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## Rutland County Council

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**Meeting:** PEOPLE (ADULTS & HEALTH) SCRUTINY PANEL

**Date and Time:** Thursday, 14 July 2016 at 7.00 pm

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

**Clerk to the Panel:** Corporate Support 01572 758311  
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**Helen Briggs**  
**Chief Executive**

### 9) QUARTER 4 FINANCE REPORT

To receive Report No. 109/2016 from the Director of Resources

(Pages 3 - 70)

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**CABINET**

**21 June 2016**

**REVENUE AND CAPITAL OUTTURN 2015/16**

**Report of the Director for Resources**

Strategic Aim:	Delivering Council Services within the Medium Term Financial Plan	
Key Decision: Yes	Forward Plan Reference: FP/220416/01	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor Terry King, Leader and Portfolio Holder for Finance	
Contact Officer(s):	Debbie Mogg, Director for Resources	Tel: 01572 758358 dmogg@rutland.gov.uk
	Saverio Della Rocca, Assistant Director - Finance	Tel: 01572 758159 sdrocca@rutland.gov.uk
Ward Councillors	N/A	

**DECISION RECOMMENDATIONS**

That Cabinet:

- i) Approve the use of £104k of earmarked reserves as per Appendix A, para 1.6.7 to fund 2015/16

costs in relation to one complex children's social care case, residual operating costs for Travel for Rutland and project management costs for Digital Rutland.

- ii) Approve the revenue/grant carry forwards of £533k as outlined in Appendix A, para 1.5.1 and 1.5.2.
- iii) Note the carry forward of £6k of revenue reserves to fund one capital scheme delayed into 2016/17 as outlined in Appendix A, para 1.6.10.
- iv) Note the updated 2016/17 budget for the Better Care Fund in Appendix H including the use of £200k of the ring fenced reserve as set out in Appendix A para 4.1.4.
- v) Approve the use of £23k from the Welfare Reserve, £85k from the Special Educational Needs (SEN) reserves and £48k from the Digital Rutland reserve to fund additional work in 2016/17 as set out in Appendix A, para 1.7.5.
- vi) Approve the use of £120k of the pay contingency (already included in the 2016/17 budget) and £20k from the Social Care earmarked reserve to fund the People Directorate senior management pressure in 2016/17 as set out in Appendix A, para 1.4.5 – 1.4.7.
- vii) Approve the transfer of £1,073k of underspends to ring fenced reserves as set out in Appendix A, para 1.6.8.
- viii) Approve the capital budget reprofiling of £2,480k as explained in Appendix A, para 2.1.3.
- ix) Note the updated 2016/17 revenue budget and the

additional £100k saving along with the capital budget as set out in Appendix A, Section 4.

That Cabinet:

- x) Recommend to Council that the ceiling for the Insurance and Legal reserve be increased to £250k (Appendix A, para 1.6.11).
- xi) Recommend to Council a new capital scheme for £106k for the permanent repair of potholes following receipt of additional Government grant (Appendix A, para 4.2.3)
- xii) Recommend to Council that £200k of available capital receipts rather than earmarked social care reserve is used to fund the implementation of the Adult Social Care system in 16/17 (Appendix A, para 1.6.9).

## **1 PURPOSE OF THE REPORT**

- 1.1 To inform Cabinet of the draft outturn figures (subject to audit) for the financial year 2015/16 and provide an update on the status of the 2016/17 budget. In reporting the outturn, Cabinet and where necessary Council is being asked to carry forward some budgets to 2016/17, approve some additional requests for funding for 2016/17, put aside some additional funding in earmarked reserves and agree an increase in ceilings on the Insurance and Legal earmarked reserve.

## **2 BACKGROUND AND MAIN CONSIDERATIONS**

### **2.1 2015/16**

2.1.1 The Council approved its 2015/16 budget in February 2015. Throughout the year, Cabinet and Scrutiny Panels have received quarterly updates on progress against the budget. Cabinet and Council have also made some changes to the approved budget which are itemised in each quarterly report.

2.1.2 The end of year provisional revenue position is favourable in that the Council is under its revenue budget by c£1.125m. A full explanation of the year end revenue position is covered in Appendix A, Section 1 to this report. This position is provisional for two reasons:

- The position is subject to external audit by KPMG LLP; and
- In arriving at the overall position for 15/16, officers are making requests to use of £104k from earmarked reserves (detailed in Appendix A, para 1.6.7); £533k to be carried forward for use in 2016/17; and, for £1,073k to be transferred to existing earmarked reserves (Appendix A para 1.6.8). These are decisions that must be approved by either Cabinet and/or Council.

2.1.3 Whilst the overall position is favourable, the Council's financial context remains challenging with significant savings required over the medium term.

## **2.2 2016/17**

2.2.1 The revenue budget for 2016/17 was set in February but has been updated as part of this report. As is usually the case, issues often emerge after the budget has been approved. Officers have also reviewed the 2016/17 budget in the context of the 2015/16 outturn.

2.2.2 Appendix A, Section 1.4 considers whether any overspends experienced in 2015/16 are likely to cause a budget pressure in 2016/17. As a result of the analysis, officers have highlighted a number of emerging pressures in children's services and waste management. Directors will be trying to manage these pressures and/or contain pressures within their overall Directorate budget in the first instance but may request changes to the budget later in the year if pressures cannot be managed.

2.2.3 The People Directorate continues to face a pressure in relation to senior management staffing and whilst ongoing action is being taken to mitigate this, it is requested that the budget is increased by £140k to cover this cost in the short-term. £120k of this cost can be funded through the pay contingency and £20k from the social care earmarked reserve.

2.2.4 The pay award has now been settled for 2016/17 and 2017/18 at 1% a year for all staff on pay points 18 and above. Pay points 6 to 17 receive an increase between 10.28% and 2.3% over the same two year period. This, along with the Senior Managers Pay review, will be implemented from 1st April 2016. Therefore, £210k has been transferred from the Pay award contingency to the three Directorate budgets.

2.2.5 Appendix A, Section 4 gives an update on the 2016/17 budget. In addition, officers are requesting use of earmarked reserves of £85k to fund additional resources with regards to the implementation of the Education Healthcare Plans; £23k to cover the cost of the Revenues and Benefits Deputyship post; and, £48k to cover the cost of Digital Rutland project management costs (Appendix A, para 4.1.4).

2.2.6 At the time of setting the budget, the Council was still awaiting confirmation of the Better Care Fund allocation. This has now been received and is £2.061m as opposed to £2.046m in the Budget and MTFP. The 2016/17 BCF plan has now been approved and utilises the new funding plus £200k of the earmarked reserve. The new budget for the BCF is attached as Appendix H.

2.2.7 The BCF Plan requires the Council to spend a minimum of £85k of the fund on Carers Support in 2016/17. Therefore, £85k of the Carers Support budget can now be charged to the BCF creating a 'People First' saving on the General Fund. This saving, along with the increase of £15k income for the Better Care Fund, offset by the need to use £50k of the General Fund to cover the increased cost of Waste Management, has the impact of an overall increase in the General Fund surplus of £50k.

2.2.8 The Council has received notification of additional grant funding for Pothole Action Funding. The purpose of this funding is to permanently repair potholes (as opposed to fill) by resurfacing lengths of highways to stop the formation of potholes. Officers are requesting a new scheme to be included within the capital programme for this.

### **3 CONSULTATION**

3.1 Formal consultation is not required for any decisions being sought in this report. Internal consultation has been undertaken with officers to assess the impact of the outturn on the budget for 2016/17.

### **4 ALTERNATIVE OPTIONS**



- 4.1 Cabinet are requested to make decisions about carrying forward unused budgets to 2016/17. In many cases, officers have already committed such budgets (i.e. work has been started but not finished) or plan to do so for service delivery in 2016/17. Cabinet can choose to approve the carry forwards or could request that budget managers assess whether such expenditure can be absorbed within existing budgets or savings made elsewhere. Where this is not possible, there may be budget pressures later in the year.
- 4.2 Cabinet are also requested to use existing earmarked reserves or general fund balances to fund some 2016/17 pressures. Cabinet can choose to approve the requests or request that budget managers assess whether such expenditure can be absorbed within existing budgets thereby deferring any decision until later in the year when more information is known.
- 4.3 In addition, Members are being asked to make additional contributions to earmarked reserves. Members could choose to retain all funds in the General Fund Reserve rather than to prop up earmarked reserves. The former is not the preferred option for the reason that the establishment of earmarked reserves recognises that funds are likely to be needed for a specific cause. Retaining such funds in a General Reserve could give the impression that the Council's financial health is better than what is actually the case.

## **5 FINANCIAL IMPLICATIONS**

- 5.1 The report highlights the impact of the outturn on the MTFP. General Fund balances will increase by

c£1.125m above that budgeted for if all recommendations are approved.

- 5.2 For 2016/17, agreement to the recommendations will increase the General Fund surplus by £100k.

## **6 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 6.1 The FPRs allow Cabinet to approve budget carry forwards from one period to the next and use earmarked reserves. The FPRs allow Council to establish a new reserve and set ceilings for earmarked reserves.

- 6.2 There are no legal implications arising from this report.

## **7 EQUALITY IMPACT ASSESSMENT**

- 7.1 Equality Impact Assessment (EqIA) screening has been completed. No adverse or other significant issues were found.

## **8 COMMUNITY SAFETY IMPLICATIONS**

- 8.1 There are no community safety implications.

## **9 HEALTH AND WELLBEING IMPLICATIONS**

- 9.1 There are no health and wellbeing implications.

## **10 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

- 10.1 As the Council is required to make savings over the medium term, the outturn position is positive. The approval of budget carry forwards will allow the 2016/17 budget to be updated to reflect spending plans.

## **11 BACKGROUND PAPERS**

11.1 None

## **12 APPENDICES**

Appendix A: Q4 Finance and Budget Outturn Report

Appendix B: Reconciliation of Management Accounts to Statutory Accounts

Appendix C: People Directorate

Appendix D: Places Directorate

Appendix E: Resources Directorate

Appendix F: Capital Outturn

Appendix G: Variances over £25k

Appendix H: Better Care Fund

Appendix I: Medium Term Financial Plan

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

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# Appendix A. Outturn report 2015/16

## 1 REVENUE OUTTURN

### 1.1 Budget – what is the overall outturn position?

1.1.1 From a financial management perspective 2015/16 has been another challenging and busy year for various reasons:

- The start of the year saw the Council election and the first year of the new administration with some new members and some changes to Cabinet portfolios. In the final two quarters work began on a new Corporate Plan as the Council refreshed its Medium Term Financial Plan (MTFP) following the local government finance settlement;
- The Council delivered its first year of the Better Care Fund (BCF) working together with health colleagues. The various BCF schemes including the new Community Agents project have had a positive impact with the Council meeting its “pay for performance” target resulting in a General Fund saving of £200k;
- The Council, like many other authorities, has experienced recruitment difficulties in key service areas notably Adult Social Care, Children’s Services and Learning and Skills services. Following the introduction of retention payments for social workers and an innovative recruitment campaign, the Council has successfully recruited a number of staff and the number of interims in place is gradually reducing but there is still work to do. The Chief Executive is closely monitoring the overall position and working with Directors on exit strategies for key posts;
- The Council approved the implementation of a number of IT system upgrades and replacements notably the Adults and Children’s Social Care system (LiquidLogic) and the Enterprise Resource Management System (Agresso). Towards the back end of the year, work on these systems was in full flow.
- The Council successfully negotiated an agreement with Larkfleet to pay £4.8m (excluding indexation) towards the provision of local services in the Oakham North area (Report 173/2015) following a serious administrative error which nullified the original agreement;
- Inevitably across a number of service areas there were cost pressures arising from factors outside of the Council’s control. In waste management, material prices changed adversely during the year causing a significant overspend. Cost in meeting Deprivation of Living Standards cases also increased as demand soared beyond expected levels.

1.1.2 Against this backdrop the Council has been able to manage pressures within the existing budget to the point that it has achieved a surplus of £0.482m

compared to a budgeted deficit of £0.656m, a position broadly in line with that reported at Quarter 3. In the context of an MTFP which shows reducing funding levels (Report 39/2016), the overall outcome is very positive.

1.1.3 The summary revenue position at 31 March 2016 is shown below:

	More detail	Current Budget £000	Q1 Forecast Outturn £000	Q2 Forecast Outturn £000	Q3 Forecast Outturn £000	Q4 Outturn £000
People		16,027	15,904	15,634	15,512	15,555
Places		12,385	12,396	12,156	11,908	11,903
Resources		5,647	5,491	5,445	5,330	5,166
<b>Directorate Totals</b>	1.2	<b>34,060</b>	<b>33,790</b>	<b>33,235</b>	<b>32,750</b>	<b>32,624</b>
BCF contingency	1.1.4	200	200	200	0	0
Highways Saving	1.1.4	250	0	0	0	0
People First Saving		(17)	(200)	0	0	0
<b>Net Cost of Services</b>		<b>34,492</b>	<b>33,790</b>	<b>33,435</b>	<b>32,750</b>	<b>32,624</b>
Capital Financing	1.6.1	2,020	2,020	1,897	1,897	1,897
Interest Receivable	1.6.2	(116)	(176)	(225)	(247)	(254)
<b>Net Operating Expenditure</b>		<b>36,396</b>	<b>35,633</b>	<b>35,107</b>	<b>34,400</b>	<b>34,267</b>
Non ring-fenced grants	1.6.3	(7,840)	(7,861)	(7,988)	(7,987)	(8,005)
National Non-Domestic Rates	1.6.4	(4,251)	(4,251)	(4,251)	(4,251)	(4,221)
Council Tax	1.6.5	(20,685)	(20,685)	(20,685)	(20,685)	(20,685)
Transfers to/(from) reserves	1.6.6	(1,676)	(1,586)	(1,263)	(674)	(214)
Revenue contributions to capital	1.6.22 – 1.6.23	566	686	520	561	244
Appropriations	1.6.24	(1,855)	(1,855)	(1,855)	(1,855)	(1,855)
<b>(Surplus)/Deficit</b>		<b>656</b>	<b>82</b>	<b>(415)</b>	<b>(490)</b>	<b>(469)</b>
<b>General Fund 1 April 2015</b>		<b>(9,675)</b>	<b>(9,675)</b>	<b>(9,675)</b>	<b>(9,675)</b>	<b>(9,675)</b>
<b>General Fund 31 March 2016</b>		<b>(9,019)</b>	<b>(9,593)</b>	<b>(10,090)</b>	<b>(10,165)</b>	<b>(10,144)</b>

1.1.4 The favourable position can be explained as follows:

- At a Directorate level, the underspend was £1.4m but c£1.1m of this underspend relates to budgets to be carried forward (i.e. budgets not

spent in year due to the timing of projects/issues but will be spent in 16/17 or in future years) or ring fenced budgets such as the Better Care Fund (the Council cannot spend these amounts on any other area) leaving a 'real' under spend of £300k. This is analysed in more detail at Section 1.2.

- The Council agreed to save £250k on Highways (Report 154/2015).
- The Council achieved its BCF pay for performance target to reduce non-elective admissions saving a further £200k.
- Capital financing costs comprising the Minimum Revenue Provision (the amount set aside for the repayment of debt) shows an under spend of £123k reflecting reduced spending on the capital programme and the repayment of £597k to the General Fund relating to Adult Soccer.
- The Council also achieved an increase in investment income of £138k from better interest rates and an additional dividend received of £40k from the Heritable Bank as reported in Quarter 2 (para 3.4.4)
- The Council also received additional non ring-fenced grant income during the year of £165k. This is analysed further at para 1.6.3.
- The cumulative under spends above of over £1.1m are offset by additional amounts (£250k) transferred to earmarked reserves for potential future liabilities in respect of legal costs and social care.
- Revenue contributions to Capital were lower than budget by £276k due to the re-profiling of some capital schemes which will now incur the expenditure in 2016/17 such as the Adult Social Care Case Management system. However, as these sums were due to be funded from earmarked reserves, the underspend is matched by a corresponding reduction in the amount transferred out of earmarked reserves so there is no impact on the bottom line in 2015/16.

1.1.5 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?

1.2.1 A summary of financial performance by Directorate is given here. 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**

1.2.2 The People Directorate has achieved an outturn of £15.56m compared to a budget of £16.03m. This represents an under spend of £0.47m (c3%). As reported at Q1, the move to functional budgets meant that some areas looked over spent and others under spent. A rebasing exercise has been undertaken for the 2016/17 budget but has not been reflected within the 2015/16 budget and this means that there are some variances that only exist as a result of not rebasing. If the budget had been rebased the most significant areas of under/ over spends were as follows:

- Significant overspends on Interim and agency staff of £259k in Childrens Services and Learning and Skills due to a number of posts being held vacant whilst a new structure for the Directorate was developed and a shortage of skilled social workers resulting in increased use of agency staff;
- Under spend on the ring fenced Public Health budget (£56k) - some of the expenditure in public health is linked to activity and throughput which has been less than anticipated;
- An under spend on the Better Care Fund of (£317k) which is ring fenced and will be transferred to reserves. The three key underspends arise from a joint CCG and Council led project on Crisis Response being £228k under due to delays in recruitment of staff, Programme Support and Joint Integrated Care Project underspends of £29k due to posts being vacant for part of the year and £60k under spends on other projects such as Community Agents, Falls Prevention etc. The BCF Plan for 2016/17 has been approved and utilises £200k of the carry forward underspend to fund new initiatives such as the Innovation Fund;
- An under spend on staffing budgets within Adults and Health (non ringfenced) of £206k due to vacancies;
- Under spends as a result of delays in project spend on Liquid Logic (£20k) and reduced spend on Adult Social Care Winter Pressures funding due to the mild winter (£82k). The Winter Pressures funding will be carried forward for use in 2016/17. The sale of Barleythorpe Hall late in the year will allow the planned use of revenue reserves to fund Liquid Logic to be replaced by capital receipts; and
- There was an over spend of £204k in the Fostering and Adoption service due to one complex case involving a child requiring a high cost residential/fostering placement and increased usage of independent fostering agencies up from 3 placements in 2014/15 to 13 placements in 2015/16.

1.2.3 A summary of the performance of each function against budget can be found



at Appendix C.

### **Places Directorate**

1.2.4 The Places Directorate has achieved an outturn of £11.908m compared to budget of £12.39m. This represents an under spend of £0.48m (c4%). The most significant areas of under/ over spends:

- Development Control was under spent by £292k due to increased income from planning applications with a number of applications coming in at the end of the year including three large applications totalling £56k received in February. In addition to planning applications extra land charges applications have been received to beat the Government changes to stamp duty resulting in higher than expected income.
- Highways Management is underspent by £48k mainly due to staff vacancies and increased revenue from charging for road closure advertising;
- Home to School Transport is under spent by £43k due to combining routes and cancelling contracts now covered by the public bus network and by providing more in house SEN routes;
- Parking is underspent by £43k as a result of higher than expected income and reduced costs (£15k) through staff vacancies;
- Public Protection is under spent by £40k due to a reduction in spend on trading standards and lower than expected demand for fuel poverty initiatives;
- Waste Management is over spent by £149k due to increases in tonnage beyond the levels forecast along with some material prices changing adversely during the year. Measures are being implemented to mitigate these pressures as far as practicable going forward;
- Winter Maintenance is under spent by £49k due to the mild winter leading to reduced usage of salt for gritting the roads. This under spend will be transferred to an earmarked reserve for use in future years. The reserve now totals £64k compared to c£75k (the likely amount required should there be a severe winter);
- Building Control is over spent by £32k due to settling a dispute over a contract in one year rather than over 3 years as originally agreed – this does give a ‘notional’ saving in future years; and
- An under spend on Economic Development of £64k was due to reduced expenditure on Digital Rutland (£45k) as the Project Manager post was vacant for part of the year and Welland Market Towns contributions, held by the Council on behalf of the Market Towns Steering Group, not yet allocated to specific projects (£19k).

1.2.5 A summary of the performance of each function against budget can be found at Appendix D.

### **Resources Directorate**

1.2.6 The Resources Directorate has achieved an outturn of £5.17m compared to budget of £5.65m. This represents an under spend of £0.48m (c9%). The main areas of under/over spends:

- The Business Manager post was not recruited to in year giving a staff saving of £60k but is being replaced with a Business Intelligence Manager and has been recruited to as part of the People Directorate structure for 2016/17;
- Significant underspends of on Financial Crisis Support (£15k) and the Council Tax Hardship Fund (£32k) which are two demand led budgets. The under spends will be transferred to the welfare earmarked reserve and be used to meet any increased demand in future years;
- There was a net underspend of £138k in IT arising from some savings in IT operational support, staff vacancies and the timing of the implementation of the Agresso and website projects. Whilst the website project is underway, only £10k of the core budget has been used with the remainder to be carried forward for use next year. Other under spends will also be carried forward to fund the Agresso project;
- There was a £20k underspend on the Internal Audit budget arising from staff savings and less use of external support offset by some additional external audit costs in relation to extra work completed for the VFM opinion;
- There was an underspend on the Members training budget (£5k) and Members expenses (£12k);
- There was an underspend of £51k in Customer Services, £30k of which relates to the timing of the website project (noted above) and the remainder to staff vacancies. There were also staff vacancy savings in Corporate Support of £18k;
- There were savings of £123k in Revenues and Benefits arising from staff savings (£29k), additional Government grant for implementation of Universal Credit (10k), savings on Benefit fraud administration (£29k) as Benefit fraud is now dealt with through the Single Fraud Investigation Service and better than predicted recovery of benefit overpayments of £41k; and
- An over spend on the legal budget of £22k arising from increased general usage and some one-off cases (e.g. Section 106) requiring some additional input.

1.2.7 A summary of the performance of each function against budget can be found

at Appendix E.

## 1.3 Directorate spend – how does this compare to Q3?

- 1.3.1 There have been a number of budgets where the outturn was less than expected at Quarter 3, some of the key variances are explained below. More detailed explanations can be found in the workbooks available on-line:

### ***People Directorate***

- 1.3.2 At Quarter 3, the People Directorate was forecasting an outturn of £15.512m but this increased to £15.555m at Q4 (a movement of £43k). The key movements are as follows:

- A reduction in spend on Ringfenced Grants of £100k: Public Health (£50k) and BCF (£50k). The Public Health reduction is as a result of activity being lower than originally anticipated and the BCF underspend is due to further delays in recruitment of staff on a Clinical Commissioning Group (CCG) run project;
- A reduction in spend on Adult Social Care (Non Ringfenced) functions of £80k due to increased income from that anticipated at Q3 and a reduction in forecast spend on Daycare services;
- An increase in expenditure on Childrens and Adults Duty Social Care of £118k due to staff sickness, increased workloads and delays in recruitment of permanent staff resulting in increased use of agency staff; and
- An increase in expenditure on Fostering and Adoption of £105k due to 6 new independent fostering agency placements and some placements continuing beyond their anticipated end date.

### ***Places Directorate***

- 1.3.3 At Quarter 3 the Places Directorate was forecasting an outturn of £11.908m but this reduced to £11.903m at Q4 (a movement of £6k). The key movements are as follows:

- Additional planning income from applications received in February;
- Waste Management spend increased by £85k compared to that reported at Q3 due to material prices changing adversely and estimates of tonnage being understated at Q3; and
- Home to school transport has under spent by £36k compared to Q3 due to an existing contract being terminated and replaced with in house mini bus provision resulting in a saving.

## **Resources Directorate**

1.3.4 At Q3 the Resources Directorate was forecasting an outturn of £5.330m but this reduced to £5.166m at Q4 (a movement of £164k). The key movements are as follows:

- It was assumed that the Business Manager post would be recruited to in the final quarter but the recruitment of the new post was not completed until 16/17 giving an £8k saving;
- There was a £51k movement in Revenues and Benefits arising from the receipt of grant income for Universal Credit of £10k for which the Council had limited workload and hence no additional cost, savings on fraud activity of £13k as the Council did not refer any council tax fraud cases to Leicester City Council for investigation and savings on the outsourcing of annual billing, reduced court costs and staff savings;
- There were further net underspends of £47k relating to projects to be continued into 2016/17 (Agresso and Website implementation);
- There was an additional underspend of £13k in Internal Audit budget as the audit plan was completed without drawing down extra resource from LGSS (the Council's audit partner); and,
- The expected increase in Financial Crisis Support and Council Tax Hardship Fund did not materialise in the final quarter as employment rates remained stable and collection rates high giving a saving of £8k.

## **1.4 15/16 overspends – Do they impact on 2016/17?**

1.4.1 Throughout the year, the Financial Procedure Rules (FPR) require Directors to:

- report on functions which are forecast to be £25k overspent;
- provide a detailed report on functions overspent by more than £100k explaining the reasons why.

1.4.2 In both cases, Directors should note whether such overspends can be accommodated within the overall Directorate budget. Where this is not the case, Directors may seek additional budget.

1.4.3 At the year end, the key question is whether any overspends experienced in 15/16 are likely to cause a budget pressure in 16/17. To this end, the table below list all functions more than £25k above budget and comments on the position for 16/17. Appendix G provides a more detailed explanation for the outturn position and impact for 2016/17.

<b>Function</b>	<b>Amount overspent</b>	<b>16/17 potential impact?</b>	<b>Further detail Appendix G</b>
<b>Peoples</b>			
Homecare	£274,023	No – Budgets Rebased	G1
Fostering and Adoption	£204,041	Yes - £100k, to be monitored	G2
Children’s Social Care	£123,011	Yes - £25k, to be monitored	G3
Children’s and Adults Duty Social Care	£114,197	Yes £40k, to be monitored	G4
Childrens Disabilities Residential & Nursing Care	£25,457	Yes - £25k, to be monitored	G5
<b>Places</b>			
Road Maintenance	£26,674	No	G6
Waste Management	£149,256	Yes - £200k, to be monitored	G7
Building Control	£32,144	No	G8

1.4.4 Members will note that despite the very good progress made in replacing interim with permanent staff, there are still one or two pressure points in social care where national shortages continue to impact locally. The People Directorate continues to work with HR looking at available options. The Council has included a target in its new draft Corporate Plan to reduce interim headcount.

1.4.5 Alongside this analysis budget managers have been asked whether there are other emerging pressures that might impact on the 16/17 position. The following issues have been highlighted:

- Cemeteries – it was anticipated that the Cemeteries would be transferred to Oakham Town Council in 2015/16 and consequently no budget was allocated for 2016/17. It was agreed (Cabinet report 64/2016) that any work costs required pre transfer (estimated at £40k) would be absorbed within the overall Places Directorate budget.
- Peoples Directorate Management – Whilst recruitment to Heads of Service and Team Manager Posts is on-going, there are a number of interim officers filling vacancies in the meantime. The Directorate currently has two vacant Heads of Service posts where additional cost (in excess of budget) for 5 months is approx. £75k. The Directorate also has a number of vacant team manager posts in Childrens Services including the Service Manager, Duty and Long Term Social

Care. The estimated additional cost for these posts for 5 months is £65k. Additional budget will be required to cover these posts and can be funded through some contingency in the Pay Inflation budget and the Social Care Reserve.

1.4.6 As it is early in the financial year, it is proposed that no changes are made to the budget at this stage (with the exception of senior management costs) 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.

1.4.7 It is proposed that the additional £140k senior management costs in the People Directorate are funded. The majority of this cost can be funded through the Pay inflation contingency of which there is £120k available after the pay award has been processed) and the remainder from the Social Care Reserve.

## 1.5 Budget Carry Forwards – What budgets do officers wish to carry forward?

1.5.1 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 2016/17 budget. The summary of the Budget Carry Forwards of £520k is as follows:

Area	Amount £'000	Explanation
Liquid Logic Implementation	20	Funds to be carried forward to complete the implementation of new Adult and Children's Social Care system (Liquid Logic).
IT Operational Support	162	Technical implementation of new website and Agresso are both ongoing projects with the majority of work to be completed in 2016/17.
IT Department	35	This under spend is requested to be carried forward to support the implementation of 365 Office and undertake PSN compliance work (Council has renewed its compliance certificate but has some works to undertake).
Finance	8	This under spend is required to support an external health check of matters related to VAT and PAYE following the abolition of P11D dispensations.
Elections	20	Electoral system procurement to support discharge of statutory requirements.
Communications	13	Budget carry forward to support website

Area	Amount £'000	Explanation
		communications and launch to go ahead in 2016/17.
Housing Benefits	20	Some technical software changes are required to Civica and Income Manager applications and will be completed pre September 2016.
Transport Review	68	In 2014/15, £100k grant funding was carried forward to 2015/16 to fund the Total Transport Review. This work is still ongoing and therefore, it is requested that the balance be used in 2016/17.
Warm Homes	23	This is funding that was transferred to earmarked reserves in 2013/14 to be given out in grants to individuals to help make their homes more energy efficient. This work continues and therefore it is requested that the balance be used in 2016/17.
DCLG Frontrunners Grant	24	This is grant funding carried forward in 2013/14 to be used to assist parishes to develop their own local plans. This work is still ongoing and therefore it is requested that the balance be used in 2016/17.
Website Development	45	£30k was carried forward in 2014/15 for the development of the website. This work is continuing and it is requested that it now be used in 2016/17 alongside a further £15K underspend in Customer Services.
Winter pressures	82	Funds received from the CCG to provide step down capacity for those discharged from hospital.
<b>Total</b>	<b>520</b>	

- 1.5.2 In addition to the above, the Council received a £13k new burdens grant late in 2015/16 in relation to meeting requirements under the Transparency code. It is requested that this grant is carried forward to be used in 2016/17.

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

### *Capital Financing and Interest Receivable*

- 1.6.1 Capital financing costs comprising the Minimum Revenue Provision (the amount set aside for the repayment of debt) and external interest payable have not changed from Quarter 3. Capital financing costs show an under spend of £123k reflecting reduced spending on the capital programme and

the repayment of £597k to the General Fund relating to Adult Soccer.

- 1.6.2 The interest receivable on investments figure has increased by £7k from Quarter 3. The Council achieved an average return of 0.71% on investments. The Council also received an additional dividend received of £40k from the Heritable Bank as reported in Quarter 2.

*Non Ring-fenced Grants:*

- 1.6.3 The Non Ring-fenced Grants outturn of £8.005m shows additional grants of £0.165m over and above the budget of £7.840m. A number of additional non ring-fenced grants were received in the final quarter of the year, others were received in year.

<b>Grants</b>	<b>£'000</b>	<b>Details</b>
S31 Small Business Rates Relief Grant	14	Compensation for loss of NNDR as a result of extension of scheme.
Independent Living Fund	54	Grant received to support additional expenditure as responsibility transferred to local authorities during 2015/16
New Burdens – Property Searches	28	DCLG compensation for legal costs in relation to property search claims
Additional Deprivation of Liberties Grant	14	Grant to help manage the ten-fold rise in Deprivation of Liberty Safeguards caseloads triggered by the Cheshire West judgement
DWP –Various small administration grants	28	Various grants relating to benefits and related processing activities
<b>Total notified Q1- Q3</b>	<b>138</b>	
New Burdens – Transparency Code	13	DLCG funds for meeting new transparency code requirements
<b>Total notified in Q4</b>	<b>13</b>	
Misc grants	14	Small number of grants (of which £13k received in Q1-Q3)
<b>Total Additional Non-Ring Fenced Grants 2015/16</b>	<b>165</b>	

*Non-Domestic Rates*

- 1.6.4 The Council's final position on Non-Domestic Rates was £4.221m. This is broadly in line with Q3 at £4.251m. The amount of rates declared in the outturn comprises actual rates retained net of the levy (£80k, payable because the Council has achieved an actual outturn above its baseline) and tariff (£790k). The rates retained figure also includes compensation from DCLG (in the form of section 31 grants) for rates foregone due (c£454k) for implementation of Government policy e.g. small business rate relief.



### *Council Tax and Collection Fund Surplus*

- 1.6.5 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 2015/16, the Council has not received any collection fund surplus relating to 2014/15. However, there is a surplus of £248k in 15/16, due to lower council tax support payments and higher than expected growth in Band D council tax properties, which will be received in 16/17.

### *Transfers to/ (from) Earmarked Reserves*

- 1.6.6 The Council planned to use £1.676m from earmarked reserves during 2015/16 including Budget Carry Forward requests approved as part of the Q4 Outturn Report 2014/15 (96/2015). At the end of the year, the Council is actually transferring a net £214k from earmarked reserves. A summary of the planned movement in reserves and the actual movement in reserves is shown below:

	<b>Budget 2015/16 £'000</b>		<b>Actuals 2015/16 £'000</b>	
Earmarked Reserves	4,096		4,096	
Commutated Sums	322		322	
<b>Balance @ 01/04/2015</b>		<b>4,418</b>		<b>4,418</b>
Use of Reserves	(1,720)		(1,789)	
Use of Commuted Sums	(36)		(36)	
Use of S106 for Revenue spend	0		0	
Transfer to Reserves	80	(1,676)	1,611	(214)
<b>Balance @ 31/03/2016 (exc S106)</b>		<b>2,742</b>		<b>4,204</b>

- 1.6.7 The actual movement in earmarked reserves includes requests for Cabinet to approve the following:

- A new complex case reported within Children's services of Peoples Directorate at Q3 involving a child requiring a high cost residential/fostering placement. The cost in 2015/16 of this case amounted to £65k and it is requested that this be funded from the Social Care earmarked reserve,
- Project management and operating costs of Travel 4 Rutland (T4R) were £24k in the year for which there is a T4R earmarked reserve set aside to meet any costs.
- Similarly, there is an earmarked reserve for Digital Rutland. Project management costs of £15k were incurred during the year and it is proposed these are met from the reserve. As the project management costs will continue into 16/17 it is requested that £48k of the reserve is used to fund project management costs and professional fees currently estimated at £48k for 2016/17.

1.6.8 A breakdown of the transfer to reserves of £1.611m is shown below:

	<b>Further information</b>	<b>£'000</b>
<i>Amounts underspent in revenue budgets requested to be carried forward to use in 2016/17</i>		
Budget Carry Forwards for 2015/16	1.5.1	520
Grant carry forwards for 2015/16	1.5.2	13
<b>Sub total</b>		<b>533</b>
<i>Use of revenue earmarked reserves to fund capital to be carried forward to use in 2016/17</i>		
Special Guardianship Order	1.6.10	6
<b>Sub total</b>		<b>6</b>
<i>Amounts ring fenced (not available for general use)</i>		
BCF ring-fenced reserve	1.6.13	317
Welland Internal Audit reserve	1.6.15	30
Public Health ring-fenced reserve	1.6.20	56
<i>Amounts to transfer to reserves for meeting future liabilities</i>		
Liquid Logic	1.6.9	200
Insurance and Legal reserve	1.6.11	150
Social Care Reserve	1.6.12	100
Invest to Save reserve	1.6.14	61
Highways (Winter maintenance; s38 fees; Sustainable Drainage)	1.6.17	79
Welfare reserve	1.6.16	48
Welland market towns	1.6.18	19
Risk management fund	1.6.19	2
Planning Delivery grant	1.6.21	10
<b>Sub total</b>		<b>1,073</b>
<b>Total Transfer to Reserves for 2015/16</b>		<b>1,611</b>

1.6.9 Report 83/2015 - Cabinet agreed to use £200k of the Social Care Earmarked Reserve to fund the new adult social care system and its implementation.

This project was delayed in 2015/16 and therefore the amount not needed.

As the Council has capital receipts available in 16/17, it is proposed that £200k of capital receipts are made available instead leaving the £200k in the Social Care reserve.

1.6.10 In 2015/16 Cabinet agreed use of £60k for a house extension scheme linked to a Special Guardianship Order requirement. Only £54k of this funding was used in 2015/16 and the balance of £6k is being held pending evidence of spend being received in 2016/17 for the completion of the scheme. This has been added to the Revenue Contribution to Capital Outlay for 16/17.

1.6.11 It is proposed to transfer £150k to the Insurance and Legal reserve in order to ensure that the reserve has sufficient funds going to cover expenditure that the Council might incur as a result of a number of ongoing legal cases. As the reserve ceiling is set at £200k an increase in the ceiling would need to be made to accommodate this.

- 1.6.12 It is also proposed to increase the Social Care Reserve by £100k to ensure sufficient funds are available to support future emerging pressures within the Adults and Children's Social Care services. The MTFP does not include 'pressures' for demand increases other than a £200k contingency and with potential pressures for the Living Wage and 'left shift' arising from changes in healthcare, the reserve is the first port of call should demand change.
- 1.6.13 The BCF is a ring fenced grant and any under spend has to be transferred to a reserve to be used in future years. The 2016/17 BCF Fund submission plans to use £200k of this allocation.
- 1.6.14 The unspent Business Manager Budget of £61k is requested to be transferred to the Invest to Save Fund.
- 1.6.15 The Council holds reserves, on behalf of the Welland partners, related to the delivery of internal audit services across Welland. The £30k underspend is held on behalf of the Consortium to meet any future pressures and will be returned to the partners if not required.
- 1.6.16 There is £33k under spend on the Discretionary Hardship Fund and a £13k underspend on crisis loans to be transferred to the Welfare Reserve to fund financial crisis and other related projects in future. In this report, the Revenues and Benefits manager is requesting that £25k of this fund is used to meet additional costs arising from the increase in Deputyship cases.
- 1.6.17 The £49k under spend on winter maintenance arising from the mild winter will be transferred to the Highways (winter maintenance) reserve to fund future spend should the Council experience severe weather conditions. The Council has also levied s38 fees from developers to cover the cost of bringing estate road up to adoption standards. This funding will be held and matched with expenditure.
- 1.6.18 There was an £19k under spend on Welland Market Towns being funds received from the Towns to spend on grants, promotions and website hosting. These funds will be held until needed.
- 1.6.19 The Council holds a Risk Management fund as agreed with its insurers which retains funds received from a third party from a claim already settled by Zurich. The Council agreed to reinvest these funds in insurance activity. £2k has been received and transferred in 2015/16.
- 1.6.20 The Council has an under spend on public health and any underspends must be held in a ring-fenced public health reserve.
- 1.6.21 The Council has not used £10k of Planning Delivery grant which will be held in the reserve until required.

#### *Revenue Contribution to Capital Outlay (RCCO)*

- 1.6.22 The Council's budget included RCCO of £566k for Liquid Logic (£200k),

Oakham Castle (£200k), special guardianship order (£60k), Museum Boiler replacement (£60k) and the extension to Catmose Car Park (£46k).

- 1.6.23 The outturn of £244k reflects reduced spending on Oakham Castle (work to be completed in 16/17) and Liquid Logic – a project which will be completed in June 2016.

### *Appropriations*

- 1.6.24 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.

## 1.7 Earmarked Reserves – what is the balance and how will they be used?

- 1.7.1 The Council has earmarked reserves which are set aside for specific purposes. There are three types of earmarked reserves:

- Statutory ring fenced reserves – some funds must be spent in specific areas and are deemed ring fenced. The main ring fenced reserve for the Council is Public Health. Where the Council has ring-fenced funds, it is usually required to confirm by declaration that funds have been spent on purposes for which funding is intended.
- Budget carry forward reserve – where services have been unable to deliver spending plans in year for whatever reason, officers can request that funds or grants received are carried forward to future years.
- Specific reserves – the Council can set up specific reserves for various reasons e.g. winter maintenance, Invest to Save etc

- 1.7.2 The Council needs to review reserves periodically to assess whether reserves are still required, the level of reserves is adequate; or whether any new reserves are required. Where Reserves are no longer required, then options include: removing the reserves – effectively the balance on the reserve transfers to the General Fund; or relocating the balance in one reserve to another.

- 1.7.3 The Council's new Financial Procedure Rules also require Council to agree ceilings, where applicable, for the amount to be held in Earmarked Reserves. Once ceilings are agreed, Cabinet is able to both draw down reserves as required and top up reserves to the ceiling. As a result of the proposed transfer of £150k to the Insurance and Legal reserve, Council is asked to approve an increase to the ceiling for this reserve.

1.7.4 The table below shows the earmarked reserves held at 1st April 2015, the transfers to/(from) reserves as proposed in Section 1.6.6, and if these are approved, the balance that will be held at 31st March 2016. In some instances, the balance at the end of March 2016 may be higher than the recommended ceiling of the reserve because the Council has already committed using the reserve balance in 2016/17 – but this is not reflected in the amount held at 31 March 2016.

<b>Reserve (ceiling)</b>	<b>Balance 01/04/2015</b>	<b>Transfers to/(from) Reserve</b>	<b>Balance 31/03/2016</b>	<b>To be used in 16/17</b>	<b>Balance 31/03/2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Invest to Save (£500k)</b>	<b>357</b>	<b>121</b>	<b>478</b>	<b>(60)</b>	<b>418</b>
Invest to Save Reserve is used to fund investment projects, costs of restructuring and other one-off projects that will yield economic or efficiency gains in future years. It has been used and will continue to be used.					
<b>Planning Delivery Grant (Current balance)</b>	<b>74</b>	<b>(25)</b>	<b>49</b>	<b>0</b>	<b>49</b>
Reserve held to support continued development of Local Planning Framework.					
<b>Internal Audit (unlimited)</b>	<b>5</b>	<b>30</b>	<b>35</b>	<b>0</b>	<b>35</b>
Reserve held to support shared Welland Internal Audit Service. It can be used to support additional support costs if needed.					
<b>Welfare Reserve (£150k)</b>	<b>130</b>	<b>23</b>	<b>153</b>	<b>(48)</b>	<b>105</b>
The Welfare Reserve combines the under spend on the Discretionary Fund, Crisis Loans and unused grant given by Government to fund welfare reform administration. Fund can also be used to support any changes to Local Council Tax Support in the future.					
<b>Training (£80k)</b>	<b>80</b>	<b>0</b>	<b>80</b>	<b>0</b>	<b>80</b>
Created from underspends on the training budget and investment in a leadership programme for senior managers and customer service is a priority for 2016/17.					
<b>Highways (£300k)</b>	<b>297</b>	<b>12</b>	<b>309</b>	<b>(20)</b>	<b>289</b>
The Highways reserve combines external funding received from Government for Sustainable Drainage Schemes (which is partly on hold); S38 Income being matched to expenditure over the next few years; and the Winter Maintenance reserve to be utilised as necessary to cover periods of extreme weather conditions.					
<b>NNDR (unlimited)</b>	<b>287</b>	<b>(287)</b>	<b>0</b>	<b>0</b>	<b>0</b>
The Council is allowed to retain a proportion of NNDR income based on the amount it might collect in any given year with the remainder paid to Government. Any amounts in					

<b>Reserve (ceiling)</b>	<b>Balance 01/04/2015</b>	<b>Transfers to/(from) Reserve</b>	<b>Balance 31/03/2016</b>	<b>To be used in 16/17</b>	<b>Balance 31/03/2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
this reserve reflect receipts received in excess of the agreed amount and must be paid over to Government.					
<b>Tourism (limited to available funding)</b>	<b>68</b>	<b>(19)</b>	<b>49</b>	<b>(14)</b>	<b>35</b>
Continued funding of tourism initiatives from Anglian Water funding.					
<b>Adoption Reform Grant (£grant received)</b>	<b>57</b>	<b>0</b>	<b>57</b>	<b>0</b>	<b>57</b>
The Adoption Reform Grant has been given to local authorities to: a) introduce structural reform of adopter recruitment to increase the supply of adopters; and, b) reduce the backlog of children waiting for adoption, particularly by developing innovative ways of finding adoptive families for children who traditionally wait longer than average to be adopted.					
<b>SEN Grant (£grant received)</b>	<b>170</b>	<b>(63)</b>	<b>107</b>	<b>(107)</b>	<b>0</b>
The SEN reform Grant is required to complete the transfer of Statements of SEN to Education, Health & Care Plans (EHCP) as defined by the Children & Families Act 2014.					
<b>Travel 4 Rutland (current balance)</b>	<b>50</b>	<b>(24)</b>	<b>26</b>	<b>0</b>	<b>26</b>
This is the revenue generated by the ShoreLink and WorkLink services during the first 18 months of operations.					
<b>SEND Grant (current balance)</b>	<b>104</b>	<b>0</b>	<b>104</b>	<b>22</b>	<b>126</b>
This is an additional grant covering the same as SEN Reform Grant for disabled children.					
<b>Insurance and Legal (£250k)</b>	<b>100</b>	<b>150</b>	<b>250</b>	<b>£0</b>	<b>250</b>
A new reserve set up to meet any additional costs from claims, appeals or other legal claims. Legal costs associated with the Oakham North Development will be funded from this reserve					
<b>Digital Rutland (current balance)</b>	<b>292</b>	<b>(16)</b>	<b>276</b>	<b>(228)</b>	<b>48</b>
As agreed by Cabinet, amount set aside for completion of Digital Rutland works, a substantial amount is to be used in 16/17.					

<b>Reserve (ceiling)</b>	<b>Balance 01/04/2015</b>	<b>Transfers to/(from) Reserve</b>	<b>Balance 31/03/2016</b>	<b>To be used in 16/17</b>	<b>Balance 31/03/2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Social Care (£750k)</b>	<b>865</b>	<b>(242)</b>	<b>623</b>	<b>(35)</b>	<b>588</b>
The remit of this reserve is to provide additional funds as and when required for care packages and other exceptional costs arising from the Council's safeguarding and care work. There are risks on the horizon arising from changes in the health sector, the Care Act and demographic pressures. It will be used in 16/17 to fund external support to help try and reduce placement costs.					
<b>Other Reserves</b>	<b>584</b>	<b>(11)</b>	<b>573</b>	<b>(533)</b>	<b>40</b>
'Other' Reserves includes those set up for Budget Carry Forwards which have been used in 15/16 or are to be used in 16/17.					
<b>Sub-Total</b>	<b>3,520</b>	<b>( 351)</b>	<b>3,169</b>	<b>(1,023)</b>	<b>2,146</b>
<b>Public Health Grant (unlimited)</b>	<b>559</b>	<b>(144)</b>	<b>415</b>	<b>(210)</b>	<b>205</b>
Ring fenced reserve which must be spent on public health objectives.					
<b>Better Care Fund (unlimited)</b>	<b>17</b>	<b>317</b>	<b>334</b>	<b>(200)</b>	<b>134</b>
Ring fenced reserve which must be spent on public health objectives. Reserve Ceiling: Unlimited (PH funds are ring fenced so any underspends must be held in this reserve)					
<b>Total</b>	<b>4,096</b>	<b>( 178)</b>	<b>3,918</b>	<b>(1,433)</b>	<b>2,485</b>
<b>Commuted Sums</b>	<b>322</b>	<b>(36)</b>	<b>286</b>	<b>(36)</b>	<b>250</b>
<b>Total</b>	<b>4,418</b>	<b>( 214)</b>	<b>4,204</b>	<b>(1,469)</b>	<b>2,735</b>

1.7.5 On the assumption that recommendations are approved, earmarked reserves have been projected to the end of 2016/17. The use of £1.459m of reserves in 2016/17 is made up as follows:

- £553k already shown in the MTFP approved as part of the budget report (Report 39/2016);
- £200k use of the BCF balance to fund schemes approved as part of the 2016/17 plan;
- £533k of budget/grant carry forwards as reported in para 1.51;
- £6k for use on one capital schemes, the Special Guardianship Order Requirement (£6k) as noted in 1.6.10;

- £23k use of Welfare reserve to fund the Revenues and Benefits Deputyship post;
- £48k use of Digital Rutland reserve to fund project management costs;
- £85k use of SEN and SEND grant reserves to provide staff training, extend the SEN Transfer Officer post and to provide cover for the SEN Case Officer post; and
- £20k of the Social Care reserve to part fund pressures in People Directorate Management (para 1.4.7).



## 2 CAPITAL PROGRAMME

### 2.1 Overall Programme – what is the overall position?

- 2.1.1 The 2015/16 budget represents the indicative amount that projects expect to spend in the year with the outturn showing actual amount spent. As a number of projects extend across more than one year, a variance in 2015/16 does not necessarily mean that a project is under or over spent as a whole. Appendix 7 shows the detailed final spending position on each scheme within the capital programme. The spending and funding are summarised below:

Portfolio	Total Project Budget	Expenditure (Prior Years)	Budget 2015/16	Outturn 2015/16	Variance 2015/16	Projected Budget 2016/17	Total Project Expenditure	Total Project Variance
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Approved Projects</b>								
People	921	3	918	502	(416)	363	868	(53)
Places	15,323	5,895	7,101	4,673	(2,428)	4,445	15,013	(310)
Resources	0	0	0	0	0	0	0	0
<b>Total</b>	<b>16,244</b>	<b>5,898</b>	<b>8,019</b>	<b>5,175</b>	<b>(2,844)</b>	<b>4,808</b>	<b>15,881</b>	<b>(363)</b>

Portfolio	Budget 2015/16	Outturn 2015/16	Variance 2015/16	Projected Budget 2016/17
	£000	£000	£000	£000
<b>Financed by:</b>				
Grant	(6,432)	(4,131)	2,301	(2,876)
Prudential Borrowing	(257)	(249)	8	(1,210)
Capital Receipts	0	0	0	(200)
Revenue Contribution to Capital Outlay (RCCO)*	(566)	(244)	322	(292)
Oakham North Agreement	(214)	(79)	135	(128)
S106	(550)	(472)	78	(102)
<b>Total Financing</b>	<b>(8,019)</b>	<b>(5,175)</b>	<b>2,844</b>	<b>(4,808)</b>

\*£566k includes £200k ASC Replacement System, £200k Castle Restoration, £60k Special Guardianship Order Requirement, £60k Museum Boiler Replacement, £45k Catmose Car Park and £1k Catmose Office Fire Alarm and Fire Escape.

2.1.2 The underspend of £2.8m in 2015/16 comprises £2.4m of project budgets to be carried forward / reprofiled to 2016/17 and £364k for project under spends.

		<b>£000</b>
Budget 2015/16 (£8,784k -£765k already reprofiled at Q3)		8,019
Outturn		5,175
<b>Over / (Underspend)</b>		<b>(2,844)</b>
<b>Reprofiling</b>	<b>£000</b>	
Disabled Facilities Grants	9	
Autism Innovation	4	
ASC System Replacement (Liquid Logic)	345	
Special Guardianship – Extension	6	
Digital Rutland	6	
Capital Allocation Project Board	279	
Highways	85	
Integrated Transport Block	30	
Active Rutland Hub	4	
Sports Grants	128	
Oakham Castle Restoration	1,584	
<b>Total Reprofiling (to be approved)</b>		<b>2,480</b>
<b>Capital Programme Over / (Underspend) (details can be found in Appendix 7)</b>		<b>(364)</b>

2.1.3 A summary of the main reasons for reprofiling are:

- Liquid Logic - The capital project is for the replacement of the social care case management system for adults and children. The go-live implementation dates for each of the modules were delayed from March to May/June. As per para 1.6.9 it is intended to use capital receipts rather than the earmarked reserve to fund this so whilst there is a carry forward of budget, the source of funding will be different.
- Capital Allocation Programme Board – The project consists of 8 projects for maintenance works on 8 schools which were not completed during 2015/16;
- Sports Grants – The original allocation of £500k resulted in £372k being allocated (Report 80/2015) and £128k left unallocated. No further requests for bids has been made at this stage; and
- Oakham Castle – When the budget was initially allocated the schedule of works indicated the majority of works would be completed during 2015/16 but slight delays and additional work on the perimeter wall have meant that there is some slippage. All of the works are scheduled to still meet the relevant completion dates to enable the Castle to open on time, 30th May for the Great Hall opening. Works on the perimeter walling will continue to August, as planned.

2.1.4 A summary of the main reasons for underspends are:

- Disabled Facility Grants (DFG) - £52k – The allocation for 2015/16 comprised of £104k DFG funding through the Better Care Fund (BCF) and £106k from s106. Part of the s106 funding was not utilised during 2015/16 and will not be required going forward due to an increased allocation from the BCF in 2016/17 and therefore has been returned to the s106 holding balance
- Uppingham C of E Primary School - Increased Capacity- £139k – as advised in the Q3 Quarterly Monitoring Report (27/2016) this project was on hold pending the latest school intake figures. The figures have confirmed that the capacity works are no longer required, therefore works stopped. There was some spend incurred on works done to support the increase in capacity (e.g. Car Park works) but this was already required in any event. The funds are returned to the Basic Needs funding awaiting allocation.
- Brooke Hill Academy – Increased Capacity – £138k – The project has been completed and the contingency within the budget was not required. The funds are returned to the Basic Needs funding awaiting allocation.

### 3 OTHER FINANCIAL PERFORMANCE

#### 3.1 New Homes Bonus – what is the latest position?

- 3.1.1 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. £1,450 for a Band D property). An additional £350 is received for each affordable home.
- 3.1.2 The NHB allocation for 2017/18 is based on performance achieved between October 2015 and September 2016.

New Homes Bonus (Council Tax Band)	Start position CTB1 Oct 2015	Actual Mar 2016	Movement from base
A	1,594	1,601	7
B	4,465	4,515	50
C	2,988	3,013	25
D	2,397	2,409	12
E	2,258	2,275	17
F	1,578	1,584	6
G	1,248	1,250	2
H	145	145	0
<b>Properties</b>	<b>16,673</b>	<b>16,792</b>	<b>119</b>
Empty Homes	179	194	(15)
Movement			104
Target			300
<b>% achieved</b>			<b>35%</b>

- 3.1.3 The spread of the properties completed to date would provide the Council with £141k New Homes Bonus Funding (excluding any affordable homes element). This represents 31% of the budget for 2017/18 (£449k). The main reason for being behind in terms of budget is that the spread of properties is weighted towards Band B/C properties whereas the budget assumes an average of a Band D property. As at the end of April the position has improved with the movement on new homes bei

- 3.1.4 ng 139 (46%) and the additional funding these generate equating to £194k (43% of budget).
- 3.1.5 There are an additional 65 properties with the Valuation Office Agency (VOA) awaiting banding. Including these in the rating list would bring the movement to 169 which translates to 56% of the target.

## 3.2 Council Tax and Council Tax Benefit – what is the outturn position?

3.2.1 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.

3.2.2 The table below shows the expected outturn on council tax taking into account known changes.

Area	Annual Billing £000	Q3 Forecast £000	Q4 Outturn £000
Annual Debit	26,139	26,139	26,139
Adjustments to Annual Debit	-	210	164
General Fund Discretionary Contribution	-	-	17
Council Tax Support	(1,356)	(1,340)	(1,331)
<b>Gross Income from Council Tax</b>	<b>24,783</b>	<b>25,009</b>	<b>24,989</b>
Total Demands and Precepts	(24,723)	(24,723)	(24,723)
Bad Debt Provision and Write Offs	(60)	(27)	(34)
<b>Total expenditure</b>	<b>(24,783)</b>	<b>(24,750)</b>	<b>(24,757)</b>
<b>Estimated surplus/(deficit) for 15/16</b>	<b>0</b>	<b>259</b>	<b>232</b>
Actual Surplus/(Deficit) Brought Forward from 14/15	28	28	28
<b>Estimated Surplus/(Deficit) 31/03/2016</b>	<b>28</b>	<b>287</b>	<b>260</b>
<b>RCC share*(based on Council's share of total demands and precepts)</b>	<b>24</b>	<b>248</b>	<b>225</b>

3.2.3 The performance of the Collection Fund outperformed the MTFP position this resulted in the Council being able to declare a surplus to be shared in 2016/17. The declaration must be made before the 15th January each year. The main reason for the increase is that the Council has more properties being billed for council tax than it predicted. The spend on Council tax support is in line with budget.

3.2.4 The Council put £50k into a Discretionary Hardship Fund to support those who need additional support paying their council tax. The year end position is shown below. The number of awards is slightly lower than this time last year.

Hardship Fund	2014/15 Outturn	Q3 Actual	Q4 Actual
Number of applications	214	151	191

Number awarded	172	105	144
Number of appeals (won)	1	1	1
Value of awards (£000)	24	16	26
Budget remaining (£000)	76	34	24

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

3.3.1 The Council's aged debt position shows an increase in debts outstanding from the previous quarter, with particular reference to the 0-30 day range and 31-60 days due a large outstanding debt with East Leicestershire and Rutland CCG. The long term debt position has stayed largely in line with the previous quarter. Overall performance is significantly better than 2014/15.

3.3.2 The increase in red recovery rating is due to a deferred income care case, where Legal have been instructed to act to recover the outstanding sum due.

Aged debt	Q4 2014/15 £000	Q3 £000	Q4 £000
0-30 days	1,084	559	831
31-60 days	20	98	194
61-90 days	177	83	17
> 91days	828	194	252
Deferred Debtors	202	263	286
<b>Total</b>	<b>2,311</b>	<b>1,197</b>	<b>1,580</b>
<b>By Directorate</b>			
People	1,836	629	968
Places	266	518	344
Resources	209	50	268
<b>Total</b>	<b>2,311</b>	<b>1,197</b>	<b>1,580</b>
<b>By Recovery Rating</b>			
Red	4	8	32
Amber	321	269	237
Green	1,986	920	1,311
<b>Total</b>	<b>2,311</b>	<b>1,197</b>	<b>1,580</b>

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

3.4.1 In the final quarter, the Council's average interest rate received on investments was 0.71% (Q3 0.71%) on an average investment balance of £27.849m (Q2 £30.822m).

3.4.2 The rate achieved is above the 3 month British pound sterling (GBP) 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 3 months – of 0.59%.

3.4.3 The budgeted interest for 2015/16 was £116k. The Council achieved investment income of £214k (Q3 £207k). The increase from the forecast is due to the receipt of Oakham North funding and the ability to invest longer

term than anticipated. The table overleaf shows the investments held at the year end.

- 3.4.4 In addition to the interest received of £214k above, the administrators of Heritable Bank paid a further dividend in August 2015 of £40,385 increasing the balance paid to date to 98% of the amount outstanding.

Inv Number	Amount Invested	Interest Rate	Date Invested	Maturity Date	Number of Days
<b>Banks - UK</b>					
1	1,000,000	0.92%	14-Apr-15	12-Apr-16	364
2	1,000,000	0.98%	01-Jun-15	31-May-16	365
3	1,000,000	1.00%	08-Jun-15	06-Jun-16	364
4	1,000,000	1.00%	29-Jul-15	27-Jul-16	364
5	1,000,000	1.00%	29-Jul-15	27-Jul-16	364
6	1,000,000	1.05%	30-Mar-16	29-Mar-17	364
7	1,000,000	1.05%	30-Mar-16	29-Mar-17	364
8	2,000,000	0.70	120 Day Notice Account		
<b>Banks -Overseas</b>					
9	1,000,000	0.70%	19-Jan-16	19-Jul-16	182
<b>Building Societies</b>					
10	1,000,000	0.70%	06-Oct-15	05-Apr-16	182
11	1,000,000	0.70%	13-Oct-15	12-Apr-16	182
12	1,000,000	0.60%	23-Oct-15	22-Apr-16	182
13	1,000,000	0.61%	10-Nov-15	10-May-16	182
14	1,000,000	0.66%	17-Nov-15	17-May-16	182
15	1,000,000	0.72%	24-Nov-15	24-May-16	182
16	1,000,000	0.76%	22-Dec-15	22-Jun-16	183
17	1,000,000	0.70%	12-Jan-16	14-Jul-16	184
18	1,000,000	0.80%	19-Jan-16	19-Jul-16	182
19	1,000,000	0.72%	02-Feb-16	02-Aug-16	182
20	1,000,000	0.71%	10-Mar-16	13-Sep-16	187
<b>Money Market Funds</b>					
28	2,228,481	0.40%	Instant Access		
29	1,364,743	0.44%	Instant Access		
30	1,000	0.43%	Instant Access		
<b>Total</b>	<b>24,594,224</b>				



## 4 2016/17 BUDGET UPDATE

### 4.1 2016/17 budget - What is the latest budget and how has it changed from that approved?

4.1.1 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;
- The Pay Award settlement for 2016/17;
- Additional grants received by the Council following approval of the budget; and
- Proposals to carry forward budgets from 2015/16 to 2016/17.

4.1.2 These changes have been consolidated into the following table to show the 2016/17 should all changes be approved.

Portfolio	Approved Budget £'000	Budget c/f £'000	Other £'000	Revised 16/17 budget £'000
People	15,907	102	454	16,463
Places	12,318	115	100	12,533
Resources	5,247	316	83	5,646
Pay Inflation	331	0	(331)	0
Contract Inflation	150	0	0	150
Fire Authority Support	75	0	0	75
Adult Social Care Contingency	200	0	0	200
People First Savings	(235)	0	0	(235)
<b>Net Cost of Services</b>	<b>33,993</b>	<b>533</b>	<b>306</b>	<b>34,832</b>
Capital Financing	1,711	0	0	1,711
<b>Net Spending</b>	<b>35,704</b>	<b>533</b>	<b>306</b>	<b>36,543</b>
Non ring-fenced grants	(7,371)	0	(30)	(7,401)
National Non-Domestic Rates	(4,770)	0	0	(4,770)
Council Tax	(21,925)	0	0	(21,925)
Transfers to/(from) Earmarked Reserves	(553)	(533)	(382)	(1,468)
Revenue Contribution to Capital Outlay	180	0	6	186
Appropriations	(1,897)	0	0	(1,897)
<b>(Surplus)/Deficit</b>	<b>(632)</b>	<b>0</b>	<b>(100)</b>	<b>(732)</b>
General Fund 1 April 2016	(10,089)			(10,144)
General Fund 31 March 2017	(10,721)			(10,876)

4.1.3 The budget carry forwards are those detailed at para 1.5.1 (£520k); the grant being carried forward as detailed at para 1.5.2 (£13k).

4.1.4 The changes in the Other column are explained as follows:

- At the time of setting the budget, the Council was still awaiting confirmation of the Better Care Fund allocation. This has now been received and is £2.061m as opposed to £2.046m in the Budget and MTFP. The 2016/17 BCF plan has now been approved and utilises the new funding plus £200k of the earmarked reserve. The new budget for the BCF is attached as Appendix H.
- The BCF Plan requires the Council to spend a minimum of £85k of the fund on Carers Support in 2016/17. Therefore, £85k of the Carers Support budget can now be charged to the BCF creating a 'People First' saving on the General Fund. It is unknown as to whether this requirement will continue in future years.
- In previous years the Council has received SEN and SEND reform grant to support the implementation of the Education Healthcare Plans (EHCP), the balance of which was transferred to earmarked reserves. It is now requested that £85k of these reserves be utilised to extend the post of SEN Transfer Officer to support the completion of the transfer from SEN Statements to EHCP; for training of staff and for cover for the SEN Case Officer post.
- £23k use of Welfare reserve to fund the Revenues and Benefits Deputyship post for 1 year only (1.6.16) and £48k use of Digital Rutland reserve to cover project management costs and professional fees in 2016/17 (1.6.7).
- The pay award has now been settled for 2016/17 and 2017/18 at 1% a year for all staff on pay points 18 and above. Pay points 6 to 17 receive an increase between 10.28% and 2.3% over the same two year period. This, along with the Senior Managers Pay review, will be implemented from 1<sup>st</sup> April 2016. Therefore, £210k has been transferred from the Pay award contingency to the three Directorate budgets.
- The budget has been adjusted for the senior management pressure identified in the 2015/16 outturn that impact on 2016/17 as detailed in section 1.4.
- The Council received notification of a grant for the Extended Right to Free schools travel grant in April 2016 of £15k. This is not a ring-fenced grant so the income has been added to the Non ring-fenced grants budget. As there is no additional matched expenditure, this creates a £15k saving for the General Fund.
- Revenue Contribution to Capital Outlay has been updated to reflect carry forwards of capital funds as per para 1.6.9 – 1.6.10.

## 4.2 2016/17 capital budget - What is the latest budget and how has it changed from that approved?

4.2.1 The table below shows the impact of the movements in section 2.3 and how they impact the 2016/17 budget.

Portfolio	Project	Amount £000	2016/17 Budget £000
<b>Approved Budget 2016/17 (Revenue and Capital Budget 2016/17 39/2016)</b>			<b>1,814</b>
<b>Approved Capital Programme/Carry Forward (Q3 Finance Report 27/2016)</b>			<b>765</b>
<b>Adjustments since the approval of the 2016/17 Budget</b>			
People	Devolved Formula Capital (4.2.2)	<b>(5)</b>	
People	Disabled Facilities Grant (4.2.2)	<b>24</b>	
<b>Total Adjustments since the approval of the 2016/17 Budget</b>			<b>19</b>
<b>New 2016/17 budget approved after budget setting</b>			
Places	Highways (Report 01/2016)	<b>1,748</b>	
Places	Incentive Funding Allocation (Report 01/2016)	<b>95</b>	
<b>Total New 2016/17 budget approved after budget setting</b>			<b>1,843</b>
<b>Request for Approval</b>			
Places	Pothole Action Funding (4.2.3)	<b>106</b>	
<b>Total Request for Approval</b>			<b>106</b>
Budget Carry Forwards – see table 2.1.2 for details			2,480
<b>Total Adjustments</b>			<b>5,213</b>
<b>Revised Capital Programme 2016/17</b>			<b>7,027</b>

4.2.2 The details relating to the adjustments since the approval of the 2016/17 budget include:

- The grant award announced February 2016 confirmed that the grant for devolved formula capital had reduced due to two schools converting to academies. This does not create a pressure as the allocation is on a per school basis and the council will just pass grant onto the remaining schools; and.
- The addendum to the budget report (39/2016) stated that The Better Care Fund allocation was confirmed on 10th February. The allocation of £2.247m comprises £2.061m revenue and £186k capital. The capital allocation is £24k more than that originally included in the budget and is fully allocated to Disabled Facilities grant (DFG). This adjustment reflects this movement.

- 4.2.3 The Council has received notification of additional grant funding of £106k for Pothole Action Funding. The purpose of this funding is to permanently repair potholes (as opposed to fill) by resurfacing lengths of highways to stop the formation of potholes. Officers are requesting a new scheme to be included within the capital programme for the repair of potholes.
- 4.2.4 Included with the 2016/17 Capital Programme was a project for OEP Solar. This project is currently on hold as preliminary talks with Western Power have highlighted that currently the Council cannot install solar panels due to capacity issues on the main Electricity Infrastructure. This project has not been removed as other options for investment are being pursued.

## Appendix B. Reconciliation of Management Accounts to Statutory Accounts

Portfolio	Current Budget	Q4 Outturn	Support Service Recharge	Levies Excluded from Net Cost of Services	Schools Expenditure	Pension Adjustment	Accumulated Absences	Fixed Asset Charges (REFCUS, Impairment & Revaluation)	CIES Outturn
	£000	£000	£000	£000	£000	£000	£000	£000	£000
People	16,027	15,555	2,751		405	300	(48)	130	19,093
Places	12,385	11,903	837		0	199	5	1,909	14,853
Resources	5,647	5,166	(3,588)	(52)	0	159	0	0	1,685
BCF Contingency	200	0							0
Highways Saving	250	0							0
People First Saving	(17)	0							0
<b>Net Cost of services</b>	<b>34,492</b>	<b>32,624</b>	<b>0</b>	<b>(52)</b>	<b>405</b>	<b>658</b>	<b>(43)</b>	<b>2,039</b>	<b>35,631</b>
Capital Financing	2,020	1,897				1,353			3,250
Levies	0	0		52					52
Interest Receivable	(116)	(254)							(254)
<b>Net Operating Expenditure</b>	<b>36,396</b>	<b>34,267</b>	<b>0</b>	<b>0</b>	<b>405</b>	<b>2,011</b>	<b>(43)</b>	<b>2,039</b>	<b>38,679</b>
<b>Financing:</b>									
Non-ringfenced grants	(7,840)	(8,004)							(8,004)
National Non-Domestic Rates	(4,251)	(4,221)							(4,221)
Council Tax	(20,685)	(20,685)							(20,685)
Collection Fund Surplus									0
Transfers to/(from) Earmarked Reserves	(1,676)	(214)			(405)				(619)
Revenue Contribution to Capital Outlay	520	244							244
Appropriations:									0

Portfolio	Current Budget	Q4 Outturn	Support Service Recharge	Levies Excluded from Net Cost of Services	Schools Expenditure	Pension Adjustment	Accumulated Absences	Fixed Asset Charges (REFCUS, Impairment & Revaluation)	CIES Outturn
	£000	£000	£000	£000	£000	£000	£000	£000	£000
REFCUS and Loss on Impairment								(2,039)	(2,039)
Pensions Adjustment						(2,011)			(2,011)
Accumulated Absences							43		43
Depreciation reversal	(1,855)	(1,855)							(1,855)
<b>(Surplus)/Deficit</b>	<b>610</b>	<b>(469)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(469)</b>
<b>General Fund 1 April 2015</b>	<b>(9,675)</b>	<b>(9,675)</b>							<b>(9,675)</b>
<b>General Fund 31 March 2016</b>	<b>(9,065)</b>	<b>(10,144)</b>							<b>(10,144)</b>

**Note:**

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:

- The support service recharges have been completed recharging services such as Human Resources, Finance, IT etc to front line services. This adjustment does not impact on the General Fund balance as the recharges balance to zero.
- 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 as pensions.
- 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

Function	Outturn 2014/15	Current Budget	Q1 Forecast	Q2 Forecast	Q3 Forecast	Q4 Outturn	Variance from Q3	Variance to Budget
<b>Directorate Management Costs</b>	<b>1,010,377</b>	<b>972,800</b>	<b>972,800</b>	<b>972,700</b>	<b>972,700</b>	<b>982,091</b>	<b>9,391</b>	<b>9,291</b>
Public Health	(211,861)	200,000	0	199,000	193,700	143,900	(49,800)	(56,100)
BCF Programme Support	63,000	50,000	41,700	38,100	37,400	37,320	(80)	(12,680)
BCF Community Agents	14,200	200,000	189,000	189,000	178,500	182,263	3,763	(17,737)
BCF Supporting Independence	80,152	1,623,000	1,623,000	1,590,000	1,406,900	1,351,326	(55,574)	(271,674)
BCF Adult Social Care	71,360	173,000	166,600	154,000	156,700	158,498	1,798	(14,502)
<b>Adults and Health (Ringfenced)</b>	<b>16,851</b>	<b>2,246,000</b>	<b>2,020,300</b>	<b>2,170,100</b>	<b>1,973,200</b>	<b>1,873,306</b>	<b>(99,894)</b>	<b>(372,694)</b>
Non BCF Care Bill Transformation Programme	491,307	220,800	218,600	207,900	177,900	209,952	32,052	(57,548)
Non BCF Contract and Procurement	486,730	617,800	570,400	513,500	470,100	470,657	557	(147,143)
Community Support - Learning Disabilities	698,889	727,500	720,700	703,100	717,500	664,773	(52,727)	(62,727)
Non BCF Supporting Independence	1,006,609	690,400	621,100	540,900	521,200	557,412	36,212	(132,988)
Adult Social Care Direct Payments	757,499	879,400	823,400	714,700	709,100	701,921	(7,179)	(177,479)
Adult Social Care Home Care	856,541	773,100	1,035,600	1,056,900	1,060,400	1,047,123	(13,277)	274,023
Adult Social Care Residential & Nursing Care	2,399,487	2,868,600	2,794,000	2,727,400	2,769,500	2,719,610	(49,890)	(148,990)
Adult Social Care Day Care	170,236	172,000	196,300	196,300	196,400	157,986	(38,414)	(14,014)
Adult Social Care Assessments, reviews and other costs	960,185	850,200	911,700	863,100	862,800	874,542	11,742	24,342
<b>Adults and Health (Non Ringfenced)</b>	<b>7,827,484</b>	<b>7,799,800</b>	<b>7,891,800</b>	<b>7,523,800</b>	<b>7,484,900</b>	<b>7,403,976</b>	<b>(80,924)</b>	<b>(442,524)</b>
Childrens Disabilities Direct Payments	47,586	58,800	53,800	55,300	56,700	57,044	344	(1,756)
Childrens Disabilities Residential & Nursing Care	111,953	101,000	148,200	148,200	148,200	126,457	(21,743)	25,457
Childrens Disabilities Assessments,	355,167	384,300	436,800	419,500	376,600	378,071	1,471	(6,230)

Function	Outturn 2014/15	Current Budget	Q1 Forecast	Q2 Forecast	Q3 Forecast	Q4 Outturn	Variance from Q3	Variance to Budget
reviews and other costs								
Safeguarding	151,060	172,000	129,900	139,200	153,600	162,308	8,708	(9,692)
Childrens & Adults Duty Social Care	259,782	527,400	535,800	506,600	523,600	641,597	117,997	114,197
Long Term Childrens Social Care	651,666	526,400	622,600	614,700	629,800	649,411	19,611	123,011
0-11 Early Intervention, CAF & Changing Lives	549,809	542,700	547,200	539,100	493,300	506,347	13,047	(36,353)
11-19 Early Intervention	436,402	485,400	443,000	401,800	420,700	411,005	(9,695)	(74,395)
Fostering and Adoption	1,280,870	1,218,000	1,189,300	1,236,000	1,316,700	1,422,041	105,341	204,041
<b>Childrens</b>	<b>3,844,296</b>	<b>4,016,000</b>	<b>4,106,600</b>	<b>4,060,400</b>	<b>4,119,200</b>	<b>4,354,281</b>	<b>235,081</b>	<b>338,281</b>
Schools and Early Years	790,984	945,800	866,700	913,000	963,200	928,447	(34,753)	(17,353)
Rutland Adult Learning and Skills Service (RALSS)	62	0	(7,800)	(5,900)	(900)	12,372	13,272	12,372
<b>Learning and Skills</b>	<b>791,046</b>	<b>945,800</b>	<b>858,900</b>	<b>907,100</b>	<b>962,300</b>	<b>940,819</b>	<b>(21,481)</b>	<b>(4,981)</b>
<b>Total People - GF (Ringfenced)</b>	<b>16,851</b>	<b>2,246,000</b>	<b>2,020,300</b>	<b>2,170,100</b>	<b>1,973,200</b>	<b>1,873,306</b>	<b>(99,894)</b>	<b>(372,694)</b>
<b>Total People - GF (Non Ringfenced)</b>	<b>13,473,202</b>	<b>13,734,400</b>	<b>13,830,100</b>	<b>13,464,000</b>	<b>13,539,100</b>	<b>13,681,167</b>	<b>142,067</b>	<b>(99,933)</b>
<b>Total People – GF</b>	<b>13,490,053</b>	<b>15,980,400</b>	<b>15,850,400</b>	<b>15,634,100</b>	<b>15,512,300</b>	<b>15,554,473</b>	<b>42,173</b>	<b>(472,627)</b>
Schools Dedicated Schools Grant (DSG)	(283,377)	0	(209,000)	(10,700)	(109,300)	226,545	335,845	226,545
<b>Total People (Including DSG)</b>	<b>13,206,676</b>	<b>15,980,400</b>	<b>15,641,400</b>	<b>15,623,400</b>	<b>15,403,000</b>	<b>15,781,018</b>	<b>378,018</b>	<b>(246,082)</b>



## Appendix D. Places Budget Monitoring Summary

Function	Outturn 2014/15	Current Budget	Q1 Forecast	Q2 Forecast	Q3 Forecast	Q4 Outturn	Variance from Q3	Variance to Budget
<b>Directorate Management Costs</b>	<b>177,840</b>	<b>179,800</b>	<b>184,300</b>	<b>188,500</b>	<b>188,500</b>	<b>187,828</b>	<b>(672)</b>	<b>8,028</b>
Development Control	122,089	211,600	66,600	69,300	(22,300)	(80,628)	(58,328)	(292,228)
Drainage & Structures	186,465	168,000	168,000	168,000	161,000	164,549	3,549	(3,451)
Emergency Planning	28,263	28,500	28,200	28,200	28,200	28,191	(9)	(309)
Environmental Maintenance	1,138,128	1,172,300	1,158,200	1,168,800	1,170,000	1,183,778	13,778	11,478
Forestry Maintenance	114,169	106,800	106,700	106,700	106,700	106,288	(412)	(512)
Highways Capital Charges	1,158,652	1,158,600	1,158,600	1,158,600	1,158,600	1,158,600	0	0
Highways Management	79,241	210,400	180,300	195,700	180,300	162,499	(17,801)	(47,901)
Home to School Transport	1,351,651	1,363,700	1,337,400	1,328,300	1,357,300	1,320,902	(36,398)	(42,798)
Lights Barriers Traffic Signals	214,317	254,100	255,600	254,900	244,900	269,101	24,201	15,001
Parking	(273,640)	(241,700)	(252,700)	(236,000)	(244,300)	(285,050)	(40,750)	(43,350)
Pool Cars & Car Hire	97,863	104,300	104,300	94,500	92,400	89,325	(3,075)	(14,975)
Public Protection	415,106	415,200	421,800	419,000	379,200	375,239	(3,961)	(39,961)
Public Rights of Way	114,383	117,600	117,200	115,300	115,800	111,956	(3,844)	(5,644)
Public Transport	788,041	833,400	808,600	807,800	799,200	804,020	4,820	(29,380)
Road Maintenance	1,359,226	1,011,500	1,250,000	1,000,600	1,010,600	1,038,174	27,574	26,674
Transport Management	314,983	455,200	435,200	395,200	397,100	412,821	15,721	(42,379)
Waste Management	2,036,878	2,077,300	2,073,600	2,117,800	2,142,000	2,226,556	84,556	149,256
Winter Maintenance	266,594	262,300	262,300	262,300	235,000	213,353	(21,647)	(48,947)
Crime Prevention	149,900	156,200	154,600	128,300	143,900	151,309	7,409	(4,891)
<b>Environment, Planning and Transport</b>	<b>9,662,309</b>	<b>9,865,300</b>	<b>9,834,500</b>	<b>9,583,300</b>	<b>9,455,600</b>	<b>9,450,983</b>	<b>(4,617)</b>	<b>(414,317)</b>

Function	Outturn 2014/15	Current Budget	Q1 Forecast	Q2 Forecast	Q3 Forecast	Q4 Outturn	Variance from Q3	Variance
Planning Policy	329,731	410,400	402,200	399,300	357,500	397,233	39,733	(13,167)
Housing	66,373	106,000	135,800	96,500	104,400	88,305	(16,095)	(17,695)
Tourism	6,844	13,600	12,500	16,200	20,900	19,376	(1,524)	5,776
Health & Safety	34,071	36,200	36,100	36,000	36,000	35,144	(856)	(1,056)
Property Services	909,513	902,700	905,900	899,100	887,900	901,339	13,439	(1,361)
Building Control	(23,257)	(28,200)	(28,100)	6,700	5,200	3,944	(1,256)	32,144
Commercial & Industrial Properties	(42,166)	(162,600)	(163,400)	(80,700)	(136,900)	(143,690)	(6,790)	18,910
Economic Development	207,243	163,200	125,100	105,400	110,000	98,936	(11,064)	(64,264)
Culture & Registration Services	79,797	90,000	80,500	79,500	72,600	83,949	11,349	(6,051)
Libraries	383,363	446,400	448,700	447,100	444,200	425,397	(18,803)	(21,003)
Museum Services	308,847	343,100	345,000	343,900	342,200	340,572	(1,628)	(2,528)
Sports & Leisure Services	131,825	19,200	108,300	35,000	19,400	13,901	(5,499)	(5,299)
<b>Development and Economy</b>	<b>2,392,184</b>	<b>2,340,000</b>	<b>2,408,600</b>	<b>2,384,000</b>	<b>2,263,400</b>	<b>2,264,406</b>	<b>1,006</b>	<b>(75,594)</b>
<b>Total Places</b>	<b>12,232,333</b>	<b>12,385,100</b>	<b>12,427,400</b>	<b>12,155,800</b>	<b>11,907,500</b>	<b>11,903,217</b>	<b>(4,283)</b>	<b>(481,883)</b>

## Appendix E. Resources Budget Monitoring Summary

Function	Outturn 2014/15	Current Budget	Q1 Forecast	Q2 Forecast	Q3 Forecast	Q4 Outturn	Variance from Q3	Variance to Budget
Chief Executives Office	255,011	345,000	325,500	313,800	276,200	268,254	(7,946)	(76,746)
Directorate Management Costs	188,786	190,100	190,000	196,400	201,900	201,488	(412)	11,388
Corporate Costs	152,351	155,700	156,500	155,800	146,800	145,190	(1,610)	(10,510)
Pensions	222,751	220,000	214,700	214,700	222,300	221,692	(608)	1,692
Audit Services	202,916	155,000	155,300	157,900	148,200	134,610	(13,590)	(20,390)
Insurance	174,638	198,600	193,600	195,800	196,800	195,912	(888)	(2,688)
Accountancy & Finance	590,429	625,800	617,100	629,900	625,600	643,150	17,550	17,550
Information Technology	1,324,756	1,532,300	1,565,500	1,484,100	1,440,900	1,393,631	(47,269)	(138,669)
Corporate Support Services	444,659	481,300	472,000	480,100	465,400	465,129	(271)	(16,171)
Members Services	194,525	209,700	209,700	209,700	200,400	189,222	(11,178)	(20,478)
Customer Services Team	141,879	253,500	248,100	242,400	207,000	202,098	(4,902)	(51,402)
Elections	80,146	46,900	25,600	33,100	35,000	16,064	(18,936)	(30,836)
Legal & Governance	432,148	346,400	346,600	346,400	378,100	368,659	(9,441)	22,259
Human Resources	383,051	422,900	418,800	433,700	433,100	428,154	(4,946)	5,254
Revenues & Benefits	116,616	389,200	332,700	314,600	317,600	265,842	(51,758)	(123,358)
Financial Support	41,297	75,000	40,000	37,100	35,000	27,214	(7,786)	(47,786)
<b>Total Resources</b>	<b>4,945,959</b>	<b>5,694,100</b>	<b>5,511,700</b>	<b>5,445,500</b>	<b>5,330,300</b>	<b>5,166,309</b>	<b>(163,991)</b>	<b>(481,091)</b>

## Appendix F. Capital Outturn

Directorate	Project Number	Project Description	Total Project Budget	Total Project Expenditure	Variance excluding C/F	Total Budget 2015/16	2015/16 Outturn	2015/16 C/F request	2015/16 (Under)/ Overspend
People	CB1005	Devolved Formula	42,973	42,975	2	42,973	42,975	0	2
People	CD1000	Disabled Facilities Grants	210,000	148,611	(61,389)	210,000	148,611	9,300	(52,089)
People	CD1011	Autism Innovation	18,500	14,679	(3,821)	15,000	11,479	3,500	(21)
People	CD1013	ASC System Replace	590,000	245,078	(344,922)	590,000	245,078	344,900	(22)
People	CD1015	Special Guardianship	60,000	54,211	(5,789)	60,000	54,211	5,789	0
<b>Total People Capital Programme</b>			<b>921,473</b>	<b>505,554</b>	<b>(415,919)</b>	<b>917,973</b>	<b>502,354</b>	<b>363,489</b>	<b>(52,130)</b>
Places	CH1038	Digital Rutland	2,670,000	2,664,033	(5,967)	80,000	73,769	6,200	(31)
Places	CH1058	Oakham Enterprise Park	3,482,500	3,480,947	(1,553)	177,000	175,447	0	(1,553)
Places	CAPB1	CAPB	1,278,447	1,026,572	(251,875)	328,300	74,294	253,950	(56)
Places	CAPB - IC	CAPB-Increase Capacity	1,109,700	787,743	(321,957)	968,000	646,066	25,000	(296,934)
Places	HCP 15/16	Highways 2015/16	2,044,000	1,993,428	(50,572)	1,974,000	1,923,428	50,500	(72)
Places	HCP	Highways 2014/15	234,000	197,432	(36,568)	234,000	197,432	36,500	(68)
Places	CE1117	Catmose Car Park	45,000	41,019	(3,981)	45,000	41,019	0	(3,981)
Places	CE1041	Integrated Transport ITB	458,000	429,975	(28,025)	30,000	1,975	28,000	(25)
Places	CG1005	Library Capital Project	33,000	22,680	(10,320)	12,000	1,632	0	(10,368)
Places	CH1077	Active Rutland Hub	769,000	764,476	(4,524)	247,000	242,970	4,000	(30)
Places	CX1084	Sports Grants	500,000	371,414	(128,586)	426,000	297,414	128,500	(86)
Places	CG1004	Oakham Castle	2,400,100	816,396	(1,583,704)	2,380,600	796,860	1,583,700	(40)
Places	CG1006	Rutland Museum	60,000	53,719	(6,281)	60,000	53,719	0	(6,281)
Places	CD1005	Replacement CCTV	138,000	145,376	7,376	138,000	145,376	0	7,376
Places	CH1062	Catmose Fire Works	1,178	1,178	0	1,178	1,178	0	0
<b>Total Places Capital Programme</b>			<b>15,222,925</b>	<b>12,796,388</b>	<b>(2,426,537)</b>	<b>7,101,078</b>	<b>4,672,579</b>	<b>2,116,350</b>	<b>(312,149)</b>
<b>Total Capital Programme</b>			<b>16,144,398</b>	<b>13,301,942</b>	<b>(2,842,456)</b>	<b>8,019,051</b>	<b>5,174,933</b>	<b>2,479,839</b>	<b>(364,279)</b>

## Appendix G. Variances over £25k

This appendix shows functional budgets overspent by £25k, an explanation of the outturn position and the impact for 2016/17.

Reference	G1
Directorate	People
Function	Homecare
Budget 2015/16	£773,100
Outturn 2015/16	£1,047,123
Budget 2016/17	£1,007,000
Amount requested	£Nil
Source of funding requested	N/A
Explanation of outturn	<p>Home care in older people is significantly overspent due to an increase in chargeable hours. This is in line with the policy of keeping people at home as long as possible. The actual number of service users has risen this year from 63 to 67. The number of care hours has increased from 868 in Q1 for 63 service users to 897 in Q4 for 67 service users. The council is enabling more people who are complex cases to remain out of residential care.</p> <p>The LD Home care budget is overspent following the conversion of a high cost residential placement being now supported in the community with home care. This is a positive for the Council and is in line with government policy. The savings made on the residential placement more than offset the over spend now showing in the Home Care budget.</p>
Assessment of impact on 2016/17	<p>The budget has been rebased so is broadly in line with the outturn. Costs are driven by caseload and chargeable hours per case so no issues are envisaged but as a demand-led budget costs may change.</p>

Reference	G2
Directorate	People
Function	Fostering
Budget 2015/16	£1,218,000 (staffing £410k, operational costs £808k)
Outturn 2015/16	£1,422,041 (staffing £377k, operational costs £1,044k)
Budget 2016/17	£1,358,000
Amount requested	£Nil – position to be monitored with an update in quarterly reports
Source of funding requested	N/A
Explanation of outturn	<p>This budget covers the staffing costs of the fostering and adoption service and the costs of all care placements for looked after children.</p> <p>The over spend is entirely attributable to the cost of care placements and the increasing numbers of children coming into care during 2015/16.</p> <p>The budget assumes 1,922 weeks of care across different arrangements (foster carers, Independent Fostering Agencies (IFA), and residential care). The budget assumes a mix of activity and is set using prior year information as a guide.</p> <p>The outturn identifies the following:</p> <ul style="list-style-type: none"> <li>a) Children in care increased from 33 at the start of the financial year to 40 now.</li> <li>b) The in-house foster service has not had sufficient surplus capacity to absorb the increased numbers of Looked After Children (LAC). As a consequence the additional numbers of children received into care have had to be placed in more expensive independent fostering agency placements, including 6 between January and March 2016.</li> <li>c) Two residential placements were used in the latter part of 2015/16. One a court directed residential mother and baby placement. The second a young boy with extremely difficult behaviour who had experienced two fostering breakdowns.</li> <li>d) The mix of in-house to IFA placements changed with less than 25% IFA placements at the beginning of the year and no residential placements, to around 33% IFA placements and 2 residential placements</li> </ul>

	<p>at the end of the year.</p> <p>The existing budget will only support:</p> <ul style="list-style-type: none"> <li>• 15 weeks residential care - 17 weeks was required in 2015/16</li> <li>• 155 weeks in independent fostering placements – 277 was required.</li> <li>• 1197 weeks in-house foster care - 1223 weeks was needed.</li> <li>• 555 weeks of special guardianship payments – 919 was needed.</li> </ul> <p>The impact of the increase is compounded by our need to increase in house foster carers' for which there has been a recent recruitment campaign.</p> <p>Also, there was an additional pressure due to the need in the short term to continue with the post of Fostering Team Manager, originally planned to be removed from the structure. This budget covers the staffing costs of the fostering and adoption service and the costs of all care placements for looked after children.</p>
<p>Assessment of impact on 2016/17</p>	<p>At the end of March there were 41 care placements and, if no action was taken to reduce costs, the over spend would be in the region of £200k – the majority of this cost is the placement itself. However steps are being taken to reduce delivery costs as follows:</p> <ul style="list-style-type: none"> <li>• Managed exits are planned for a number of young people who are currently in high cost residential or independent fostering placements which, subject to the availability of other placements will reduce some care costs.</li> <li>• A recruitment campaign is currently in place to increase in-house capacity and offset some of these pressures. We will know how successful this is in delivering more carers by July 2016.</li> <li>• The corporate parenting board has considered this issue and has commissioned a task and finish group to look at how the Council can increase its foster carer pool.</li> <li>• Options for the future delivery of the in-house fostering service are being actively explored with other local authorities and will be presented to members in due course.</li> </ul> <p>Any new and yet unknown demand, for example the potential impact of Unaccompanied asylum seekers being placed into the regions from those authorities such as Kent, is likely to result in independent fostering agency placements which could also add to budget costs.</p>

Reference	G3
Directorate	People
Function	Long-term Children Social Care
Budget 2015/16	£526,400
Outturn 2015/16	£649,411
Budget 2016/17	£596,300
Amount requested	£Nil – position to be monitored with an update in quarterly reports
Source of funding requested	N/A
Explanation of outturn	The overspend in 2015/16 arises from vacant social worker posts (including the team manager). At one stage, 7 out of 9 posts within the team were being covered by agency staff. Despite successful recruitment campaigns there is still one vacancy within the team and one member of staff on maternity leave requiring agency staff cover.
Assessment of impact on 2016/17	<p>In order to maintain the service at the existing establishment, two agency social workers will be required, one to cover a vacancy until September and the other to cover for maternity until end of December. The estimated additional cost is £25k</p> <p>However, further additional resources are likely to be required to respond to the greater caseloads for this team. Moreover, the work is now more complex and labour intensive, with a higher concentration of child protection and looked after children's cases being held by social workers:</p> <ul style="list-style-type: none"> <li>• Child Protection cases up from 23 in August 2015 to 37 in March 2016.</li> <li>• Children in care increased from 33 at the start of the financial year to 40 now.</li> <li>• The number of children in care proceedings increased from 7 in September to 21 currently.</li> <li>• Courts are requesting viability assessments on lots of children – in one case 8 family members across the country need to be assessed.</li> <li>• A number of babies in the system requiring high levels</li> </ul>



	<p>of visiting due to risk or daily contact observed with parents for those babies in care.</p> <ul style="list-style-type: none"><li>• 63% of LAC are currently placed outside of Rutland, an increase from 40% earlier in the year. Social workers have to travel long distances to do statutory visits.</li></ul> <p>Caseloads ranged between 19 and 22 cases during 2015/16. Social Workers are working to full capacity otherwise it would be possible to absorb new cases within the team. However, there are 21 new cases needing allocation within the long term team in response to cases being transferred up from Duty (equivalent to one social worker and some management capacity). These cases cannot be allocated to existing social workers.</p> <p>According to the Community Care Benchmark of Social Worker caseloads, the median nationally was 18 and the average 21.</p> <p>The alternative options to allocating additional resources are to:</p> <ul style="list-style-type: none"><li>• allocate more cases to existing staff who are already working at full capacity</li><li>• leave cases unallocated</li></ul> <p>The risks associated with these options are: staff burn out and turnover exacerbating our staffing difficulties, diminution of service quality and increased risk of mistakes resulting in reputational damage, and critical judgements from Ofsted.</p>
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Reference	G4
Directorate	People
Function	Children's Duty Team
Budget 2015/16	£527,400 (£298k Adults Duty budget / £229,400 Children's Duty Budget)
Outturn 2015/16	£641,597 (£298k Adults Duty Outturn / £343,597 Children's Duty Outturn)
Budget 2016/17	£229,700
Amount requested	£Nil – position to be monitored with an update in quarterly reports
Source of funding requested	N/A
Explanation of outturn	<p>This staffing budget is overspent due to a number of factors. There has been a need for agency staff to cover staff sickness, with one member of staff on long term sick throughout the last quarter, and maternity leave with two members of staff on maternity leave for 9 months of the year.</p> <p>Additional to the requirement for agency staff to cover sickness and maternity, there has been a need to increase capacity within the duty team to meet increases in demand. Increases in demand have been experienced due to the thresholds for intervention being reduced leading to more referrals. A manageable caseload for an individual duty worker is accepted as being around 20 cases, however, in January the caseload peaked at 30 and so additional agency staff were brought in to reduce individual caseloads down to a more acceptable level.</p>
Assessment of impact on 2016/17	<p>The team has 4 social worker posts and only one of these posts is currently filled with a permanent employee despite the recent recruitment exercise. This member of staff is on long term sick leave which is being covered by an agency worker. It is anticipated this will be resolved with 12 weeks but will incur an agency cover cost of about £14k.</p> <p>The remaining 3 posts are being covered by agency staff creating a pressure of £24k (assuming posts are filled with permanent staff by the end of June – the Directorate is working with HR on another recruitment round including a range of incentives for applicants).</p> <p>In summary, to maintain the service at existing establishment levels given inability to fill the posts permanently and the one</p>

	<p>sick cover post is estimated to create a budget pressure of £38k.</p> <p>However, in addition to this caseloads in duty remain high (at approximately 24 cases per duty worker) and there is a backlog of assessments. An agency social worker will continue to be needed over establishment until the end of June at a cost of £16k.</p> <p>Average caseloads for duty workers rose from around 10 in July 2015 to nearly 30 at its highest point in January. Caseloads came down to 24 at the end of Quarter 4, but are still above the 20 that is acceptable. This increased workload has resulted from:</p> <ul style="list-style-type: none"><li>• The review of Local Safeguarding children’s Board thresholds resulting in an increase in contacts in social care for 2015/16 compared with the previous year from an average of 60 per month to 70 per month (15% increase)</li><li>• An emphasis in line with the Council’s corporate plan on early help and prevention resulting in more cases coming through our duty “front door” manifested in:<ul style="list-style-type: none"><li>○ An increase in assessment work – 100 new assessments were opened in Jan-Mar 2016 up from an average of 70 in the three previous quarters.</li><li>○ Case conference activity rising from 5 conferences in the first half of 2015/16 to 23 conferences in the last 6 months.</li><li>○ Child Sexual Exploitation (CSE) referrals increasing fourfold from 2 in 2014/15 to 8 for 2015/16, reflecting work undertaken to raise awareness about this issue.</li></ul></li></ul>
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Reference	G5
Directorate	People
Function	Children's Residential and Nursing
Budget 2015/16	£101,000
Outturn 2015/16	£126,457
Budget 2016/17	£188,800
Amount requested	£Nil
Source of funding requested	N/A
Explanation of outturn	This function currently supports one looked after child in a High Needs Residential Placement, the actual cost of the placement was less than forecast but still over budget.
Assessment of impact on 2016/17	Fluctuations in demand of services included in this budget are being closely monitored. There is likely to be a budget impact in 16/17 of £50k, but the aim is to manage this over spend within the overall Directorate Budget and so no request for funding is being made at this stage.

Reference	G6
Directorate	Places
Function	Road Maintenance
Budget 2015/16	£1,011,500
Outturn 2015/16	£1,038,174
Budget 2016/17	£827,500
Amount requested	£Nil
Source of funding requested	N/A
Explanation of outturn	The over spend is due to additional carriageway patching works required.
Assessment of impact on 2016/17	There is no budget impact in 16/17. £250k savings have been made in 2015-16 from Road Maintenance revenue budgets following investment of all available capital funding in highway maintenance. The highways maintenance revenue programme will be managed within current budget provision.

Reference	G7
Directorate	Places
Function	Waste Management
Budget 2015/16	£2,077,300
Outturn 2015/16	£2,226,556
Budget 2016/17	£2,124,900
Amount requested	£Nil – position to be monitored with an update in quarterly reports
Source of funding requested	N/A
Explanation of outturn	<p>For clarity, over 50% of the waste management budget is relatively stable, albeit subject to inflation, covering refuse collection costs, civic amenity site operations and haulage and ancillary costs such as business rates and rent.</p> <p>The remainder of the budget is however, extremely volatile. This relates to the disposal/treatment of 33 different waste streams, all of which are effectively demand-led and with demand largely outside of the control of Council Officers. This monthly variation in volume, measured in tonnes, creates the first element of volatility. Secondly however, the majority of the waste streams are also subject to frequent changes in costs incurred or income generated, as rates vary in accordance with market conditions.</p> <p>In 2015/16, the overspend of approx. £150k on this budget was due to a combination of both elements, i.e. increases in tonnage and adverse pricing changes. This is despite a slight (1%) reduction in overall waste arisings year on year, but this reduction was not consistent across the waste streams and in fact ‘masks’ some significant increases in tonnage. Specifically:</p> <ul style="list-style-type: none"> <li>• There was a 650 tonne increase in residual waste (7400 to 8050 tonnes). At a treatment cost of approx. £90 per tonne, this equates to approx £59k.</li> <li>• Some delays in receiving data at the end of 14/15 resulted in some related costs (£53k) being incurred in 2015/16</li> <li>• Increased volumes of paint and chemicals received at the CA Sites also incurred additional costs. Up to September 2015 the frequency of collections was low, having incurred costs of approx £3k.</li> </ul>

	<ul style="list-style-type: none"> <li>• A 50% reduction in textile income rates for the final 4 months of 2015.16 reduced income by approx. £3k compared with that budgeted for.</li> </ul> <p>These examples account for approx. £118k of the over spend against the waste management budget in 2015/16, despite efforts to mitigate this.</p>
<p>Assessment of impact on 2016/17</p>	<p>In terms of 2016/17, changing market conditions have impacted on interim arrangements for the treatment of dry mixed recycling and green waste. These interim rates may change when permanent contracts are let later this year, but for now a full year projection has been based on the known interim rates. In addition, the increase in residual waste seen in 2015/16 has also been allowed for. The specific impacts are as follows:</p> <ul style="list-style-type: none"> <li>• A residual waste tonnage that assumes the 650 tonne increase will remain. At an anticipated cost of £91 per tonne to allow for inflation, accounts for approx. £59k.</li> <li>• A shift in costs associated with the treatment of dry mixed recycling, from a previous income rate of approx. £20 per tonne to a cost of £10 per tonne, accounts for approx. £120k.</li> <li>• A £4 per tonne increase in the cost of green waste treatment accounts for approx. £20k.</li> </ul> <p>If market conditions do not change again in year, there could be a £200k pressure on the budget. In the meantime, officers will be looking at whether the Council can initiate any additional waste prevention activities.</p>

Reference	G8
Directorate	Places
Function	Building Control
Budget 2015/16	(£28,200)
Outturn 2015/16	£3,944
Budget 2016/17	(£47,100)
Amount requested	£Nil
Source of funding requested	N/A
Explanation of outturn	Building Control is over spent by £32k due to settling a dispute over a contract in one year rather than over 3 years as originally agreed.
Assessment of impact on 2016/17	There is no budget impact in 16/17. The dispute was a one off pressure on the cost centre and the budget reflects the current contract in place.



## Appendix H. Better Care Fund

Cost Centre	Cost Centre Description	2015/16 Q1 Budget £	Reversal of One off entries £	Transfers £	Adjustments £	Savings £	Pressures £	Inflation £	2016/17 Budget £	Increase / (Decrease) £
	<b>BCF Programme Support</b>									
4504	BCF Programme Support	50,000	0	0	35,200	0	0	0	85,200	35,200
	<b>BCF Programme Support</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>35,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>85,200</b>	<b>35,200</b>
	<b>BCF Community Prevention</b>									
4502	BCF: Community Prevention	200,000	0	0	(13,000)	0	0	0	187,000	(13,000)
	BCF: Coordination & Communication	0			30,000				30,000	30,000
	<b>BCF Community Prevention</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>17,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>217,000</b>	<b>17,000</b>
	<b>BCF Supporting Independence</b>									
4489	BCF: Life Planning	98,000	0	0	27,000	0	0	0	125,000	27,000
4494	BCF: Integrated Urgent Response	450,000	0	0	(210,000)	0	0	0	240,000	(210,000)
4510	BCF: Integrated Community Care	405,000	0	0	113,000	0	0	0	518,000	113,000
	BCF: Innovation Fund	0			55,000				55,000	55,000
4512	BCF: Hospital Discharges	50,000	0	0	(50,000)	0	0	0	0	(50,000)
4505	BCF: Hospital Transfer and Reablement	536,000	0	0	160,000	0	0	0	696,000	160,000
4509	BCF: Falls	84,000	0	0	(84,000)	0	0	0	0	(84,000)
	<b>BCF Supporting Independence</b>	<b>1,623,000</b>	<b>0</b>	<b>0</b>	<b>11,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,634,000</b>	<b>11,000</b>
	<b>BCF Adult Social Care</b>									
4511	BCF: Care Act Carers	34,000	0	0	51,000	0	0	0	85,000	51,000
4498	BCF: Dementia Services	100,000	0	0	0	0	0	0	100,000	0
5609	BCF: Integrated Case Management	39,000	0	0	101,000	0	0	0	140,000	101,000
	<b>BCF Adult Social Care</b>	<b>173,000</b>	<b>0</b>	<b>0</b>	<b>152,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>325,000</b>	<b>152,000</b>
	<b>Total BCF</b>	<b>2,046,000</b>	<b>0</b>	<b>0</b>	<b>215,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,261,200</b>	<b>215,200</b>

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## Appendix I. 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		2015/16 Q4 Outturn £	2016/17 Proposed £	2017/18 Proposed £	2018/19 Proposed £	2019/20 Proposed £	2020/21 Proposed £
1,2,3,19	People	15,554,500	16,463,000	16,320,400	16,884,400	17,198,700	17,616,100
1,2,3,19	Places	11,903,200	12,533,000	12,642,800	12,896,700	13,179,400	13,453,800
1,2,3,19	Resources	5,166,300	5,645,900	5,507,400	5,619,900	5,733,800	5,839,700
4	Pay Inflation Contingency	0	0	308,200	717,100	1,148,200	1,591,200
5	Contract Inflation		150,000	153,000	156,100	159,200	162,400
	Fire Authority Support	0	75,000	0	0	0	0
6	Adult Social Care Contingency	0	200,000	200,000	200,000	200,000	200,000
	People First Savings	0	(234,800)	(774,800)	(874,800)	(874,800)	(874,800)
	<b>Net Cost of Services</b>	<b>32,624,000</b>	<b>34,832,100</b>	<b>34,357,000</b>	<b>35,599,400</b>	<b>36,744,500</b>	<b>37,988,400</b>
7	Capital Financing	1,897,000	1,930,601	1,905,715	1,881,825	1,858,890	1,912,184
8	Interest Receivable	(254,000)	(220,000)	(320,000)	(340,000)	(335,000)	(282,000)
	<b>Net spending</b>	<b>34,267,000</b>	<b>36,542,701</b>	<b>35,942,715</b>	<b>37,141,225</b>	<b>38,268,390</b>	<b>39,618,584</b>
	Resources						
15/18	Other Income	(576,604)	(254,500)	(101,800)	(50,900)	0	0
13	New Homes Bonus	(808,606)	(1,230,055)	(1,295,755)	(1,529,255)	(1,520,217)	(1,341,100)
17	Better Care Fund	(2,046,000)	(2,061,200)	(2,061,200)	(2,061,200)	(2,061,200)	(2,061,200)
14	Social Care In Prisons	(294,198)	(70,138)	(70,138)	(70,138)	(70,138)	(70,138)
16	Rural Delivey Grant		(843,258)	(680,891)	(523,763)	(680,891)	(680,891)
23	Transition Grant		(339,932)	(336,573)	0	0	0
	Council tax freeze grant	(218,634)	0	0	0	0	0
9	Revenue Support Grant	(4,060,409)	(2,353,919)	(888,716)	30,692	958,318	958,318
10	Retained Business Rates Funding	(4,221,300)	(4,770,200)	(4,677,800)	(4,790,200)	(4,969,600)	(5,162,300)
12	Council Tax	(20,685,300)	(21,502,700)	(22,234,300)	(22,907,100)	(23,572,400)	(24,255,300)
11	Adult Social Care Precept		(421,700)	(857,600)	(1,306,700)	(1,768,900)	(2,244,500)
21	Collection fund surplus		(248,000)	0	0	0	0
22	Capital met from Direct Revenue	244,200	186,000	0	0	0	0
20	Transfers to/from earmarked reserves	(214,000)	(1,468,200)	(124,800)	(124,800)	(78,600)	(78,600)
	Appropriations	(1,854,900)	(1,897,000)	(1,897,000)	(1,897,000)	(1,897,000)	(1,897,000)
	<b>(Surplus)/Deficit for year</b>	<b>(468,751)</b>	<b>(732,101)</b>	<b>716,143</b>	<b>1,910,861</b>	<b>2,607,762</b>	<b>2,785,873</b>
	Balance brought forward	(9,675,000)	(10,143,751)	(10,875,852)	(10,159,709)	(8,248,848)	(5,641,086)
	<b>Balance carried forward</b>	<b>(10,143,751)</b>	<b>(10,875,852)</b>	<b>(10,159,709)</b>	<b>(8,248,848)</b>	<b>(5,641,086)</b>	<b>(2,855,213)</b>

## The MTFP assumptions

Ref	Expenditure /Funding	Assumptions/Commentary
1	Directorate Costs	Directorate costs for 2017/18 assume 2016/17 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 8% for fuel (gas, electric etc.) to 2% for general inflation (supplies and services).
2	Pension contributions	The Council's contribution rate to the Local Government Pension Scheme (LGPS) is expected to increase by approximately 1% per annum. The following rates are built in to the MTFP 20.7% 2015/16, 21.7% 16/17, 22.7% 17/18 23.7% 18/19 and 24.7% 19/20
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 2% pa from 18/19. 16/17 and 17/18 are updated for the agreed settlement for those years. The contingency also 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.</li> </ul>
8	Interest	This represents the amount the Council expects to earn from investing cash balances held.
9	RSG	Quarter 2 assumptions replaced with the 4-year settlement 'offer' figures. The MTFP assumes that RSG reduces to £0 by 2019/20.

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, 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 costs care.
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 equivalentents 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 to grants</p> <ol style="list-style-type: none"> <li>1. The ESG allocation is £154k in 16/17 but is assumed to go to £0 by 19/20.</li> <li>2. Independent Living Fund (ILF) allocation is £60k for 16/17 only</li> </ol>
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 2016/17 figures.
18	Non-ring fenced grants	<p>The only non-ring fenced grant included within the MTFP is the ESG grant.</p> <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>
19	Ring fenced	These grants are included within cost centres and not shown

<b>Ref</b>	<b>Expenditure /Funding</b>	<b>Assumptions/Commentary</b>
	grants	with other funding streams. The biggest ring fenced grant is for Public Health. Grant level is based on 16/17 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	<p>This represents the amount of revenue expenditure that is funding capital projects.</p> <p>In 2016/17 the £180k represents the funding for Digital Rutland which is being met from an Earmarked Reserve (see reference 20 above).</p>
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.

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