Primary		133	0	0	133	126	6	0	132	0
Highways Capital Project	(ii)	2,135	12	0	2,147	0	2,147	0	2,147	0
Integrated Transport Block		360	0	0	360	0	360	0	360	0
Oakham Town Centre		528	0	0	528	0	132	396	528	0
Active Rutland Hub		769	0	0	769	766	3	0	768	(1)

Project Description		Budget at Outturn (11/1/2017)	Approval since Outturn	Withdrawn Projects	Total Project Budget	Prior Year Outturn	Estimated Project Outturn 2017/18	Estimated Project Outturn Future Year	Estimated Project Outturn	Project Over/(Under) Spend
Greetham Play Area	(ii)	0	28	0	28	0	28	0	28	0
Sports Grants		500	0	0	500	318	30	152	500	0
Oakham Castle Restoration		2,400	0	0	2,400	1,797	364	240	2,400	0
Oakham Library		989	0	0	989	71	926	0	997	8
Planning Software (IDOX)	(iii)	0	50	0	50	0	50	0	50	0
<b>Total Places Capital Programme</b>		<b>14,733</b>	<b>1,113</b>	<b>(594)</b>	<b>15,252</b>	<b>5,189</b>	<b>5,643</b>	<b>4,428</b>	<b>15,260</b>	<b>8</b>
IT Project		150	0	0	150	0	150	0	150	0
<b>Total Resource Capital Programme</b>		<b>150</b>	<b>0</b>	<b>0</b>	<b>150</b>	<b>0</b>	<b>150</b>	<b>0</b>	<b>150</b>	<b>0</b>
<b>Total Capital Programme</b>		<b>15,733</b>	<b>1,113</b>	<b>(594)</b>	<b>16,252</b>	<b>5,761</b>	<b>6,077</b>	<b>4,428</b>	<b>16,266</b>	<b>14</b>

Approvals since the Outturn Report – these are projects which have been approved by Members since the outturn budget was reported. Further details of the approval can be found using the report numbers associated with the projects

- ii) Digital Rutland Phase 3 (Report No 140/2017)
- iii) Delegated approval – Greetham Play Area £27k & North Luffenham Speed Indicator Devices (SIDS) £12k. Both projects will be funded by Section 106
- iv) Planning Software (IDOX) (Report No 179/2017)
- v) Schools Maintenance (184/2017)

Withdrawn Projects – these are projects which either has been withdrawn or partly withdrawn from the capital programme.

- vi) Oakham Enterprise Park £594k – The future development of Oakham Enterprise Park will be updated in the November cabinet paper. The two existing projects will be superseded by the new paper and will therefore be cancelled from the capital programme.

## Appendix J. Medium Term Financial Plan

The MTFP shows spending plans and funding position for the current and next 4 years. The references (Ref) refer to assumptions in the table that follows.

	2016/17 Q4 Outturn £	2017/18 Proposed £	2017/18 Q2 Forecast £	2018/19 Proposed £	2019/20 Proposed £	2020/21 Proposed £	2021/22 Proposed £
People	16,308,000	17,685,600	17,956,000	17,261,200	17,340,400	17,576,500	17,998,500
Places	12,378,000	12,326,600	12,166,000	12,014,800	12,257,700	12,501,900	12,784,900
Resources	5,316,000	6,068,600	5,859,000	5,611,700	5,695,400	5,796,500	5,900,700
Pay Inflation Contingency	0	45,000	0	486,400	786,800	1,051,000	1,327,800
Planning - One Off Payment	0	500,000	500,000	0	0	0	0
Adult Social Care Contingency	0	70,000	0	100,000	100,000	100,000	100,000
Corporate Headcount Saving		(121,000)	0	(121,000)	(121,000)	(121,000)	(121,000)
<b>Net Cost of Services</b>	<b>34,002,000</b>	<b>36,574,800</b>	<b>36,481,000</b>	<b>35,353,100</b>	<b>36,059,300</b>	<b>36,904,900</b>	<b>37,990,900</b>
Capital met from Direct Revenue	186,000	0	0	0	0	0	0
Appropriations	(1,897,000)	(1,897,000)	(1,897,000)	(1,897,000)	(1,897,000)	(1,897,000)	(1,897,000)
Capital Financing	1,930,000	1,930,365	1,930,365	1,644,144	1,643,227	1,641,577	1,661,869
Interest Receivable	(254,000)	(180,000)	(220,000)	(210,000)	(170,000)	(155,000)	(155,000)
<b>Net spending</b>	<b>33,967,000</b>	<b>36,428,165</b>	<b>36,294,365</b>	<b>34,890,244</b>	<b>35,635,527</b>	<b>36,494,477</b>	<b>37,600,769</b>
<b>Resources</b>							
Other Income	(443,243)	(236,700)	(256,900)	(129,600)	(112,600)	(36,000)	(36,000)
New Homes Bonus	(1,230,023)	(1,214,332)	(1,214,332)	(1,235,983)	(1,243,591)	(996,987)	(894,704)
Better Care Fund	(2,061,292)	(2,578,400)	(2,578,400)	(2,266,200)	(2,175,000)	(2,098,300)	(2,098,300)
Social Care In Prisons	(54,128)	(74,128)	(74,128)	(74,128)	(74,128)	(74,128)	(74,128)
Rural Delivery Grant	(843,258)	(680,891)	(680,891)	(523,763)	(680,891)	(680,891)	(680,891)
Transition Grant	(339,932)	(336,573)	(336,573)	0	0	0	0
Adult Social Care Support Grant	0	(136,300)	(136,300)	0	0	0	0
Revenue Support Grant	(2,353,919)	(888,716)	(888,716)	0	958,318	1,109,262	1,229,566
Retained Business Rates Funding	(4,778,000)	(4,785,764)	(4,785,764)	(4,958,252)	(5,133,128)	(4,975,801)	(5,062,016)
Council Tax/Social care precept	(21,925,000)	(23,242,155)	(23,242,155)	(24,493,244)	(25,773,344)	(27,047,922)	(28,394,578)
Collection fund surplus	(248,000)	(170,000)	(170,000)	0	0	0	0
<b>Total available Resources</b>	<b>(34,276,795)</b>	<b>(34,343,959)</b>	<b>(34,364,159)</b>	<b>(33,681,170)</b>	<b>(34,234,364)</b>	<b>(34,800,767)</b>	<b>(36,011,051)</b>
<b>Use of Earmarked Reserves</b>	<b>(17,000)</b>	<b>(1,597,200)</b>	<b>(1,161,000)</b>	<b>(356,200)</b>	<b>(206,800)</b>	<b>(107,600)</b>	<b>(134,600)</b>
<b>Use of General Fund Balances</b>	<b>(326,795)</b>	<b>487,006</b>	<b>769,206</b>	<b>852,874</b>	<b>1,194,363</b>	<b>1,586,110</b>	<b>1,455,118</b>
Balance brought forward	(10,143,751)	(9,634,546)	(9,634,546)	(8,865,340)	(8,012,466)	(6,818,103)	(5,231,993)
Transfer of Fund to Earmarked Reserves	836,000						
<b>Balance carried forward</b>	<b>(9,634,546)</b>	<b>(9,147,540)</b>	<b>(8,865,340)</b>	<b>(8,012,466)</b>	<b>(6,818,103)</b>	<b>(5,231,993)</b>	<b>(3,776,875)</b>

## The MTFP assumptions

Ref	Expenditure /Funding	Assumptions/Commentary
1	Directorate Costs	Directorate costs assume prior year as a starting point and build in inflation and any changes to National Insurance contributions.  Inflation is built into the MTFP to cover potential cost increases. The level of inflation ranges from 5% for fuel (gas, electric etc.) to 2% for general inflation (supplies and services).
2	Pension contributions	The Triannual review of the Local Government Pension Scheme (LGPS) has been completed and the contribution rate will increase by 1% per annum for the next three years. The following rates are built in to the MTFP 21.7% 2017/18, 22.7% 18/19, 23.7% 19/20 24.7% 20/21 and 25.7% 21/22
3	Apprenticeship Levy	As part of the Comprehensive Spending Review (CSR) the government announce the introduction of the apprenticeship levy at % of the total pay budget. An appropriate amount, £54k, has been built into the MTFP from 17/18 and beyond.
4	Pay Inflation Contingency	Council assumes pay inflation will be 1.5% pa from 18/19. The contingency has been reduced but includes amounts set aside to meet the cost of additional pension contributions, pay upgrades and those outside the pension fund re-joining the scheme.
5	Contract inflation	This is an amount set aside to cover above inflation rises should they materialise on key contract, pay, supplies etc.
6	Adult Social Care pressures	This is set aside to cover demographic and demand pressures on Adult and Social Care. Rather than increase individual budgets the Council will hold a contingency and allocate it when it knows where the demand pressure is e.g. home care, residential care etc
7	Capital financing	The capital financing charges are made up of 2 amounts; <ul style="list-style-type: none"> <li>• Interest Payable – this is fixed over the life of the MTFP at c£1m per annum. This is all payable to the Public Works Loan Board (PWLB)</li> <li>• Minimum Revenue Provision (MRP) - An annual provision that the Council is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets. It is assumed that MRP will be charged on an equal instalment basis from 18/19.</li> </ul>
8	Interest	This represents the amount the Council expects to earn from investing cash balances held.
9	RSG	The MTFP assumes that RSG reduces to £0 by 2019/20, is - £958k in 19/20 and then increase further by c£120k pa

Ref	Expenditure /Funding	Assumptions/Commentary
10	Business rates	<p>The amount to be retained under "Business Rates Retention" (BRR) scheme has been updated in line with the current year forecast and the likely business rates reset in 20/21 which will result in the Council paying a bigger tariff from its share of rates.</p> <p>The potential loss of income through appeals remains a risk and could have a significant impact on business rates revenue.</p>
11	Social care precept	The MTFP contains an additional social care precept on council tax built in at 2% to deal with the rising costs of social care costs.
12	Council tax	Tax rises built in at 1.99%. The tax base continues to increase with housing growth and over the next 4 years it is assumed that the number of Band D equivalents will increase by c80-90. An increase in local council tax support claims could dampen this growth but in 15/16 the number of claimants has reduced.
13	New Homes Bonus	<p>The MTFP uses projections from Planning on new homes.</p> <p>The MTFP assumes NHB payments will be received for 4 years starting from 2017/18.</p>
14	Social Care in prisons	The only Care Act funding not part of RSG is the funding for social care in prisons which is funded by a Department of Health grant.
15	Other Income	The other income includes miscellaneous grants.
16	Rural Delivery Grant	The MTFP builds in grant as per the Government 4-year offer.
17	Better Care Fund	The Better Care Fund (BCF) allocations are built in based on allocations announced in 2017/18.
19	Ring fenced grants	These grants are included within cost centres and not shown with other funding streams. The biggest ring fenced grant is for Public Health.
20	Earmarked Reserves	The Council earmarked reserves set aside for specific purposes. Where these are planned to be used the spending has been included within the relevant Directorate costs and the total funding used is shown as a Transfer from earmarked reserves in the MTFP.
21	Collection Fund Surplus	<p>The Collection Fund is the collective name for the financial management of the collection of Business Rates and Council Tax.</p> <p>If a surplus or deficit remains in the Collection Fund at the year-</p>



Ref	Expenditure /Funding	Assumptions/Commentary
		<p>end it is subsequently distributed to, or borne by the billing authority (in this situation the Council) and the preceptors (Police and Fire Authorities). Billing authorities are required to estimate the expected Collection Fund balance for the year to 31 March in order that the sum can be taken into account by billing authorities and preceptors in calculating the amounts of Council Tax for the coming year. The difference between the estimate at 15 January, and actual position at 31 March will be taken into account in the following financial year.</p>
22	Capital met from Direct Revenue	<p>This represents the amount of revenue expenditure that is funding capital projects.</p>
23	Transition Grant	<p>Additional funding in the form of transitional grant has been given in both 2016/17 and 2017/18 for the councils adversely affected by the change in distribution of central funding.</p>