

Appendix A. Outturn 2016/17 and 2017/18 update

1 REVENUE OUTTURN

1.1 Budget – what is the overall outturn position?

1.1.1 Against the backdrop of ongoing financial pressures, the Council has achieved a surplus of £326k. This represents an over spend of £449k on its budgeted surplus of £775k. In the context of an MTFP which shows reducing funding levels (Report 44/2017), the overall outcome is still positive. The summary revenue position at 31 March 2017 is shown below:

	More detail	Current Budget £000	Q2 Forecast Outturn £000	Q3 Forecast Outturn £000	Q4 Outturn £000
People		16,497	16,896	16,460	16,308
Places		12,575	12,594	12,518	12,378
Resources		5,904	5,666	5,634	5,316
Directorate Totals	1.2	34,976	35,156	34,612	34,002
Adult Social Care Contingency		200	0	0	0
Contract Inflation		150	0	0	0
People First Saving	1.2.8	(235)	0	0	0
Net Cost of Services		35,091	35,156	34,612	34,002
Capital Financing	1.4.1	1,931	1,931	1,931	1,930
Interest Receivable	1.4.2	(220)	(235)	(254)	(254)
Net Operating Expenditure		36,802	36,852	36,289	35,678
Non ring-fenced grants	1.4.3	(7,448)	(7,427)	(7,456)	(7,573)
BCF Reserve returned to CCG	1.1.2				277
National Non-Domestic Rates	1.4.4	(4,770)	(4,770)	(4,770)	(4,778)
Council Tax	1.4.5	(21,925)	(21,925)	(21,925)	(21,925)
Transfers to/(from) reserves	1.3	(1,723)	(1,446)	(863)	(294)
Revenue contributions to capital	1.4.6	186	186	186	186
Appropriations	1.4.7	(1,897)	(1,897)	(1,897)	(1,897)
(Surplus)/Deficit		(775)	(427)	(436)	(326)
General Fund 1 April 2016		(10,144)	(10,144)	(10,144)	(10,144)
General Fund 31 March 2017		(10,919)	(10,571)	(10,580)	(10,470)
NB: The General Fund balance of £10.470m will be reduced to £9.634m with £836k transferred to earmarked reserves (see 1.1.2)					

1.1.2 The overall position can be summarised as follows:

- At a Directorate level, the under spend was £974k. However, as officers wish to carry forward c£1.62m to use either next year or in future years, the position is really an 'overspend' of £646k. Budgets to be carried forward have not been spent this year largely due to timing reasons. The reasons for the 'overspend' are consistent with those reported in year – there have been significant pressures in adoption and fostering, waste management and children's social care. Further detail is given in Section 1.2.
- Capital financing costs were broadly in line with budget with slightly better returns on investment income.
- The Council also received additional non ring-fenced grant income in year as in the past and this totalled £126k of which £114k was received in Q4 and is requested to be carried forward to be spent in 2017/18.
- The Directorate underspend of £974k and additional grant income of £126k was offset by additional net transfers to earmarked reserves of £1.73m compared to budget as explained above.
- In line with the Section 75 agreement for the Better Care Fund (BCF) between the Council and the Clinical Commissioning Group (CCG), the Partnership Board agreed to the return of £277k of funding (held in an earmarked reserve) to the CCG.
- As part of the Revenue and Capital Budget report (44/2017), Members agreed to increase the social care reserve to £1m and to create a pressure reserve with a contribution of £500k. Therefore, an additional transfer to reserves of £836k is required as part of the final accounts process.

1.1.3 Appendix B shows how the revenue outturn position reconciles to the Net Cost of Services in the Outturn summary to the Comprehensive Income and Expenditure Statement (CIES) in the Draft Statement of Accounts.

1.2 Directorate spend – how does this compare to budget and Quarter 3 forecast?

1.2.1 A summary of the performance of each function against budget can be found in Appendices C to E. 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:

<https://www.rutland.gov.uk/my-council/contacts-facts-and-figures/council-spending/budget-monitoring-quarterly-reports/>

1.2.2 Throughout the year, the Financial Procedure Rules (FPR) require Directors to report on functions which are forecast to be £25k overspent and provide a detailed report on functions overspent by more than £100k explaining the reasons why. As no adjustments to the 16/17 budget are now being requested, a summary of the position on each function is given in the Directorate appendices. The overall position is as follows:

Directorate	Functions	No overspent by > £25k	No overspent by > £100k
People	26	4	3
Places	32	2	2
Resources	16	0	0

People Directorate

1.2.3 The People Directorate is underspent by £189k and there has been a favourable movement of £152k since Q3. The net position does not show some of the significant challenges and pressures the Directorate has been dealing with this year. As the Directorate is required to carry forward unspent ring fenced budgets (e.g. Public Health and Better Care Fund) and is requesting budget carry forwards of £141k from other unspent budgets as well as transferring back to reserves £101k, the Directorate has, in effect, overspent its non-ring-fenced budgets by £540k as shown in the table below.

	£'000	£'000
(Under)/Over spend People Directorate (Excluding Dedicated Schools Grant)		(189)
Add back: ring-fenced grant underspends	487	
Add back: budgets to be carry forward/transferred to reserves	242	
(Under)/Over spend after transfers		540
Main Variances:		
Directorate Management cost	265	
Savings – PeopleFirst savings identified in year	(107)	
Adults and Health (Non Ring fenced)	(250)	
Childrens Services (Placement costs and Children with Disabilities)	674	
Learning and Skills	(42)	
Total Variance		540

1.2.4 As reported consistently throughout the year, the key pressures in the Directorate have revolved around children with disabilities, fostering and adoption and management costs. Further information is given in Appendix C.

- 1.2.5 The Children with Disabilities service (within the Early Intervention – Targeted functional budget) has overspent as a result of two additional high cost placements and the budget for 2017/18 has been increased to reflect this change.
- 1.2.6 Fostering and Adoption services were significantly overspent as a result of a significant increase in the number of placements required during the year including the need to place large sibling groups which resulted in the need to use Independent Fostering Agencies. The budget for 2017/18 has been increased and will be monitored closely throughout the year.
- 1.2.7 Directorate Management costs were significantly overspent due to the need to employ a large number of interims to cover vacant posts. At the start of the year, the Directorate had a number of key posts filled with interim staff. Following concerted effort, all of the Directorate management posts are now filled with permanent staff although there are still some residual vacancies at a lower level. It is not envisaged that there will be a pressure going forward.
- 1.2.8 The PeopleFirst savings of £235k were achieved by the Directorate in 2016/17. £107k was directly identified and separated from existing budgets but retained in the People Directorate . The remainder were kept in their original function and used to support the overspends.
- 1.2.9 Adults and Health has underspent by £250k due to a number of factors including staff vacancies, the reclassification of some Integrated Community Equipment services costs to capital, increased income from service users and reduction in carers support costs.

Places Directorate

- 1.2.10 The Places Directorate is under spent by £197k but is requesting that £404k is carried forward to next year or put into reserves. This effectively shows that the “real” position is a net over spend of £207k. Further information is given in Appendix D.
- 1.2.11 The net over spend relates to pressures in a number of key areas including Building Control of £50k (due to a write off of historic debt), Waste Management of £260k (mainly due to adverse pricing changes for recycling materials as reported throughout the year), Roads Maintenance of £135k (partly due to unforeseen carriageway patching £49k, repair and replacement of several speed indicator devices £33k, Storm Doris c£10k and other repair works required in Quarter 4) and Environmental Maintenance of £42k (due to one off works at Oakham Cemetery).
- 1.2.12 The cost of these pressures has been met in part through under spends in a number of areas including Development Control of £79k (due to increased planning income and staff savings), Highways Management of £45k (due to increased income from temporary road closures), Car Parking income of £59k, Public Protection of 30k (due to reduced costs negotiated on the shared service with Peterborough City Council), Public Rights of Way of £35k (due to staff vacancies) and Property Services of £33k (due to staff

vacancies and energy savings).

Resources Directorate

1.2.13 The Resources Directorate is underspent against budget by £588k and there has been a movement since Q3 of £318k. The key under spends relate to ongoing projects and priorities including the website project which continues in the form of a customer service improvements and the implementation of U4BW (Agresso). Other under spends relate to less demand for financial support, the timing of various training programmes (which will now take place in 17/18) and staffing under spends. With the Directorate requesting that £488k is carried forward to next year/put into earmarked reserves for future use, the “real” under spend is £100k.

1.2.14 A summary of key movements is included in Appendix E.

1.3 Budget Carry Forwards and using reserves – What budgets do officers wish to carry forward?

1.3.1 The Council planned to use £1.723m from earmarked reserves during 2016/17 including Budget Carry Forward requests approved as part of the Q4 Outturn Report 2015/16 (109/2016). At the year end, the Council is transferring a net £294k from earmarked reserves against the planned use. The Council is also transferring £836k to reserves in order to top up the social care reserve to £1m and create a “pressure” reserve with £500k. A summary of the planned and actual movement in reserves is shown below.

	Budget 2016/17 £'000		Actuals 2016/17 £'000	
Earmarked Reserves	3,918		3,918	
Commutated Sums	286		286	
Balance @ 01/04/2016		4,204		4,204
Use of Reserves	(1,687)		(1,687)	
Use of Commuted Sums	(36)		(36)	
Use of S106 for Revenue spend	0		(28)*	
Transfer to Reserves	0	(1,723)	1,734	(17)
Return of BCF to the CCG				(277)
Additional Transfer to Reserve				836
Balance @ 31/03/2017		2,481		4,774
*Section 106 balance is excluded from Reserves balance of £4.774m				

1.3.2 A breakdown of the transfer to reserves of £1.734m is shown below:

	Further information	£'000
Amounts underspent in revenue budgets requested to be carried forward to use in 2017/18	1.3.3	834
Amounts ring fenced (not available for general use)		487
BCF ring-fenced reserve	1.3.3	278
Public Health ring-fenced reserve	1.3.3	209
Amounts to transfer to reserves for meeting future liabilities		299
Audit Reserve	1.3.4	20
Social Care Reserve	1.3.5	76
Invest to Save reserve		25
Highways (Winter maintenance; s38 fees)		165
Welfare reserve		13
Total Transfer to Reserves from Directorates		1,620
Amounts of grants received in Q4 to be spent in 2017/18	1.4.3	114
Total Transfer to Reserves for 2016/17		1,734

1.3.3 Budget Carry Forwards are requested where services have under spent the budget during the financial year but have already committed the expenditure and therefore a request to carry these amounts forward reduces the burden on the 2017/18 budget. The total of budget carry forwards is £834k. Officers are also requesting that a total of £786k is put back into reserves for future use (£487k into ring fenced and £299k into other reserves). In addition, £114k of grants unused are requested to be carried forward. Details are given in Appendices C to E.

1.3.4 There is an existing reserve for Welland Internal Audit. Now that the Welland Audit service has been disbanded, it is proposed that this reserve is re-designated as an Audit reserve and that £20k is transferred into the reserve for future use.

1.3.5 Within the Highways earmarked reserve, there exists a winter maintenance reserve to be utilised as necessary to cover periods of extreme weather conditions. It is proposed that this reserve is re-designated as the “extreme weather reserve”.

1.4 Financing – how has the budget been financed and how has this changed in year?

Capital Financing and Interest Receivable

1.4.1 Capital financing costs comprising the Minimum Revenue Provision (the amount set aside for the repayment of debt) and external interest payable are in line with budget.

1.4.2 The interest receivable on investments figure has exceeded budget by £34k in line with figures reported as early as Quarter 1. Investment income expected was reduced given the low level of interest rates but has been bettered through investing larger sums over longer periods.

Non Ring-fenced Grants:

1.4.3 The Non Ring-fenced Grants outturn of £7.573m shows additional grants of £0.126m over and above the budget of £7.448m. A number of additional non ring-fenced grants were received in the final quarter of the year, others were received in year.

Grants	£'000	Details
Local Reform and Community Voices grant	21	Funding to support Deprivation of Liberty Safeguards in Hospitals, Healthwatch and independent NHS complaints Advocacy
Care Act funding – Social Care in Prisons	(16)	Actual funding received was less than provisionally expected
Education Services Grant	2	Actual funding received was greater than provisionally expected
Misc	2	
Total notified Q1- Q3	9	
Community Housing Fund	57	To enable delivery of community-led housing in line with Government advice.
Early Years IT System	21	Grant to support the introduction of the increase in free early years provision to 30 hours from September.
Self and Custom Build Housing	21	To support the statutory self-build and custom housing register and to support delivery.
Brownfield Register and Permission in Principle	15	To support the production and maintenance of the new statutory brownfield register.
Total notified in Q4	114	
Misc Grants	3	
Total Additional Non-Ring Fenced Grants 2016/17	126	

Non-Domestic Rates

1.4.4 The Council's final position on Non-Domestic Rates was £4.778m. This is broadly in line with budget. The amount of rates declared in the outturn comprises actual rates retained net of the levy (£114k, payable because the Council has achieved an actual outturn above its baseline) and tariff (£796k). The rates retained figure also includes compensation from DCLG (in the form of section 31 grants) for rates foregone due (c£387k) for

implementation of Government policy e.g. small business rate relief.

Council Tax and Collection Fund Surplus

- 1.4.5 If a surplus or deficit remains in the Collection Fund at the year-end it is subsequently distributed to, or borne by the billing authority (RCC) and the preceptors (Police and Fire Authorities). In 2016/17, the Council did not receive any collection fund surplus relating to 2015/16.

Revenue Contribution to Capital Outlay (RCCO)

- 1.4.6 The Council's budget included RCCO of £186k for Digital Rutland (£180k) and special guardianship order (£6k). The outturn reflects the use of all revenue contributions.

Appropriations

- 1.4.7 The appropriations figure represents adjustments the Council is required to make to its revenue position that are specified by statutory provisions and any other minor adjustments. It includes the reversal of the annual charge for depreciation on the Council's assets which is shown in the Net Cost of Services line. Depreciation is included in Net Cost of Services to show the true cost of service provision but is removed so that it has no impact on the Council's General Fund balance.

2 CAPITAL PROGRAMME

2.1 Overall Programme – how much was spent in 16/17?

2.1.1 The table below shows the final position on the capital programme. The outturn shows the actual amount spent during the year and how this was funded. All projects have been funded as per cabinet approval with no changes made by the Chef Finance Officer. Appendix F shows the detailed position on each scheme within the capital programme.

Portfolio	Total Project Budget	Estimated Project Spend	Total Project Variance	Outturn 2016/17
	£000	£000	£000	£000
Approved Projects				
People	896	895	(1)	539
Places	11,178	11,006	(173)	4,754
Resources	45	45	0	45
Total	12,119	11,946	(174)	5,338

	Outturn 2016/17
	£000
Financed by:	
Grant	(3,933)
Prudential Borrowing	(508)
Salix 0% Loan	(420)
Capital Receipts	(168)
Revenue Contribution to Capital Outlay (see 1.4.6)	(186)
Oakham North Agreement	(1)
S106	(122)
Total Financing	(5,338)

2.1.2 The project variance of £174k relates to underspends on two projects:

- £170k - Capital Allocation Project Board (CAPB). The breakdown of underspend for 2016/17 is shown below:
 - a. North Luffenham – There are ongoing discussions with the school on outstanding works and how CAPB can support funding from the Locally Co-ordinated Voluntary Aided Programme (LCVAP).
 - b. Cottesmore Primary School – The school has converted to an Academy. All outstanding works have been transferred to the Academy as part of the contract.
 - c. Contingency – The funding identified as unallocated was available for any in-year projects approved by the Board (CAPB) that were

urgent in nature and caused safeguarding issues. This was not used.

- £3k - Oakham Enterprise Park (Catering School). The site for the catering school was relocated, this resulted in an underspend on the utilities infrastructure.

2.2 Project progress – what is the current progress on major capital projects?

- 2.2.1 Digital Rutland – Capital works for Phases 1 and 2 of Digital Rutland are complete. The End of Life Claim for Phase 2 of the project is currently under review and is expected to be finalised in the next few months. For the final phase of the project, BT are currently remodelling the works based on the number of houses left in the project. Work for Phase 3 is expected to start sometime in the summer.
- 2.2.2 Oakham Castle – The major capital works for the Castle were completed in the summer 2016. 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.
- 2.2.3 Oakham Library and Children Centre – The project was approved in September 2016 (Report No 181/2016) for the essential maintenance works to Oakham Library and the relocation of the Children’s Centre (Visions) to the site. Additional funding was requested and approved in April 2017 (Report No 72/2017) to deliver the scope of the project as presented in previous reports. The project is expected to be completed by summer 2017.
- 2.2.4 School Places – To meet the council’s obligation to ensure that a sufficient number of school places are available within Rutland Schools, Cabinet approved the following capital projects (Report No 219/2016).
- a. Catmose College – The project has been divided into a number of different phases. Enabling works at Phase 1 of this project were completed in 2016/17. Phase 2 of the project will be linked to the relocation of Visions Children Centre and the internal remodelling of the college. Capital works completed as part of Phase 1 and 2 are expected to increase school numbers by 150 places. Phase 3 of the project is not expected to start before 2018/19. The final phase of the project is expected to increase pupil numbers by a further 150 places.
 - b. Oakham C of E Primary School (Single Storey Expansion 90 places) – The design works for the project is progressing; the project is expected to be completed by 2018/19.
 - c. All other projects are ongoing, design works are planned to start no earlier than 2018/19.

3 REVENUE BUDGET UPDATE

3.1 Revenue budget - What is the latest budget and how has it changed from that approved?

3.1.1 Since the budget was approved, a number of changes have been agreed by Members and some others are presented in this report for approval. The changes include:

- Decisions made by Members to approve additional budget;
- Additional grants received by the Council following approval of the budget; and
- Proposals to carry forward budgets from 2016/17 to 2017/18.

3.1.2 These changes have been consolidated into the following table to show the 2017/18 budget should all changes be approved.

Portfolio	Approved Budget £'000	Budget Carry Forward £'000	Approved changes £'000	Approvals sought	Revised budget £'000
People	16,379	141	447	235	17,202
Places	12,240	238	0	127	12,605
Resources	5,399	455	100	95	6,049
Pay Inflation	45	0	0	0	45
Adult Social Care Contingency	250	0	0	(100)	150
Corporate Headcount Saving	(121)	0	0		(121)
Net Cost of Services	34,192	834	547	357	35,930
Appropriations	(1,897)	0	0	0	(1,897)
Capital Financing	1,725	0	25	0	1,750
Net Spending	34,020	834	572	357	35,783
Non ring-fenced grants	(3,336)	0	0	(40)	(3,376)
Better Care Fund	(2,061)	0	(480)	0	(2,541)
Adult Social Care Support Grant	(136)	0	0		(136)
National Non-Domestic Rates	(4,786)	0	0		(4,786)
Council Tax	(23,242)	0	0		(23,242)
Collection Fund Surplus	(170)	0	0		(170)
Total Available	(33,731)	0	(480)	(40)	(34,251)

Portfolio	Approved Budget	Budget Carry Forward	Approved changes	Approvals sought	Revised budget
	£'000	£'000	£'000		£'000
Resources					
Use of Earmarked Reserves	(270)	(834)	(67)	(308)	(1,479)
(Surplus)/Deficit	19	0	25	9	53
General Fund 1 April 2017	(10,580)				(9,634)
General Fund 31 March 2018	(10,561)				(9,581)

3.1.3 The budget carry forwards are those referred to in para 1.3.3 and included in the Directorate Summaries (Appendices C to E); the changes already approved are listed in Appendix G and approvals sought are listed in Appendix H and referred to in 3.2 below.

3.1.4 National publication of the Better Care Fund planning framework and budget for 2017/18 to 2018/19 remains significantly delayed, most recently as a result of the national election. In the interim, BCF areas have been asked by NHS England to proceed with planning their new programmes based on the policy framework, to continue to fund established successful 2016-17 interventions planned for inclusion in the new programmes, and to seek early local agreement (particularly between Councils and associated Clinical Commissioning Groups) for proposed new or additional actions, whether to be funded by the main BCF or the Improved BCF, given the extended delay in the national assurance process.

3.1.5 Against this context, the Rutland BCF outline spending plans (attached at Appendix I) have been reviewed and agreed in principle by the following:

- The Leader of the Council and Portfolio Holder for Health and Care;
- The Section 75 Partnership Board;
- The Rutland Integration Executive and the Chair of the Health and Wellbeing Board; and
- The LLR A&E Delivery Board.

3.2 Budget changes – what further changes are being requested?

3.2.1 Since the budget was approved, there have been a number of issues that mean that officers are requesting that the budget is updated to reflect emerging pressures, to address new priorities or to respond to Government initiatives which are supported by funding.

- 3.2.2 There is a new saving being proposed by the Places Directorate to reduce grass cutting from 16 cuts per year to 10. This will save the Council £15k per annum. Also, the Council has received a grant notification for the Extended Rights to Free School Travel for 2017/18 of £10k which had not been expected.
- 3.2.3 The proposed budget as set out in the table in 3.1.2, shows that whilst the Directorate budgets are increasing by £457k, this is being funded from the Adult social care contingency (£100k), grants (£40k) and earmarked reserves (£308k). The increased requirement in spend against the General Fund is only £9k.
- 3.2.4 A full list of requested changes is given in Appendix H.

3.3 Risks – what are the financial risks for 17/18?

- 3.3.1 In assessing the financial risks for 17/18, the Council has considered two aspects a) the impact of the outturn and b) emerging issues reported by officers:

Outturn

- 3.3.2 At the year end, the key question is whether:
- any overspends experienced in 16/17 are likely to cause a budget pressure in 17/18?
 - any savings in 16/17 are likely to reoccur and can be banked in 17/18 (if not already taken)?
- 3.3.3 To this end, a review of the outturn was undertaken and analysed. The analysis is shown in the Directorate appendices. No additional requests for budget changes have been made but a number of issues are being closely monitored.

Emerging issues

- 3.3.4 Alongside the outturn analysis budget managers have been asked whether there are other emerging pressures that might impact on the 17/18 position. The following issues have been highlighted.

Potential risk/pressure	Potential value/risk
The Peoples Directorate budget included £150k savings on placements . A consultant has been providing some external support and savings are likely to be greater than originally envisaged however delays due to consultation could result in not achieving the full amount in 2017/18.	£0 - 84k

Potential risk/pressure	Potential value/risk
The Adults Social Care team has been restructured and in order to avoid future interim costs, some market supplements have been awarded to social workers. This creates a small pressure which is being managed within the team.	£0 - £40K
The educational fleet salary costs have been increased due to continuing pressure on SEN transport requirements. However, the 2017/18 Home to School Transport budget includes a saving which will need to be monitored. The High Needs Action Plan should help reduce pressure on the transport budget.	£0 - £40k
The Fostering and Adoption budget for 2017/18 has been increased by £237k. Based on the 2016/17 outturn position and the current activity level, there may a potential pressure of £50k. However, work is still ongoing to reduce overall costs.	£0 - 50k
The Coroner service is provided by Leicestershire County Council and costs are shared on a per capita basis. The outturn showed a £10k pressure.	£0 - 10k
In 2014 Lincolnshire County Council commissioned MenCap to provide a supported living project for 4 of their young adults with learning disabilities . MenCap set this up just inside Rutland borders. Legal advice is that Rutland will have to take financial responsibility for this case and the expected cost for 17/18 is £130k. The Council is still in negotiation as to whether there will be any backdating of costs.	£0 - £173k
The waiving of 1 hour parking charge in Church Street car park to support town centre trade while the 1 hour bays are restricted on the High Street may cause a small budget pressure.	£0 - £10k
The Council has a vacancy management target of £121k built into the 2017/18 budget. Currently no vacancies have been identified to be offset against this target. However, the business support review has now commenced and this target will be monitored throughout the year.	£0 - £121k
The loss of contribution from Oakham Town Council for CCTV means that there is likely to be a pressure of £5k on the budget from 2017/18 onwards.	£0 - £5k
Direct Payments of £11.50 are under review with a proposal to increase the hourly rate to be discussed by Cabinet in due course. There is allowance in the budget for some growth (i.e. an increase in take up) and a 2% increase in hourly rate. Any potential pressure from a	£0 - £85k

Potential risk/pressure	Potential value/risk
change in policy will be reviewed in due course.	
Children with Disabilities budget for 2017/18 has been increased to £414k but the outturn for 2016/17 was £491k. If this trend continues there could be a potential pressure. The High Needs Action Plan which is reviewing placements may have an impact on this forecast and so it is not proposed to adjust the budget at this time.	£0 - £70k
The Waste Management budget has been increased by £223k for 2017/18. The actual outturn was an over spend of £261k. If this trend continues there could be a potential pressure.	£0 - 40k
Planning Fees were set to increase by 20% with an anticipated increase in income of £64k to be matched with increased expenditure to facilitate housing growth. Government has put this on hold until after the general election.	£0k

- 3.3.5 As it is early in the financial year, it is proposed that no changes are made to the budget at this stage for any of the above issues and that Directors monitor all pressures and take action, where possible, to reduce and/or manage them within the overall Directorate budget. Where pressures continue to exist then Directors will report back later in the year and Cabinet can consider any requests for additional budget.

4 CAPITAL BUDGET UPDATE

4.1 What is the latest budget and how has it changed from that approved?

4.1.1 Appendix F shows that the total approved capital programme is £15.733m of which £5.761m has already been spent in previous years. This gives a remaining budget for 2017/18 and beyond of £9.972m. The table below shows how this has moved from the £4.308m that was approved by Council (44/2017)

Portfolio	Project	Amount £000	2017/18 Budget £000
Approved 2017/18 Schemes (Budget Setting Report (44/2017))			4,308
New 2017/18 projects approved after budget setting			
Places	Highways (Report 06/2017)	2,320	
Places	Integrated Transport Funding (Report 55/2017)	369	
Places	Oakham Library & Children's Centre (72/2017)	309	
Resources	IT Capital Projects – Delegation given to Director (44/2017)	150	3,148
Continuation of Approved Projects (see Appendix F for Breakdown)			2,499
Change in Funding - Request for Approval			
People	Disabled Facilities Grant (4.1.2)	17	
Total Change in Funding - Request for Approval			17
Revised Capital Programme 2017/18			9,972

4.1.2 Approval is requested for the change in funding for the Disabled Facilities Grant. Confirmation was received in April 2017 that the allocation of Better Care Funding for the Disabled Facilities Grant will be £203k. This is an increase of £17k on the funding approved in the Revenue and Capital Budget 2017/18 report (Report No 8/2017).

4.1.3 Future developments to the Councils IT infrastructure – the Council has traditionally funded IT projects from Revenue but recognising the replacement costs associated with IT systems, provision has been set aside in the capital programme. It is requested that delegated authority be given to the Director of Resources in consultation with the appropriate Portfolio Holder(s) to allocate £150k and approve individual projects.

4.2 Unallocated funding – what funds are being held?

4.2.1 Currently, the Council is holding capital funds that have not yet been

committed to a project. A breakdown of held funding for the financial year is shown below

Portfolio	Unallocated Funding	Closing Balance 31/03/17	Estimated Funding 2017/18	Funding for 2017/18 Budget	Closing Balance 2017/18
		£000	£000	£000	£000
People	Devolved Formula	0	(32)	32	0
People	Better Care Fund	0	(203)	203	0
People	Basic Needs	(2,590)	(846)	3,436	0
Places	Highways	(1,292)	(2,756)	3,022	(1,026)
Places	Schools	(1,173)	(196)	213	(1,155)
Other	Misc Grant	(297)	(597)	683	(211)
Other	Section 106\ CIL	(3,087)	(737)	536	(3,288)
Other	Oakham North	(1,992)	(551)	255	(2,288)
Other	Capital Receipts	(1,571)	(214)	882	(903)
Other	Third Party Contribution	0	(7)	7	0
Other	Prudential Borrowing	0	(702)	702	0
Total		(12,002)	(6,840)	9,971	(8,871)

4.2.2 In addition to the funding held above, the Council has received notification of a government grant of £500k to support local authorities (LAs) to make capital investments in provision for pupils with special educational needs and disabilities. Local authorities can invest in new places and improvements to facilities for pupils with education, health and care (EHC) plans in mainstream and special schools, nurseries, colleges and other provision. The total award is £500k paid in three equal instalments starting from 2018/19

4.2.3 The Council has the opportunity to bid for funds from the National Productivity Investment Fund (NPIF). The funding is intended to be used to reduce congestion at key locations, upgrade or improve the maintenance of highway assets across, to improve access to employment and housing, and to develop economic and job creation opportunities. Officers are preparing a bid for Oakham Town Centre. The closing date for bids is the 30th June 2017, an update will be provided when winning bids are announced.

5 MTFP UPDATE

5.1 MTFP – What is the latest position?

- 5.1.1 The MTFP presents a position based on various assumptions and estimates about variables that are predominantly outside the control of the Council. The Council's experience is that these can change over time and sometimes quite significantly. The MTFP is updated regularly to take account of government decisions, ministerial announcements and other information which means that assumptions need to be revisited.
- 5.1.2 The MTFP was reviewed again in May and various changes have been made by the Assistant Director – Finance (Section 151 officer). The changes and rationale are explained below. The package of changes reduce the financial gap in the MTFP and therefore have a positive impact on balances.
- 5.1.3 There is no guarantee that assumptions will hold true and there are a number of key events that could have a significant impact. These include the General Election, Brexit negotiations and the ongoing reform of the local government finance system which is on hold pending the election.

Current assumption	Revised	Rationale	Impact to 21/22
Minimum Revenue provision (MRP) - capital financing costs that were financed as part of the annual local government finance settlement are paid for by setting aside 4% of the opening balance outstanding on a reducing balance basis.	Capital financing costs can be paid on an equal instalment basis over a period of 50 years. A proposal will be made to apply this approach from 2018/19.	The equal instalments approach to calculating MRP is more prudent as it results in debt being fully extinguished after 50 years and the overall cost is £0.2m lower in present value terms.	MTFP savings in the short term - £822k. Over time the impact is neutral.
Energy inflation is assumed at 8%	Assumption revised to 5%	Data produced by OFGEM indicates that prices increased by 4% in 2012-13 and then by 8% the year after. Since then prices have been stable.	Small saving of c£125k
Pay inflation is set	Assumption	Pay rises have been less than 2% for the	Saving of c£771k

Current assumption	Revised	Rationale	Impact to 21/22
at 2%	reduced to 1.5% (All other Leicestershire authorities use a 1% assumption).	last 5 years, between 0 and 1% although Unions lobby for increases above 2%. A national pay spine review is underway that may influence this position further.	
Superannuation contingency of £300k held in 20/21 and 21/22	Removal of contingency	MTFP assumes rates will rise by 1% every year reflecting recent trends. Above 1% rises would be met from General Fund.	One off saving of £300k
Contingency for redundancies, ill health retirement and early retirement of c£300-£400k pa	Reduce contingency to £200k pa	Contingency to be set at £200k (equivalent to 1 instance each of ill health retirement, early retirement and redundancy costs pa). Recent history has indicated that the full contingency has not been required.	Savings of £618k

5.1.4 The above assumption changes to the MTFP need to be considered alongside the budget changes being proposed. A new version of the MTFP is included in Appendix J.

Appendix B. DRAFT Reconciliation of Management Accounts to Statutory Accounts

Portfolio	Current Budget £000	Q4 Outturn £000	Syrian Refugee	Levies Adjustment £000	Schools Expenditure £000	Pension Adjustment £000	Accumulated Absences £000	Fixed Asset Charges £000	CIES Outturn £000
People	16,497	16,308			407	98	70	98	16,981
Places	12,575	12,378	(1)		0	59	(2)	2,195	14,629
Resources	5,904	5,316	1	(45)	0	43	4	(16)	5,303
Contract Inflation	150	0							0
Adult Social Care Contingency	200	0							0
People First Saving	(235)	0							0
Net Cost of services	35,091	34,002	0	(45)	407	200	72	2,277	36,913
Capital Financing	1,931	1,930				1,090			3,020
Levies	0	0		45					45
Interest Receivable	(220)	(254)							(254)
Net Operating Expenditure	36,802	35,678	0	0	407	1,290	72	2,277	39,724
Financing:									
Non-ringfenced grants	(7,448)	(7,573)							(7,573)
BCF Reserve Returned to CCG	0	277							277
National Non-Domestic Rates	(4,770)	(4,778)							(4,778)
Council Tax	(21,925)	(21,925)							(21,925)
Collection Fund Surplus									0
Transfers to/(from) Earmarked Reserves	(1,723)	(294)			(407)				(701)
Additional Transfer to Reserves		836							836

Portfolio	Current Budget £000	Q4 Outturn £000	Syrian Refugee	Levies Adjustment £000	Schools Expenditure £000	Pension Adjustment £000	Accumulated Absences £000	Fixed Asset Charges £000	CIES Outturn £000
Revenue Contribution to Capital Outlay	186	186							186
Appropriations:									
REFCUS and Loss on Impairment								(2,277)	(2,277)
Pensions Adjustment						(1,290)			(1,290)
Accumulated Absences							(72)		(72)
Depreciation reversal	(1,897)	(1,897)							(1,897)
(Surplus)/Deficit	(775)	510	0	0	0	0	0	0	510
General Fund 1 April 2016	(10,144)	(10,144)							(10,144)
General Fund 31 March 2017	(10,919)	(9,634)							(9,634)

The table above reconciles the Net Cost of Services in the Outturn summary to the Comprehensive Income and Expenditure Statement (CIES) in the Draft Statement of Accounts. During the production of the Statement of Accounts various transactions are undertaken which result in an adjusted position for the CIES. These transactions are as follows:

- Schools Expenditure – the net expenditure on the Councils maintained schools and the balance on the Dedicated Schools Grant (DSG) is included in the CIES but has no impact on the general fund
- Pension Fund – This is the difference between the contributions made to the pension fund for the year and the actuary’s estimate of the amount of pension that employees have earned in the year. In accordance with accounting rules, the Council must recognise the cost of retirement benefits within the Net Cost of Services when they are earned by employees rather than when the benefits are actually paid.
- Accumulated Absences – This is an adjustment made to include the costs for absences earned in the year (annual leave) but not taken in the year e.g. annual leave entitlement carried forward at 31 March.
- The capital financing charges have been completed for the Loss on Impairment and REFCUS. They do not impact upon the general fund balance but under accounting rules must be shown in the CIES. Actual borrowing costs are shown within ‘Financing and Investment Income and Expenditure’ on the CIES.

Appendix C. People Budget Monitoring Summary

KEY:

1 - Underspend with no impact next year (one off); 2 - Underspend with budget adjustment to be done or already done
3 - One off underspend requested to be used next year; 4 - Overspend with no impact next year (one off);
5 - Overspend where budget has been or needs to be adjusted next year

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/Fwd	Transfer to reserves	Comments
Directorate Management Costs	1,622,400	1,855,800	1,888,078	265,678	32,278	4	0	0	Head of Service recruitment is all complete. At team manager level there are still some vacancies being covered by Agency staff. The position is being monitored.
Savings	(50,000)	(157,000)	(157,000)	(107,000)	(0)	2	0	0	PeopleFirst savings of £235k were achieved. £107k is shown here and £128k is shown in other functions.
Directorate	1,572,400	1,698,800	1,731,078	158,678	32,278		0	0	
Public Health	210,000	130,500	1,257	(208,743)	(129,243)	3	0	209,000	Underspends relating to substance misuse and other changes. Public Health Grant is ringfenced funding, so underspend to be transferred to reserve.
BCF Programme Support	85,200	85,200	79,050	(6,150)	(6,150)	3	0	278,000	Underspends relate to staffing vacancies and delays in implementing various schemes. The BCF is ringfenced grant, so underspend to be transferred to reserve
BCF Community Prevention	217,000	154,500	152,037	(64,963)	(2,463)				
BCF Supporting Independence	1,634,000	1,538,300	1,543,642	(90,358)	5,342				
BCF ASC	325,000	211,700	207,895	(117,105)	(3,805)				
Adults & Health (Ringfenced)	2,471,200	2,120,200	1,983,881	(487,319)	(136,319)		0	487,000	
Non BCF Contract and Procurement	642,600	611,100	593,848	(48,752)	(17,252)	1	0	25,000	There have been staffing vacancies and an underspend on a contribution from the Invest to Save funding (given for the external placement review) not utilised and transferred back to reserve.

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/Fwd	Transfer to reserves	Comments
ASC Community Inclusion	658,600	702,700	713,654	55,054	10,954	5	0	0	Staffing costs have increased and there has been a reduction in Continuing Health care funding. ASC Budgets have been rebased to reflect changes in service strategy.
ASC Prevention & Safeguarding	163,600	141,200	114,926	(48,674)	(26,274)	2	0	0	Underspend relates to carer support payments. ASC Budgets have been rebased to reflect changes in service strategy.
ASC Prevention & Safeguarding - Staffing	476,400	464,200	462,752	(13,648)	(1,448)	2	0	0	Underspend relates to staff vacancies. ASC Budgets have been rebased to reflect changes in service strategy.
ASC Support & Review - Daycare	198,300	168,800	165,506	(32,794)	(3,294)	3	35,000	0	It has been identified that there are presently no facilities in Rutland to meet the needs of those service users who would benefit from a specialist complex day care service. This budget will be used for a trial of a new complex day care service pilot to meet the outcomes of this particular service user group. ASC Budgets have been rebased to reflect changes in service strategy.
ASC Support & Review - Direct Payments	657,800	614,100	573,212	(84,588)	(40,888)	2	0	0	Underspend relates to reduction in service users with high cost packages. ASC Budgets have been rebased to reflect changes in service strategy.
ASC Support & Review - Homecare	1,129,800	1,099,700	1,092,451	(37,349)	(7,249)	2	0	0	Underspend relates to increased income from increase in number of service users. ASC Budgets have been rebased to reflect changes in service strategy.
ASC Support & Review - Other	418,400	360,900	300,346	(118,054)	(60,554)	3	0	76,000	Winter Pressures funding was received from the CCG and this is used to support additional demand for ASC. The balance is transferred to the ASC reserve for future years use in line with the conditions of the funding.
ASC Support & Review - Residential & Nursing	2,720,600	2,466,500	2,763,792	43,192	297,292	5	0	0	Overspend is due to property cases costs being excluded from this budget forecast which has now been adjusted to account for service users non deferred charges. ASC Budgets have been rebased to reflect changes in service strategy.
ASC Support & Review - Staffing	612,400	588,000	597,326	(15,074)	9,326	2	0	0	Underspend due to staff vacancies at start of financial year. ASC Budgets have been rebased to reflect changes in service strategy.

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/Fwd	Transfer to reserves	Comments
ASC Hospital & Reablement	421,900	356,200	336,365	(85,535)	(19,835)	2	0	0	Underspend as a result of continued eligibility for contract and equipment costs to be resourced from capital DFG. ASC Budgets have been rebased to reflect changes in service strategy.
Adults & Health (Non Ringfenced)	8,100,400	7,573,400	7,714,178	(386,222)	140,778		35,000	101,000	
Safeguarding	152,600	137,200	140,965	(11,635)	3,765	2	0	0	Underspend in line with forecast contract costs for safeguarding boards. CSC Budgets have been rebased to reflect changes in service strategy.
Childrens Duty Social Care	231,300	305,700	268,141	36,841	(37,559)	5	0	0	Overspend relates to continued use of agency whilst structure reviewed and recruitment undertaken. CSC Budgets have been rebased to reflect changes in service strategy.
Long Term Childrens Social Care	670,100	675,100	720,444	50,344	45,344	5	0	0	Overspend relates to continued use of agency whilst structure reviewed and recruitment undertaken. CSC Budgets have been rebased to reflect changes in service strategy.
Early Intervention - Targeted Intervention	902,700	1,188,600	1,137,706	235,006	(50,894)	5	25,000	0	The Children Centre Group (CCG) had set aside £25k to spend on activities, events, resources and services to offer more for families. The Group deferred such expenditure until the service has settled in its new location and could maximise the new opportunities and flexibility the new location will provide.
Early Intervention - Universal and Partnership	435,800	383,700	369,149	(66,651)	(14,551)	2	0	0	Early Intervention Youth Services PeopleFirst savings. Underspend relates to reduced cost of redesigned services but also savings from in year vacancies whilst implementing the new structure.
Fostering & Adoption	1,192,100	1,702,400	1,597,030	404,930	(105,370)	5	0	0	Placements and Adoptions pressure built into budget for 17/18 to cover increase in number of service users seen during 16/17 resulting in the outturn overspend.
Childrens	3,584,600	4,392,700	4,233,435	648,835	(159,265)		25,000	0	

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/Fwd	Transfer to reserves	Comments
Schools & Early Years	757,700	687,400	634,511	(123,189)	(52,889)	3	81,000	0	Cabinet has approved 31k for SEN High Needs to support the strategic strategy and training programme for practitioners, delivery of which has slipped and therefore request to carry forward to 17/18. Cabinet approved 50k funding to match schools contribution of 50k to deliver improvement projects. Carry forward request for 50k for implementation of programme for peer review and challenge as a result of the contractual agreement for provider not being finalised within original anticipated timescale.
Rutland Adult Learning & Skills Service	10,500	(12,700)	10,494	(6)	23,194	1	0	0	Outturn of breakeven to 16/17 budget is due to a clawback from the Education and Skills Funding Agency.
Learning & Skills	768,200	674,700	645,005	(123,195)	(29,695)		81,000	0	
Total People - GF (Ringfenced)	2,471,200	2,120,200	1,983,881	(487,319)	(136,319)			487,000	
Total People - GF (Non Ringfenced)	14,025,600	14,339,600	14,323,696	298,096	(15,904)		141,000	101,000	
Total People (Excluding DSG)	16,496,800	16,459,800	16,307,577	(189,223)	(152,223)		141,000	588,000	
Schools Dedicated Schools Grant (DSG)	0	285,700	187,512	187,512	(98,188)	4			Overspend as a result of a) High Needs which has been agreed to be clawed back from schools in 17/18, and, b) Early Years for which funding should be adjusted to reflect numbers during 17/18.
Total People (Including DSG)	16,496,800	16,745,500	16,495,089	(1,711)	(250,411)		141,000	588,000	

Appendix D. Places Budget Monitoring Summary

KEY:

1 - Underspend with no impact next year (one off); 2 - Underspend with budget adjustment to be done or already done
 3 - One off underspend requested to be used next year; 4 - Overspend with no impact next year (one off);
 5 - Overspend where budget has been or needs to be adjusted next year

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/fwd	Transfer to reserves	Comments
Directorate Management Costs	190,200	193,000	193,272	3,072	272	4	0	0	
Directorate Management Costs	190,200	193,000	193,272	3,072	272		0	0	
Development Control	215,200	155,900	136,013	(79,187)	(19,887)	1	0	0	Underspend arising from increased planning income and staff savings from sharing conservation officer post with South Kesteven. As Planning income is uncertain no budget change made for 17/18.
Drainage & Structures	193,100	194,300	198,594	5,494	4,294	4	0	0	
Emergency Planning	29,100	28,100	28,131	(969)	31	1	0	0	
Environmental Maintenance	1,117,100	1,168,300	1,159,341	42,241	(8,959)	5	0	0	Remedial works to cemetery completed but the transfer to Oakham Town Council is not proceeding giving rise to a pressure in 17/18 of c£19k
Forestry Maintenance	128,700	128,700	140,167	11,467	11,467	4	0	0	A small saving has been made in 17/18 of £14k which is not impacted by the 16/17 overspend which was caused by extra work due to storm Doris.
Highways Capital Charges	1,332,300	1,332,300	1,332,300	0	0		0	0	

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/fwd	Transfer to reserves	Comments
Highways Management	228,000	93,400	53,635	(174,365)	(39,765)	3	0	129,000	S38 road adoption fees are paid in advance of inspections so transferred to reserves for future works. Approx 20% of the reserve balance will be transferred to support revenue costs each year. A further £48k saving on highways management costs agreed for 17/18.
Home to School Transport	1,347,200	1,318,000	1,344,335	(2,865)	26,335	1	0	0	Home to School transport budget for 17/18 includes a saving which is being monitored.
Lights Barriers Traffic Signals	271,200	212,800	260,552	(10,648)	47,752	1	0	0	Traffic signal maintenance costs lower than expected.
Parking	(230,100)	(233,500)	(289,071)	(58,971)	(55,571)	2	0	0	Budget adjusted for 17/18 following changes to parking fees.
Pool Cars & Car Hire	94,400	99,400	86,619	(7,781)	(12,781)	1	0	0	Lower pool car usage than expected
Public Protection	421,200	388,000	369,084	(52,116)	(18,916)	3	22,000	0	Warm Homes for Rutland demand for fuel poverty initiatives has been less than originally forecast. Underspends will be used in 17/18. The 17/18 budget has also been reduced for 18k of other savings as reflected in the outturn.
Public Rights of Way	108,000	99,300	73,024	(34,976)	(26,276)	2	0	0	Savings made in 17/18 as in house staff to carry out works.
Public Transport	819,200	804,600	818,218	(982)	13,618	1	0	0	
Road Maintenance	883,500	930,100	1,018,551	135,051	88,451	4	0	0	Additional costs incurred in Quarter 4 due to Storm Doris and other repair works required. Small budget reduction of £14k in 17/18 can still be achieved.
Transport Management	464,300	416,700	401,302	(62,998)	(15,398)	3	108,000	0	The underspends relate to grants received not being used and income from the road safety partnership. £27k Bikeability grant is requested to fund future bikeability road safety initiatives. £48k from the Road Safety partnership to fund other future road safety initiatives, and £33k for Total Transport Fund Grant as the project continues into 2017/18. To supplement this, approval has been given to fund work carried out on a strategic transport model as part of the Local Plan process from S106 (£28k).

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/fwd	Transfer to reserves	Comments
Waste Management	2,124,900	2,385,800	2,385,852	260,952	52	5	0	0	Budget adjusted for 17/18 by £217k following pressure reported in year. Position to be monitored.
Winter Maintenance	267,500	267,500	208,466	(59,034)	(59,034)	3	0	37,000	Underspend due to mild winter. Increasing reserve to maximum ceiling of £100k as a provision for future adverse weather conditions.
Crime Prevention	152,100	136,600	138,534	(13,566)	1,934	1	0	0	Underspends relate to one off income offset by reduced CCTV contribution from Oakham Town Council
Environment, Planning and Transport	9,966,900	9,926,300	9,863,647	(103,253)	(62,653)		130,000	166,000	
Planning Policy	289,300	298,900	307,446	18,146	8,546	4	0	0	Reduced income through grant, s106 income
Housing	232,000	218,800	214,486	(17,514)	(4,314)	1	0	0	Pension savings on staff posts
Tourism	14,100	16,200	22,514	8,414	6,314	4	0	0	The overspend is due to investment in a new Discover Rutland website.
Health & Safety	37,400	37,400	29,433	(7,967)	(7,967)	4	0	0	Staffing underspend
Property Services	963,100	932,000	930,894	(32,206)	(1,106)	2	0	0	Vacancy savings offset by reduced recharge to capital schemes. Saving of £100k planned for 17/18 relating to staffing changes reduction in repairs and maintenance budget.
Building Control	(47,100)	(31,400)	3,236	50,336	34,636	4	0	0	Overspend arises from one historic debt no longer recoverable.
Commercial & Industrial Properties	(212,000)	(120,200)	(187,131)	24,869	(66,931)	4	0	0	Overspend arises from extra works at OEP offset by additional income from units.
Economic Development	214,000	173,000	151,159	(62,841)	(21,841)	3	38,000	0	£20k Digital Rutland underspend to c/fwd to fund continuation of project into 2017/18. £18k Welland Market Towns funds held for partnership awaiting future projects also to be carried forward.
Culture & Registration Services	85,500	74,700	58,024	(27,476)	(16,676)	3	70,000	0	Funds to be carried forward to support maintenance and other work at libraries. An assessment is being undertaken at Uppingham library to determine initial plans for 2017/18.
Libraries	448,000	424,100	399,673	(48,327)	(24,427)				

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/fwd	Transfer to reserves	Comments
Museum Services	360,500	370,300	356,650	(3,850)	(13,650)	3	0	0	
Sports & Leisure Services	33,300	4,600	35,108	1,808	30,508	4	0	0	
Development and Economy	2,418,100	2,398,400	2,321,492	(96,608)	(76,908)		108,000	0	
Total Places	12,575,200	12,517,700	12,378,411	(196,789)	(139,289)		238,000	166,000	

Appendix E. Resources Budget Monitoring Summary

KEY:

1 - Underspend with no impact next year (one off); 2 - Underspend with budget adjustment to be done or already done
 3 - One off underspend requested to be used next year; 4 - Overspend with no impact next year (one off);
 5 - Overspend where budget has been or needs to be adjusted next year

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 Forecast	Key	Budget C/fwd	Transfer to reserves	Comments
Chief Executives Office	332,400	282,400	262,505	(69,895)	(19,895)	3	69,000	0	The Chief Executive has a budget of £50k to meet any costs related to decisions made in respect of applying HR and employment policies. No decisions were made relevant to 16/17 but some decisions have been made which do impact on 17/18. It is therefore requested that this budget is carried forward to 2017/18. £19k communications underspend requested to carry forward for implementation of the communications strategy.
Directorate Management Costs	246,300	274,300	270,561	24,261	(3,739)	4	0	0	Overspend relates to a vacancy management target against which savings achieved elsewhere. The 17/18 budget includes a vacancy management target of £121k.
Corporate Costs	158,800	158,700	162,828	4,028	4,128	5	0	0	Potential pressure re Coroners budget in 17/18 being monitored
Pensions	232,000	236,000	237,484	5,484	1,484	4	0	0	
Audit Services	196,700	171,700	145,449	(51,251)	(26,251)	1	0	20,000	Request for £20k to transfer to Audit Reserve to fund additional audit work commissioned by Audit and Risk Committee. The underspends arise from savings made in audit delivery in 16/17 and a small balance held in reserve which was transferred out.
Insurance	210,300	208,700	209,538	(762)	838	4	0	0	
Accountancy & Finance	651,600	664,800	591,356	(60,244)	(73,444)	3	53,000	0	£40k is requested to carry forward to complete U4BW (Agresso) developments, including Annual Leave Solution and Invoice scanning solution. £3k requested for Employment Tax Advice Review.

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 Forecast	Key	Budget C/fwd	Transfer to reserves	Comments
									£10k requested for external VAT and procurement support in respect of banking.
Information Technology	1,396,400	1,396,300	1,371,515	(24,885)	(24,785)	3	30,000	0	The website project has underspent by £30k and the proposal is to invest this into the customer services programme of improvements (e.g. promoting channel shift, integrating front and back office, facilitating transactional element of website) in 17/18.
Corporate Support Services	593,900	544,500	548,349	(45,551)	3,849	2	0	0	Savings relate to vacancies and £30k saving made in 2017/18. To be revisited after Business Support review.
Members Services	206,700	196,100	191,537	(15,163)	(4,563)	1	0	0	Underspend on members expenses budget.
Customer Services Team	247,500	207,400	205,738	(41,762)	(1,662)	3	40,000	0	Customer Services staffing underspend of £40k is required for customer service improvements programme of work in 2017/18
Elections	36,900	8,700	(32,458)	(69,358)	(41,158)	3	73,000	0	Permission will be sought to carry forward the Elections Administration surplus at year end to support future years electoral administration. The surplus arises from external grant funding.
Legal & Governance	434,800	408,200	353,108	(81,692)	(55,092)	3	81,000	0	Approval was given to fund legal costs of an ongoing planning matter from the Legal reserve. £68k has not been spent and will be transferred to 17/18 as the matter continues and is expected to be resolved by Quarter 3. The Council has also received New Burdens funding for Transparency Code £13k which will be carried forward to fund the new requirements.
Human Resources	438,500	448,500	419,192	(19,308)	(29,308)	3	34,000	0	Training plans expected to be delivered for senior leadership and management qualifications by March 2017 but have been pushed into 2017/18. Budget carry forward requested for delivery of programme in 2017/18.
Revenues & Benefits	446,000	386,200	342,007	(103,993)	(44,193)	3	50,000	0	£20k requested for Risk Based Verification software as approved by Cabinet and £30k has been set aside from underspends to support the next phase of channel shift (i.e. use of Open Access) through the customer service

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 Forecast	Key	Budget C/fwd	Transfer to reserves	Comments
									programme of improvement works.
Financial Support	75,000	42,200	37,549	(37,451)	(4,651)	3	25,000	13,000	The Council has underspent on financial crisis awards and council tax discretionary fund awards at a cost of £25k. As in previous years, there is underspend of £25k. The underspend in these areas are retained in a Welfare Reserve to support increased demand in future years. The Council has reduced the Discretionary Fund budget to £25k in 17/18 but this amount can be topped up from the Reserve should that be needed. The Financial Crisis budget for 17/18 and 18/19 will be funded by the Welfare Reserve as Government funding ceased in 15/16. The position will be reviewed again in 19/20.
Total Resources	5,903,800	5,634,700	5,316,258	(587,542)	(318,442)		455,000	33,000	

Appendix F. Capital Outturn

Service Area	Project Description	Total Project Budget - 2016/17	Total Project Expenditure	Project Over /Under Spend	Total Project Budget 2017/18	Remain ing Budget 2017/18	Breakdown of Remaining Budget				
							Included in 2017/18 Budget Report	New Approvals	Continuation of Schemes from 2016/17	Additional Budget (Approval required 3.3.2)	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
People	Devolved Formula	32	32	0	32	32	32	0	0	0	32
People	Disabled Facilities Grants	195	189	0	209	209	186	0	6	17	209
People	Autism Innovation	19	15	0	19	4	0	0	4	0	4
People	ASC System Replace	590	558	0	590	32	27	0	5	0	32
People	Special Guardianship	60	60	0	0	0	0	0	0	0	0
Total People Capital Programme		896	854	0	850	277	245	0	15	17	277
Places	Digital Rutland	2,670	2,068	0	2,670	602	400	0	202	0	602
Places	Oakham Enterprise Park	600	0	0	600	600	0	0	600	0	600
Places	OEP - Catering School	70	67	3	0	0	0	0	0	0	0
Places	The Kings Centre	0	0	0	200	200	200	0	0	0	200
Places	Uppingham College	74	34	0	74	40	0	0	40	0	40
Places	Oakham CofE (Expand)	651	8	0	651	643	651	0	-8	0	643
Places	Catmose College – P1	132	132	0	0	0	132	0	-132	0	0
Places	Catmose College – P2	0	0	0	130	130	130	0	0	0	130
Places	Catmose College – P3	0	0	0	1,950	1,950	1,950	0	0	0	1,950
Places	Uppingham CofE Primary	0	0	0	200	200	200	0	0	0	200
Places	Barleythorpe Primary Free School - Contribution	0	0	0	200	200	200	0	0	0	200
Places	SEN	0	0	0	200	200	200	0	0	0	200
Places	CAPB	481	268	170	43	43	0	0	43	0	43
Places	CAPB- Increase Cap	133	126	0	133	7	0	0	7	0	7
Places	Highways Capital	2,524	2,206	0	2,638	2,638	0	2,320	318	0	2,638
Places	Integrated Transport	138	121	0	386	386	0	369	17	0	386

Service Area	Project Description	Total Project Budget - 2016/17	Total Project Expenditure	Project Over /Under Spend	Total Project Budget 2017/18	Remain ing Budget 2017/18	Breakdown of Remaining Budget				
							Included in 2017/18 Budget Report	New Approvals	Continuation of Schemes from 2016/17	Additional Budget (Approval required 3.3.2)	Total
Places	Active Rutland Hub	769	766	0	769	3	0	0	3	0	3
Places	Sports Grant	500	318	0	500	182	0	0	182	0	182
Places	Oakham Castle	2,400	1,797	0	2,400	603	0	0	603	0	603
Places	Oakham Library	680	71	0	989	918	0	309	609	0	918
Places	Miscellaneous	0	0	0	0	0	0	0	0	0	0
Total Places Capital Programme		11,822	7,982	173	14,733	9,545	4,063	2,998	2,484	0	9,545
Resources	Agresso Upgrade	45	45	0	0	0	0	0	0	0	0
Resources	IT Capital Projects	0	0	0	150	150	0	150	0	0	150
Total Resources Capital Programme		45	45	0	150	150	0	150	0	0	150
Total Capital Programme		12,763	8,881	173	15,733	9,972	4,308	3,148	2,499	17	9,972

Appendix G. Budget reconciliation for 2017/18

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 purpose 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
Changes already made by Cabinet or Changes expected to be made pre Q1											
Approved Budget (44/2017)		34,192	(172)	(33,731)	(270)	0	19				
Homelessness Grant (ringfenced) (i)	Grant	0					0				40
OPE and PM Support (ii)	ER	100			(100)		0		100		
SEND Transformation Plan (iii)		50			(50)		0		50		
Additional BCF Funding (iv)	Grant	203		(203)			0				203
Change in MRP Charge for 17/18 (v)			25				25				25
BCF – Underspend from 2016/17 (vi)		194		(277)	83		0				277
		34,739	(147)	(34,211)	(337)	0	44	0	150	0	545
Changes Awaiting Approval											
Budget Carry Forwards	ER	834			(834)		0		834		
Insurance Pressure (H1)	ER	25			(25)		0		25		
ASC Learning Disabilities (H2)	ER	30			(30)		0		130		
Head of Legal & Governance (H3)	GF	35					35	35			
Increase use of s38 income (H4)	ER				(40)		(40)		(40)		

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
Communications (H5)	GF	28					28	28			
Grass Cutting (H6)	GF	(15)					(15)	(15)			
Oakham Cemetery (H7)	GF	19					19	19			
Community Housing Fund (H8)	Grant	57			(57)		0			57	
Brownfield Register and PiP (H9)	Grant	15			(15)		0			15	
Self-Build Grant (H10)	Grant	51		(30)	(21)		0			51	
Early Years IT System (H11)	Grant	21			(21)		0			21	
Extended rights to free travel (H12)	Grant			(10)			(10)			(10)	
Housing Benefit Grant (H13)	GF	(8)					(8)			(8)	
Restructuring costs (H14)	ER	99			(99)		0		99		
		35,930	(147)	(34,251)	(1,479)	0	53	67	1,198	126	545

- (i) Homelessness Grant £40k – The Council has received notification of the receipt of a ring-fenced grant for Homelessness of £40k for the next two years. As the grant is ring-fenced and therefore has to be spent on homelessness, the budget has been adjusted to reflect the increased spend as well as the income.
- (ii) Cabinet on 18th April approved the budget for the new project Rutland - One Public Estate (report no.77/2017). The project would allow the Council to explore options and to test the feasibility of proposals for a more effective and efficient use of the Public Estate.
- (iii) Cabinet on 18th April approved the use of £50k of the SEND earmarked reserve to support the delivery of the transformation project plan (Report no. 80/2017)
- (iv) Better Care Fund The Council - £203k – The Council has received additional adult social care funding of £203k which is ring fenced for the BCF but must be spent on new ASC expenditure rather than existing services. The income and additional expenditure is expected to be included in the revised budget plans agreed by the Health and Wellbeing Board.
- (v) Minimum Revenue Provision (MRP) - £25k – The Council prudentially borrowed for two capital projects during 2016/17 (Digital Rutland £508k and Street Lighting Upgrade £420k (funded through a Salix Loan)) this has resulted in an additional MRP charge of

£25k for Digital Rutland and £17k for Street Lighting Upgrade. The Street Lighting Upgrade is offset by a contribution from the Highways Capital Maintenance Grant to repay the salix loan as per report 01/2016, thus neutralising the additional MRP charge.

- (vi) In line with the Section 75 agreement for the Better Care Fund between the Council and the Clinical Commissioning Group, the Partnership Board agreed the return of £277k of funding to the CCG in 2016/17 with the proviso that the funding would be then available for use in 2017/18 and beyond. As this funding is BCF, it is ringfenced and is to be focused towards investments aiming to reduce costs, such as the number and duration of hospital admissions. The draft plans (see Appendix I) propose using £194k of this funding in 2017/18 with the remainder being transferred to the reserve for use in future years.

Appendix H. Budget approvals being sought

Ref		Approver	£'000	Reason for Request
H1	Insurance	Cabinet	25	The final renewal premium for insurances for 2017/18 shows an increase in non-rechargeable premiums of £25k relating to public liability claims. The main issue is that the loss ratio for the last 10 years currently stands at 194%. The loss ratio is the percentage that Zurich have settled/are likely to settle compared to the amount we pay. This pressure cannot be mitigated and will be funded from the pressure reserve in 2017/18.
H2	Learning Disabilities	Cabinet	130	In 2014 Lincolnshire County Council commissioned MenCap to provide a supported living project for 4 of their young adults with learning disabilities. MenCap set this up just inside Rutland borders. This means that the 4 clients have become "ordinary resident" in Rutland. Legal advice is that Rutland will have to take financial responsibility for this case and the expected cost for 17/18 is £130k. £100k of this will be funded from the ASC contingency with the remaining £30k being funded from adult social care earmarked reserves.
H3	Head of Legal & Governance	Cabinet	35	The original intention was to leave this post vacant therefore the budget was reallocated to fund the Corporate Projects Manager. It is evident now however that the post is required therefore a recruitment exercise is underway. Funding has been identified from the legal budget (£35k) and from savings on the existing corporate projects post (£7k) leaving an ongoing pressure of £35k to be funded from the General Fund.
H4	Increase use of S38 Income	Cabinet	(40)	Intention is to use the S38 income within the earmarked reserve to match expenditure incurred in the Planning function in respect of road adoption.
H5	Communications	Cabinet	28	The Council is investing in additional support for corporate communications with a 1 year fixed term contract following the implementation of the website and a lack of

Ref		Approver	£'000	Reason for Request
				corporate capacity. This gives a one year pressure of £28k
H6	Grass Cutting	Cabinet	(15)	The Grounds Maintenance interim contract has been extended and cutting reduced from 16 cuts to 10 cuts in many areas. This is likely to reduce costs by about £15k and the budget has been adjusted.
H7	Oakham Cemetery	Cabinet	19	It had been anticipated that Oakham Cemetery would have been transferred to Oakham Town Council. This has not happened and a budget is now required to ensure that the cemetery can be managed and maintained. It is anticipated that this will be carried out in house rather than outsourced through the grounds maintenance contract.
H8	Community Housing Fund	Council	57	Grant funding received in 2016/17 required in 2017/18 to enable delivery of community-led housing in line with Government advice. This includes the extension of the Planning Officer (Neighbourhood Plans) to support the delivery of the statutory development plan.
H9	Brownfield Register and Permission in Principle	Council	15	Grant funding received in 2016/17 required in 2017/18 to support the production and maintenance of the new statutory brownfield register as required by 31/12/2017. The proposal is to recruit a Planning Policy apprentice to assist with this and the self-build and custom housebuilding register.
H10	Self-Build and Custom Housebuilding	Council	51	£21k grant funding received in 2016/17 plus additional grant funding to be received in 2017/18 required to deliver the Council's responsibilities regarding the statutory self-build and custom housebuilding register and supporting delivery through the local plan review
H11	Early Years IT System	Council	21	Grant funding awarded to support the implementation of an IT solution for the checking of information on the 30 hours free childcare entitlement being introduced from September 2017.

Ref		Approver	£'000	Reason for Request
H12	Extended Rights to Free School Travel	Council	(10)	The Council has received £10k grant for extended rights for free travel that wasn't expected. The budget has been adjusted.
H13	Housing Benefit Grant Confirmation 2017/18	Council	(8)	The Council has received £8k more in housing benefit/council tax related grants than expected and the budget has been adjusted.
H14	Restructuring costs	Cabinet	99	Restructuring costs associated with changes made in Children's Services following the OFSTED inspection and the savings generated in Finance.

Appendix I. Draft Better Care Fund Plan for 2017/18

Priorities and measures	What is included	Lead sponsor	Budget 2017-18 £'000
1. Unified prevention			
1.1 Communication and coordination	Enhance the Rutland Information Service online directory of local services. Network of prevention-related organisations Develop community capacity	RCC	25
1.2 Community wellbeing advisors	Community wellness and prevention services	RCC	147
	Wellbeing advisors in primary care	ELRCCG	93
	Social care outreach for hard to reach individuals at risk (Vulnerable Adult Risk Management - social care requirement)	RCC	58
1.3 Active and connected	Extending healthy life expectancy by increasing activity levels and social connectedness.	RCC	85
Unified Prevention Totals			408
2. Holistic management of health and wellbeing in the community			
2.1 Integrated health and care services	Further integrate local community, social and primary care services, particularly benefitting people with long term conditions, frailty and complex needs. MDTs, Integrated Care Coordinator.	RCC	155
		ELRCCG	405
2.2 Self care	Self care - personalised care planning at the GP, supported by an online self care toolkit, targeting specific cohorts.	ELRCCG	43
	Self care: Enhance social care personal budgets - increased choice helping more people to sustain independence.	RCC	70

Priorities and measures	What is included	Lead sponsor	Budget 2017-18 £'000
2.3 Holistic homecare	Holistic 'whole care' model of domiciliary care with skilled, stable area-based teams providing enriched social care.	RCC	142
2.4 health and wellbeing in care homes	Actions to include pre-emptive therapy to support falls prevention. Actions based on Vanguard learning and on LLR Integrated Locality Team care home pilot actions. Crossover with 2.2. Self care toolkit and 3.2 Transfer and Reablement	RCC	10
2.5 Support services sustaining wellbeing and independence	Dementia care	RCC	100
	Carer support, including respite	RCC	85
	Assistive technology	RCC	65
	Disabled Facilities Grants	RCC	203
Holistic management of health and wellbeing in the community Totals			1,278
3. Hospital flows – step up step down arrangements providing the right level of care in the right place at the right time			
3.1 Crisis response	7 day crisis response services Identifying routes to manage crisis locally without hospitalisation where appropriate eg. increasing virtual ward step up, avoiding 'just in case' admissions, patient tracking to differentiate levels of acuity, etc. Link to potential CCG savings.	RCC	105
		ELRCCG	126
		Joint	20
3.2 Transfer of care and reablement	Sustaining the 'pull model' of transfer of care, in which an integrated health and social care team proactively identifies Rutland patients needing discharge support and facilitates their transfer of care back to the community when fit for discharge.	RCC	561

Priorities and measures	What is included	Lead sponsor	Budget 2017-18 £'000
	Progressing further improvements to transfer of care processes via an agile improvement approach and the DTOC Action Plan whose key 2017-18 - 2018-19 development focus is on health in care homes, optimising hospital flows for planned care patients through actions prior to admission and accelerating step down to hospital at home.	ELRCCG	135
		RCC	26
Hospital flows Totals			973
4. Enablers			
4.1 Programme management, analytics and enabling actions	Programme management and analytics	RCC	73
	Improved IT for mobile working and single assessment	RCC	33
		Joint	22
	User experience research, including relating to new approaches to holistic care.	RCC	10
Enablers Totals			138
Total BCF			2,797
Funding Available			
	Core BCF for 2017/18		2,061
	Capital - Disabled Facilities Grant		203
	Improved BCF (iBCF)		203
	Social Care One off Grant		136
	BCF Underspend carried forward		194
Total Funding			2,797

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.

Ref		2016/17 Original £	2016/17 Q1 Budget £	2016/17 Q4 Outturn £	2017/18 Proposed £	2018/19 Proposed £	2019/20 Proposed £	2020/21 Proposed £	2021/22 Proposed £
1,2,19	People	15,907,100	16,424,400	16,308,000	17,202,300	16,852,000	16,925,200	17,155,200	17,570,800
1,2	Places	12,318,200	12,524,800	12,378,000	12,604,800	12,378,900	12,635,800	12,886,100	13,175,500
1,2,3	Resources	5,246,700	5,742,700	5,316,000	6,048,600	5,611,700	5,695,400	5,796,500	5,900,700
4	Pay Inflation Contingency	330,700	0	0	45,000	486,400	786,800	1,051,000	1,327,800
5	Contract Inflation	150,000	150,000	0	0	0	0	0	0
6	Adult Social Care Contingency	200,000	200,000	0	150,000	100,000	100,000	100,000	100,000
	Corporate Headcount Saving				(121,000)	(121,000)	(121,000)	(121,000)	(121,000)
	People First Savings	(234,800)	(234,800)	0	0	0	0	0	0
	Net Cost of Services	33,992,900	34,807,100	34,002,000	35,929,700	35,308,000	36,022,200	36,867,800	37,953,800
22	Capital met from Direct Revenue	180,000	186,000	186,000	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)	(1,897,000)
7	Capital Financing	1,930,601	1,930,601	1,930,000	1,930,365	1,644,144	1,643,227	1,641,577	1,661,869
8	Interest Receivable	(220,000)	(220,000)	(254,000)	(180,000)	(210,000)	(170,000)	(155,000)	(155,000)
	Net spending	33,986,501	34,806,701	33,967,000	35,783,065	34,845,144	35,598,427	36,457,377	37,563,669
	Resources								
15	Other Income	(239,500)	(272,500)	(443,243)	(200,700)	(93,600)	(76,600)	0	0
13	New Homes Bonus	(1,230,055)	(1,230,055)	(1,230,023)	(1,214,332)	(1,266,270)	(1,265,755)	(1,026,590)	(930,773)
17	Better Care Fund	(2,046,000)	(2,061,200)	(2,061,292)	(2,541,300)	(2,229,100)	(2,137,900)	(2,061,200)	(2,061,200)
14	Social Care In Prisons	(70,138)	(70,138)	(54,128)	(54,128)	(54,128)	(54,128)	(54,128)	(54,128)
16	Rural Delivey Grant	(843,258)	(843,258)	(843,258)	(680,891)	(523,763)	(680,891)	(680,891)	(680,891)
23	Transition Grant	(339,932)	(339,932)	(339,932)	(336,573)	0	0	0	0
	Adult Social Care Support Grant	0	0	0	(136,300)	0	0	0	0
9	Revenue Support Grant	(2,353,919)	(2,353,919)	(2,353,919)	(888,716)	0	958,318	958,318	958,318
10	Retained Business Rates Funding	(4,770,200)	(4,770,200)	(4,778,000)	(4,785,764)	(4,917,954)	(5,115,963)	(5,306,364)	(5,499,412)
11,12	Council Tax/Social care precept	(21,924,400)	(21,924,300)	(21,925,000)	(23,242,155)	(24,513,100)	(25,745,200)	(27,005,200)	(28,324,800)
21	Collection fund surplus	(248,000)	(248,000)	(248,000)	(170,000)	0	0	0	0
	Total available Resources	(34,065,402)	(34,113,502)	(34,276,795)	(34,250,859)	(33,597,914)	(34,118,118)	(35,176,055)	(36,592,885)
20	Use of Earmarked Reserves	(553,200)	(1,468,200)	(17,000)	(1,479,200)	(374,200)	(233,800)	(134,600)	(134,600)
	Use of General Fund Balances	(632,101)	(775,001)	(326,795)	53,006	873,030	1,246,509	1,146,722	836,184
	Balance brought forward	(10,089,084)	(10,143,751)	(10,143,751)	(9,634,546)	(9,581,540)	(8,708,510)	(7,462,001)	(6,315,280)
	Transfer of Fund to Earmarked Reserves			836,000					
	Balance carried forward	(10,721,185)	(10,918,752)	(9,634,546)	(9,581,540)	(8,708,510)	(7,462,001)	(6,315,280)	(5,479,096)

The MTFP assumptions

Ref	Expenditure /Funding	Assumptions/Commentary
1	Directorate Costs	<p>Directorate costs for 2017/18 assume 2016/17 as a starting point and build in inflation and any changes to National Insurance contributions.</p> <p>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).</p>
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	<p>The capital financing charges are made up of 2 amounts;</p> <ul style="list-style-type: none"> • 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) • 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.
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.
10	Business rates	The amount to be retained under "Business Rates Retention"

Ref	Expenditure /Funding	Assumptions/Commentary
		<p>(BRR) scheme has been updated in line with the current year forecast, a view about growth for 16/17 and the baseline and tariff figures given by Government.</p> <p>The Council has seen little growth this year and it is not envisaged that this will have a material change on NNDR yield given likelihood of appeals and increased level of reliefs. The Council's NNDR1 return will not be completed until late January (when the form is issued) so all NNDR figures are provisional. A 5% increase in growth would yield approx. £300k for the Council. Conversely, the Council could lose up to £350k before the Government provides safety net funding. 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 and damping of 10%.</p> <p>The NHB scheme is under review. 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	<p>The other income includes the following grants</p> <ol style="list-style-type: none"> 1. The ESG allocation is estimated at £17k in 17/18 and will cease in September 2. Independent Living Fund (ILF) allocation has been announced for the next 3 years at £66k for 17/18, £64k for 18/19 and £62k for 19/20 3. A New School Improvement Grant of £50k for 2017/18 only 4. SEND reform grant of £28k for 2017/18 only <p>The Council generally receives additional grants during the year and these will be reported as the council is notified e.g. Small Business Rates Relief Cap.</p>
16	Rural Delivery Grant	The MTFP builds in grant as per the Government 4-year offer.
17	Better Care	The Better Care Fund (BCF) allocations are built in based on

Ref	Expenditure /Funding	Assumptions/Commentary
	Fund	2016/17 figures with known changes as final allocations are still waited for 17/18.
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. Grant level is based on 17/18 allocation.
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-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	This represents the amount of revenue expenditure that is funding capital projects.
23	Transition Grant	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.