

# Public Document Pack



## Rutland County Council

Catmose, Oakham, Rutland, LE15 6HP.  
Telephone 01572 722577 Facsimile 01572 758307 DX28340 Oakham

Ladies and Gentlemen,

A meeting of the **PLACES SCRUTINY PANEL** will be held in the Council Chamber, Catmose, Oakham, Rutland, LE15 6HP on **Thursday, 24th November, 2016** commencing at 7.00 pm when it is hoped you will be able to attend.

Yours faithfully

Helen Briggs  
**Chief Executive**

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### **SUPPLEMENT**

#### **8) QUARTER 2 PERFORMANCE MANAGEMENT REPORT**

To receive Report No. 194/2016 from the Chief Executive.  
(Pages 3 - 96)

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Catmose, Oakham, Rutland, LE15 6HP.  
Telephone 01572 722577 Facsimile 01572 758307 DX28340 Oakham

**Meeting:** CABINET

**Date and Time:** Tuesday, 15 November 2016 at 9.30 am

**Venue:** COUNCIL CHAMBER, CATMOSE

**Corporate support Officer to contact:** Natasha Brown 01572 720991  
email: [corporatesupport@rutland.gov.uk](mailto:corporatesupport@rutland.gov.uk)

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### A G E N D A

- 8) **PERFORMANCE MANAGEMENT REPORT - QUARTER 2 2016/17**  
Report No. 194/2016  
(Pages 1 - 90)

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## A G E N D A

- 8) **PERFORMANCE MANAGEMENT REPORT - QUARTER 2 2016/17**  
Report No. 194/2016  
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## CABINET

15 November 2016

### QUARTER 2 FINANCIAL MANAGEMENT REPORT

#### Report of the Director for Resources

Strategic Aim:	Delivering Council Services within the Medium Term Financial Plan	
Key Decision: Yes	Forward Plan Reference: FP/220716/02	
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) Note the 2016/17 revenue and capital outturn position as at Quarter 2 (Appendix A, section 1 and section 2).
- ii) Approve the use of £199k from earmarked reserves as requested in Appendix B notes (iii) to (viii).
- iii) Note the proposed transfers from earmarked reserves as shown in the table in Appendix A, para 1.6.4 (to be finalised and agreed in the 2016/17 outturn).
- iv) Give delegated authority to the Chief Executive and relevant Portfolio Holder to add small schemes (less than £50k) to the capital programme on the condition that all decisions are reported in the Quarterly Finance report (Appendix A, para 2.4.4).
- v) Approve the Capital Budget carry forward of £100k for the Oakham Enterprise Park Solar investment to 2018/19 (Appendix A para 2.2.2).
- vi) Note the changes to the Approved Capital Programme as outlined in Appendix A para 2.2.1

## **1 PURPOSE OF THE REPORT**

- 1.1 To inform Cabinet and all members of the full year forecast position as at Quarter 2 for 2016/17 and to alert them to issues that may impact on the Medium Term Financial Plan to enable them to maintain sound financial management of the Council's operations.

## **2 BACKGROUND AND MAIN CONSIDERATIONS**

### **2.1 2016/17**

- 2.1.1 The Council approved its 2016/17 budget in February 2016. Since the budget was approved, Cabinet approved some budget changes in the Quarter 1 report (133/2016) and further changes made since then are summarised in Appendix A 1.1 and itemised in Appendix B. In this report, various requests are being made to use earmarked reserves (Appendix B, notes (iii) to (viii)).
- 2.1.2 The Q2 revenue position is that the Council is forecasting a surplus of £427k compared to a budgeted surplus of £775k. The reduction in the surplus reflects continued pressure in a number of areas including waste management, fostering and adoption and children's social care. More detailed information on the overall forecast can be found in Appendix A para 1.2.2.
- 2.1.3 Outside the General Fund, there is an over spend on the Dedicated Schools Grant (DSG) arising from both High Needs and Early Years. These pressures have been discussed at Schools Forum and a method of recoupment from schools in 2017/18 has been approved (Appendix A, para 1.2.3).
- 2.1.4 There are no major issues to note re the capital programme. However, in order to expedite the inclusion of small projects in the capital programme a request is being made to delegate authority to the Chief Executive and relevant Portfolio Holder to add small schemes (less than £50k) to the capital programme on the condition that all decisions are reported in the Quarterly Finance report.

### **2.2 Medium Term Financial Plan (MTFP)**

- 2.2.1 There have been no updates to the MTFP this quarter although there continues to be a range of ongoing issues which could have an impact in the future including Business Rates Reforms, Fairer Funding review, Brexit and triennial review of the Pension Fund.
- 2.2.2 Appendix A, section 3, gives more information on each area.

## **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 forecast on the budget in future years.

## **4 ALTERNATIVE OPTIONS**

- 4.1 Cabinet are requested to approve the use of earmarked reserves to support



expenditure in a number of areas such as Fostering and Adoption (£57k), Project Sunshine (£10k), legal costs (£80k), s106 monitoring costs (£15k) and sustainable drainage (£2k). 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.

4.2 Cabinet are also requested to distribute funds (held in earmarked reserve) to the Welland Internal Audit partners as the partnership will end when the internal audit service is delegated to LGSS.

4.3 Under existing arrangements Cabinet and Council are responsible for approving changes to the capital programme and Cabinet could decide to continue with this arrangement rather than cede some of its delegation. This could slow down the approval of small value schemes.

## **5 FINANCIAL IMPLICATIONS**

5.1 The report highlights the impact of the forecast on the MTFP. General Fund balances will increase by c£0.427m compared to £0.775m budgeted for if all recommendations are approved.

## **6 LEGAL AND GOVERNANCE CONSIDERATIONS**

6.1 Where Directors wish to increase a functional budget by over £100k OR they anticipate that the overall Directorate budget is likely to be overspent (there is no de-minimis level) they must seek approval in advance from Cabinet or Council for a virement to cover any increase.

6.2 There is one function within the Places Directorate that falls into this category but no specific request has been made because the overall Directorate overspend is small (less than £20k) and there is still some uncertainty around some forecasts.

6.3 There are three functions (Directorate Senior Management Costs, Fostering and Adoption and Early intervention - Targeted) within the People Directorate that fall into this category and the Directorate as a whole is forecasting to overspend. The over spend on one of these functions can be contained within the overall directorate budget, however the overspend on Fostering and Adoption where unprecedented demand levels are being experienced; and, Early Intervention – Targeted where two new high cost placements have occurred cannot be contained. The Director is not requesting to change the budget but will be looking into whether the demand is likely to continue to inform budget setting for 17/18.

6.4 There are no other legal implications arising from this report.

## **7 EQUALITY IMPACT ASSESSMENT**

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

## **8 COMMUNITY SAFETY IMPLICATIONS**

8.1 There are no community safety implications.

## **9 HEALTH AND WELLBEING IMPLICATIONS**

9.1 There are no health and wellbeing implications.

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

10.1 As the Council is required to make savings over the medium term, the Q2 position is positive as, despite a number of significant variances, the Council is still forecasting a surplus and contributing to general reserves.

## **11 BACKGROUND PAPERS**

11.1 None

## **12 APPENDICES**

Appendix A: Q2 Finance and Budget Outturn Report

Appendix B: Approved Budget Changes

Appendix C: Reconciliation of Directorate Budgets

Appendix D: Virements

Appendix E: People Directorate

Appendix F: Places Directorate

Appendix G: Resources Directorate

Appendix H: Adverse Variances over £50k

Appendix I: Detailed Capital Programme

Appendix J: Medium Term Financial Plan

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

## Appendix A. Q2 Budget Report 2016/17

### 1 REVENUE MONITORING

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

- 1.1.1 The current budget is that approved by Council/Cabinet as shown in the Quarter 1 Financial Management Report on 16<sup>th</sup> August 2016 (report No. 133/2016) and subsequently amended following changes made by Cabinet/Council as set out in Appendix B and summarised in the table below.

<b>Reconciliation of approved budget to current budget</b>	<b>£000</b>	<b>£000</b>
<b>Approved Net Cost of Services (133/2016)</b>		<b>34,807</b>
Changes already approved (as listed in Appendix B) (£34,807k to £34,840k)		33
<i>Changes in this quarter (as listed in Appendix B)</i>		
Transfers from Earmarked Reserves as listed in Appendix B		199
<b>Current Net Cost of Services</b>		<b>35,039</b>
<b>Approved (Surplus)/Deficit (133/2016)</b>	<b>(775)</b>	
<i>Changes already approved</i>	0	
Changes in this quarter – Budget increases do not impact on overall surplus as they are proposed to be funded from earmarked reserves.	0	
<b>Current (Surplus)/Deficit</b>	<b>(775)</b>	

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

- 1.2.1 The table in para 1.2.2 sets out the Council's forecast revenue outturn for 31 March 2017 as at the end of September (Quarter 2). Against the surplus budget of £775k, the Council is in overall terms £348k over budget. The Council's forecast is a surplus of £427k. The forecast has changed by £275k since Q1.

1.2.2 The Revenue budget position at Q2 is as follows:

	Approved Budget	Revised Budget	Q1 Forecast Outturn	Q2 Forecast Outturn	Latest Forecast Year End Variance
	£000	£000	£000	£000	£000
People	15,907	16,481	16,715	16,896	415
Places	12,318	12,575	12,517	12,594	19
Resources	5,247	5,868	5,593	5,666	(202)
<b>Directorate Totals</b>	<b>33,472</b>	<b>34,924</b>	<b>34,825</b>	<b>35,156</b>	<b>232</b>
Fire Authority	75	0	0	0	0
Pay Inflation	331	0	0	0	0
Contract Inflation	150	150	0	0	(150)
Social Care Contingency	200	200	0	0	(200)
People First Saving	(235)	(235)	0	0	235
<b>Net Cost of Services</b>	<b>33,993</b>	<b>35,039</b>	<b>34,825</b>	<b>35,156</b>	<b>117</b>
Capital Financing	1,931	1,931	1,931	1,931	0
Interest Receivable	(220)	(220)	(235)	(235)	(15)
<b>Net Operating Expenditure</b>	<b>35,704</b>	<b>36,750</b>	<b>36,521</b>	<b>36,852</b>	<b>102</b>
Financing	(34,066)	(34,114)	(34,117)	(34,122)	(9)
Transfers to/(from) reserves	(553)	(1,700)	(1,395)	(1,446)	254
Revenue contributions to capital	180	186	186	186	0
Appropriations	(1,897)	(1,897)	(1,897)	(1,897)	0
<b>(Surplus)/Deficit</b>	<b>(632)</b>	<b>(775)</b>	<b>(702)</b>	<b>(427)</b>	<b>348</b>
<b>General Fund 1 April 2016</b>	<b>(10,089)</b>	<b>(10,144)</b>	<b>(10,144)</b>	<b>(10,144)</b>	<b>0</b>
<b>General Fund 31 March 2017</b>	<b>(10,721)</b>	<b>(10,919)</b>	<b>(10,846)</b>	<b>(10,571)</b>	<b>348</b>

1.2.3 The key points to note are:

- The overspend has moved from £73k at Q1 to £348k at Q2 a movement of £275k;

- Despite the increase in budget, the overspend at net cost of service level has increased from £19k at Q1 to £117k with an increase in overspend at Directorate level from £134k to £232k;
- As reported at Q1, the People Directorate has continued to experience two key pressures in relation to management costs and fostering and adoption. In these two areas forecasts have moved by £204k. In addition, since Q1 the Directorate has had two disabled children cases resulting in high cost placements estimated at £190k creating a third key pressure on the overall directorate budget (see para 1.3.4 for further information). These forecast overspends are offset by a reduction in residential care costs of £134k (para 1.3.5 note (ii) for information) and underspends on ring fenced budgets for Public Health and Better Care Fund (£65k) (para 1.3.5 note (i) for information);
- In the Places Directorate there has been movement of £77k caused by increases in transport costs for new users (see para 1.3.8 note (i) and (iii) for further information) and ongoing increase in waste management costs for dry recycling (para 1.3.8 note (ii)). These overspends are offset by reductions in forecast in libraries, commercial properties and home to school transport (para 1.3.8 notes (iv), (v) and (vi));
- In Resources Directorate the increase in forecast is mainly as a result of increase in legal fees associated with a planning claim of £80k (see para 1.3.6 note (iv)).
- Whilst (subject to Cabinet approval) the use of earmarked reserves has increased by £199k, less funding is being taken from some earmarked reserves as the forecast indicates that not all of the funding will be required in 2016/17. The net reduction in use of reserves of £254k is made up of underspends on ringfenced grants (e.g Public Health and Better Care Fund) and reduced expenditure on functions supported by earmarked reserves (e.g. ASC Winter Pressures, Welfare reserve, Digital Rutland and S38 income); and
- Outside the General Fund, there is an overspend on the Dedicated Schools Grant (DSG) arising from High Needs funding and Early Years placements. This pressure has been discussed at Schools Forum and options for recovering this position agreed.

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

- 1.3.1 Directorate budgets do not include any support service budgets. The support service recharge budgets will be allocated to services at the year-end in line with the actual costs for support services. This enables Members to monitor any over or under spends on support services throughout the year.
- 1.3.2 A full analysis of Directorate performance in respect of each function is provided in the accompanying Budget Excel file which is available on the

Council website at:

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

### ***People Directorate***

1.3.3 In overall terms, the People Directorate budget is forecast to be overspent by £415k, an increase in overspend from Quarter 1 of £124k. As the Directorate is forecasting an overspend, the Director has provided an explanation below of the position in line with Financial Procedure Rules.

1.3.4 “Since Q1, the Directorate has been working hard on managing and reducing costs going forward to ensure that pressures being experienced in 2016/17 are reduced to a minimum for 2017/18. Despite this effort, a further functional budget has come under pressure as a result of a review of the costs being charged to the Dedicated Schools Grant (DSG).

Whilst the Directorate Management Costs have increased by £64k since Q1 This is as a result of the successful recruitment of both vacant Head of service positions with one post holder starting in September and the other post holder due to start in November. The increase in costs is associated with £38k fees now payable to the external consultants recruited to help the Council fill these positions. At team manager level, the Directorate has continued to experience some issues in recruiting to positions within children’s social care and has an ongoing incidence of long term sickness resulting in increased agency costs of £20k. The new Head of Service for Children’s Social Care is currently reviewing the team management structure and it is anticipated that permanent positions will be filled by the end of the financial year. The Directorate has also picked up £5k education redundancy costs – previously charged to the DSG but this is no longer permitted.

With respect to the fostering service there is increasing demand, a trend which is also being experienced across the East Midlands. Whilst the Council cannot control the volume of cases it must deal with, it can try where possible (without increasing the safeguarding risk) to control costs through placement type. Since Quarter 1, the team have worked on reducing the numbers of young people in high cost residential or independent fostering placements in order to minimise the pressure on this budget for future years. However, there have been some difficulties with securing suitable alternative placements for individual children resulting in the need to continue with high cost residential placements along with a recent need to care for a large family group requiring short term placement which has resulted in an increase in forecast spend for 2016/17 of £140k. An analysis of the current position and the likely pressure going forward has been carried out to inform the 2017/18 budget process.

As a result of the significant overspend forecast on the Dedicated Schools Grant (DSG) at Quarter 1, a review was undertaken of the High Needs placements and the costs being charged to the DSG. This identified that

there were two cases where the full cost of the placement was being incorrectly charged to the DSG and that a proportion of these costs should have been charged to the General Fund for the social care aspects of the placement. This has now been corrected and resulted in a significant overspend on the Children with Disabilities cost centre of £190k leading to a long term pressure which the Directorate is unlikely to be able to meet within its current budget.

In order to maintain visibility of pressures, the Directorate is not requesting additional budget from the General Fund and will report an updated position at Quarter 3. Work has been undertaken to assess the impact of these pressures on the 2017/18 budget”.

1.3.5 As well as the three areas discussed above, there are some other over and under spends within the Directorate forecast. The main movements in forecast are as follows:

- (i) An under spend on the Public Health budget of £73k. Public Health has been asked to identify savings of £200k by 2017/18 by reviewing contracts and services. This underspend is due to changes in contracts already implemented. An under spend on the Better Care Fund of £53k. The Better Care Fund is a ringfenced grant and any under spend will be transferred to reserves at year end for use in future years. The forecast under spend is due to delays in the start of some schemes and delays in recruitment. At Q1 the under spend was £61k and therefore the movement since then is £65k;
- (ii) On Adult Social Care budgets, there has been a favourable movement of £134k since the forecast at Q1 made up of a number of overs and unders as follows:
  - An over spend of £49k in Adults Social Care Community Inclusion service (an increase of £19k since Q1). Although the number of service users attending has remained static, the numbers being funded by other local authorities and Health have reduced leading to a loss of income;
  - An under spend of £79k on Adult Social Care Direct Payments services (a reduction of £94k since Q1). The forecast is based on the number of service users currently receiving Direct Payments for Learning Disabilities, Physical Disabilities and Older People. The under spend is as a result of one high cost service user no longer receiving a Direct Payment; and
  - An under spend of £80k on Adult Social Care Other Services (a reduction of £64k since Q1). £42k of this forecast under spend relates to a reduction in anticipated spend on winter pressures which will be transferred back to earmarked reserves at year end. The remaining under spend is as a result of floating support contracts ending and being replaced with a more cost effective service delivery model.

## **Resources Directorate**

1.3.6 The Resources Directorate is forecast to be £202k under budget. The key points to note are:

- (i) As part of the upgrade to Agresso project, a request for £10k from the Training earmarked reserve is being requested to support the development of the training elements of the project. Subject to this request, the Agresso and Website projects are progressing on budget;
- (ii) As per prior years the demand for financial crisis support and the local council tax support hardship fund is lower than expected. Officers have reviewed the budgets for 2017/18 and are proposing to reduce the budget in light of trends and in the knowledge that there is an earmarked reserve available to meet excess demand;
- (iii) There are some staffing underspends in Finance, Revenues and Benefits and Corporate Support. All of these areas are experiencing some form of transition through the upgrade of Agresso (Finance), a service review in Revenues and Benefits and a structure review in Corporate Support. Moving forward, under spends in these areas could be made permanent depending on the outcome of ongoing work and subject to any necessary consultation; and
- (iv) Subject to formal approval within this report, there is an £80k increase in the forecast spend on legal costs due to a planning claim which will be funded from the earmarked reserve.

1.3.7 No formal request for budget changes are being made as small overspends can be contained within the overall Directorate budget.

## **Places Directorate**

1.3.8 In overall terms, the Places Directorate is over budget by £19k, an increase in spend since that reported at Q1 of £77k. The key movements in forecast are as follows:

- (i) Transport Management forecast underspend has decreased by £55k due to increased costs of taxi hire for parental access to foster children and costs associated with an appraisal of the Local Transport Plan;
- (ii) The forecast over spend on Waste Management has increased by £59k due to increased costs as a result of changes in the recycling market and increased tonnages. A detailed explanation is attached at Appendix H4;
- (iii) The forecast underspend on Public Transport has decreased by £35k due to an increase in use of Community Transport as a result of 2 new wheelchair users;



- (iv) The forecast overspend on Commercial & Industrial Properties has reduced by £19k to £51k over budget. The reduction in costs is as a result of reduced utility costs compared to those anticipated at Q1. A detailed explanation of the £51k overspend is attached at Appendix H5;
- (v) The forecast underspend on Home to School transport has increased by £28k due to further integration of mainstream routes with local bus network as part of the total transport project; and
- (vi) The forecast on Libraries has reduced by £16k from an overspend of £2k to an underspend of £14k. The reduction is due to a decrease in forecast use of overtime and a reduction in business rates.

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

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

1.3.10 The Dedicated Schools Grant for 2016/17 is currently forecasting an overspend of £201k split between High Needs (£127k) and Early Years (£74k). At Q1, the forecast overspend was significantly higher for the High Needs block, however a review of costs being charged to the DSG has resulted in some costs being transferred to the General Fund.

1.3.11 High Needs costs are driven by both number and complexity of cases and how the needs of children are met whether in or out of county. In light of the current position, the challenge of meeting the needs of children within the current financial position has been discussed with Schools Forum and a way forward agreed for the recoument of any overspend at year end.

1.3.12 The overspend on Early Years results from the DfE revising the amount of funding available based on the January 2016 census data and a forecast increase in pupil numbers for the remainder of the year. The final funding settlement for Early Years will not be finalised until after the end of the financial year when the January 2017 census data is confirmed (usually around June). Therefore, any overspend at year end will be carried forward to 2017/18.

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

1.4.1 In line with the Financial Procedure Rules para 4.10, Appendix D includes a full list of budget virements between functional budgets undertaken by Directors. None of these change the net budget.

1.4.2 Where Directors wish to increase a functional budget by over £100k or a budget is expected to be £25k overspent or they anticipate that the overall Directorate budget is likely to be overspent (there is no de-minimis level)

they must seek approval in advance from Cabinet or Council for a virement to cover any increase or report retrospectively. This is particularly relevant for demand-led budgets or where the Council has a statutory responsibility to provide a service.

1.4.3 The table below summarises the overall position at the end of Q1:

Directorate	Within budget?	Ceilings > £25k overspent?	Requests for budget changes?
Places	No	Yes	No
Resources	Yes	Yes	No
People	No	Yes	Yes - from Earmarked Reserves

1.4.4 Where functional forecasts are projected to be more than £25k over budget, a detailed explanation can be found within the functional workbooks. Where forecasts are projecting to be overspent by more than £50k (listed in the table below) a detailed explanation of the current position is included in Appendix H. There is no request for additional budget from the general fund from the People or Places Directorates to enable Council to keep clear visibility of where pressures exist.

Function	Amount Overspent	Further Detail Appendix H
<b>Peoples</b>		
Fostering and Adoption	£387,900	H1
Early Intervention - Targeted	£231,800	H2
Directorate Senior Management Cost	£228,100	H3
<b>Places</b>		
Waste Management	£259,800	H4
Commercial and Industrial Properties	£51,900	H5

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

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

<b>Income Description</b>	<b>Current Budget £000</b>	<b>Q1 Forecast £000</b>	<b>Q2 Forecast £000</b>	<b>Variance £000</b>
Charging for Residential Accommodation	1,019	1,019	955	(64)
Parking Income	486	483	483	(3)
Rents from Business Units and Business Park	500	518	472	(28)
Planning Fees	328	373	368	40
Fairer Charging Income	260	281	265	5
Building Regulations	188	188	188	0
Waste management - Sale of Recyclables	120	36	31	(89)
Registrars - Births, Marriages etc.	118	156	159	41
Licensing - Premises, Traders, Events etc.	76	93	93	17
<b>Total</b>	<b>3,095</b>	<b>3,147</b>	<b>3,014</b>	<b>(81)</b>

- 1.5.2 Residential care charging income can be volatile as it is based on caseload and the assessed package. The forecast is based on the current caseload and estimated weeks in care. With the emphasis on keeping people in their own homes for as long as possible, there has been a reduction in the number of individuals in residential care which has led to a reduction in the Income and expenditure projections.
- 1.5.3 Planning Fees are exceeding targets due to increases in applications being received. There have been 31 more applications to Q2 than the same quarters last year. However 26 less applications were received in Q2 compared to Q1 and this has been reflected in the forecast.
- 1.5.4 Sale of recyclables has reduced significantly due to Dry Mixed Recycling that used to generate income now incurring costs. The change in market prices is a contributory factor to the overall overspend in waste as noted in para 1.3.8.

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

- 1.6.1 The transfers from Earmarked Reserves include transfers specifically to cover service expenditure that would otherwise be funded from the General Fund.
- 1.6.2 At Q2, Places Directorate has identified the need to spend £15k of the Budget Carry Forward reserve to support the cost of the S106 monitoring officer and £2k from the Highway Reserve for use on sustainable drainage. Therefore, approval is being sought to transfer these amounts from reserves.

- 1.6.3 Cabinet have approved the delegation of Internal Audit to LGSS. This will require the Internal Audit reserve to be redistributed to the existing Welland Partners. Also, Resources Directorate are requesting the use of £80k from the Insurance/Legal reserve to cover the legal costs associated with Linden Tops planning claim (180/2016) and the use of £10k from the Training reserve for the Agresso project.
- 1.6.4 Due to the increased forecast overspend on the Fostering and Adoption function within People Directorate, approval is being sought to transfer the Adoption Reform Grant reserve of £57k to contribute to the costs of children waiting for adoption.
- 1.6.5 At Q2, Resources Directorate have identified the need to carry forward two underspends. The Council has received grant funding to support Individual Electoral Reform and any underspend at year end (currently forecast to be £34k) will be requested to be carried forward to (a) to meet the costs of a new IER system and (b) make up any shortfall in grant income received. Also, due to vacancies within the Customer Services Team, the budget carry forward of £15k from last year to support improvement initiatives will need to be carried forward to 2017/18.

<b>Reserve</b>	<b>Ceiling £000</b>	<b>Balance @ 1/4/16 £000</b>	<b>Planned Use 2016/17 £000</b>	<b>Forecast usage Q2 £000</b>	<b>Transfers to Reserve £000</b>	<b>Balance @ 31/3/17 £000</b>
Invest to Save	500	478	(60)	(60)	0	418
Internal Audit (1.6.3)	Unlimited	35	(35)	(35)	0	0
Planning Delivery Grant	74	49	(14)	(14)	0	35
Welfare Reserve	150	153	(48)	(48)	10	115
Public Health Grant	Unlimited	415	(210)	(210)	73	278
Better Care Fund	Unlimited	334	(200)	(200)	53	187
Training (1.6.3)	80	80	(10)	(10)	0	70
Social Care	750	623	(35)	(35)	42	630
Travel 4 Rutland	50	26	0	0	0	26
Insurance/Legal (1.6.3)	250	250	(80)	(80)	0	170
Highways (1.6.2)	300	309	(22)	(22)	20	307
National Non Domestic Rates	Unlimited	0	0	0	0	0
SEN Grant	Limited*	107	(107)	(107)	0	0
SEND Grant	Limited*	104	22	22	0	126
Digital Rutland	Limited to Funding	276	(228)	(228)	9	57
Tourism	Limited to Funding	49	(14)	(15)	0	34

<b>Reserve</b>	<b>Ceiling £000</b>	<b>Balance @ 1/4/16 £000</b>	<b>Planned Use 2016/17 £000</b>	<b>Forecast usage Q2 £000</b>	<b>Transfers to Reserve £000</b>	<b>Balance @ 31/3/17 £000</b>
Adoption Reform Grant (1.6.4)	Limited*	57	(57)	(57)	0	0
Budget Carry Forwards (1.6.5)		573	(567)	(567)	49	55
Commuted Sums		286	(36)	(36)	0	250
<b>Total Reserves</b>		<b>4,204</b>	<b>(1,701)</b>	<b>(1,702)</b>	<b>256</b>	<b>2,758</b>
<b>Actual net use</b>					<b>(1,446)</b>	
*Limited to grant received*						

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

## 2 CAPITAL PROGRAMME

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

2.1.1 The following table sets out the position against the Capital Programme as at the end of September 2016, including the total approved project budget, forecasted expenditure to the end of the project and variances against budget.

Portfolio	Total Project Budget	Expenditure (Prior Years)	Budget 2016/17	Estimated Outturn 2016/17	Variance 2016/17	Total Project Expenditure	Total Project Variance
	£000	£000	£000	£000	£000	£000	£000
<b>Approved Projects</b>							
People	896	314	581	581	0	895	(1)
Places	10,992	3,228	7,666	7,666	0	10,993	1
Resources	45	0	45	45	0	45	0
<b>Total Approved</b>	<b>11,933</b>	<b>3,542</b>	<b>8,292</b>	<b>8,292</b>	<b>0</b>	<b>11,933</b>	<b>0</b>

Portfolio	Budget 2016/17	Estimated Outturn 2016/17	Variance 2016/17
	£000	£000	£000
<b>Financed by:</b>			
Grant	(5,115)	(5,115)	0
Prudential Borrowing	(1,110)	(1,110)	0
Salix 0% Loan	(420)	(420)	0
Capital Receipts	(806)	(806)	0
Revenue Contribution to Capital Outlay (RCCO)*	(186)	(186)	0
Oakham North Agreement	(257)	(257)	0
S106	(398)	(398)	0
<b>Total Financing</b>	<b>(8,292)</b>	<b>(8,292)</b>	<b>0</b>

\*£186k includes £6k Special Guardianship Order Requirement, and £180k Digital Rutland.

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

2.2.1 The table below shows that the programme during the second quarter of 2016/17 has increased by £434k, therefore giving a revised capital programme of £8.292m. This increase is analysed over following two areas:

- Approvals since Q1 Finance Report – these are projects which have been approved by Members/Delegated Authority since the quarter 1 budget was reported. Further details of the approval can be found using the report numbers associated with the projects;
- Budget Carry Forward – these are projects that have been delayed and will continue in future years.

Portfolio	Project	Amount £000	Amount £000
<b>Approved Capital Programme (Q1 Finance Report: <u>133/2016</u>)</b>			<b>7,858</b>
<b>Approvals Since Q1</b>			
Places	Oakham Library/ Visions (Report <u>181/2016</u> )	460	
Places	Uppingham College (S106 – Signed Delegation Agreement between Director for Place – Development and Economy and the Portfolio Holder for Finance and Development)	74	
<b>Total Approvals Since Q1</b>			<b>534</b>
<b>Budget Carry Forward</b>			
Places	OEP – Solar (c/f to 2018/19 capital programme) 2.2.2	(100)	
<b>Total Budget Carry Forward</b>			<b>(100)</b>
<b>Total Adjustments to Capital Programme</b>			<b>434</b>
<b>Revised Capital Programme 2016/17</b>			<b>8,292</b>

2.2.2 The investment of solar at (OEP) is currently on hold due to capacity issues with the electricity sub station and has been postponed until 2018/19, by which time Western Power should have addressed the issues. The feasibility of the scheme will be reviewed before any works commence.

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

2.3.1 Appendix I includes a detailed breakdown of the capital projects and current forecast. Some highlights are given below.

2.3.2 Highways – Report 01/2016 detailed the Highways Capital Programme. Currently no delays are expected on any of the highways capital programme. The majority of capital works for street lighting, resurfacing, slurry sealing

and surface dressing is expected to be completed by the end of Q3. There is a predicted underspend of around £250k through design cost efficiencies and the rationalisation of working methods. A paper will be presented to Cabinet shortly to request the use of the underspend by bringing schemes forward from the future programmes.

- 2.3.3 Oakham Castle – following the update in the Quarter 1 report (133/2016) all works have been broadly completed.
- 2.3.4 Liquid Logic - The implementation process for the Case Management Transformation Programme (CMTP) is now complete as all of the four major Liquidlogic modules LAS (Adults), LCS (Children's), EHM (Early Help) and ContrOCC (Community Finance) have all been implemented and are being used. The project is expected to formally complete by December 2016.
- 2.3.5 Capital Allocation Project Board (CAPB) – These are a series of projects to improve the condition of schools within Rutland. The CAPB have approved a number of schemes that will be completed during 2016/17. This includes works to the following schools, all which are expected to be completed within year.

School Project	Budget (£000)	Details
Empingham CE Primary School	85	Works started in 2015/16 for safeguarding elements – Mechanical & Electrical (M&E) works Glazing, Barrier gate, replacement of roof lights, boundary fencing and front entrance lobby.
Exton CE Primary School	24	Scope has been agreed and specifications prepared. Includes electrical, mechanical and safeguarding works
Uppingham C of E Primary School	42	Some work completed in 2015/16. Further works to include roof repairs, mechanical and electrical replacements and fire doors
Cottesmore Primary School	76	Academy transfer preparation works – Funds to be transferred to school on completion of works – M&E, Drainage and perimeter fencing. This was agreed with the school when agreeing the lease.
North Luffenham	69	Scope being finalised – M&E, Soffit and Facia Replacements, External Exit Ramp, Timber Posts to footpath, replacement Disabled Harness and a Fire Exit door set.
Edith Weston	28	Academy transfer preparation works: Window Upgrades and M&E. This was agreed with the school when agreeing the lease.
Great Casterton C of E Primary	25	Upgrade to reception being scoped in addition to safeguarding works.
Oakham C of E Primary	20	A safeguarding issue has been identified at Oakham C of E Primary. Following an internal review it has been noted that the fence height needs to be increased.
Unallocated	78	Budget not yet allocated to a project.
<b>Total CAPB</b>	<b>447</b>	



- 2.3.6 Digital Rutland – Phase 1 of Digital Rutland was completed in 2015/16. Phase 2 of the project is expected to be completed by December 2016. A further Phase (Phase 3) and the options to deliver are currently under consideration and will be reported to cabinet shortly.
- 2.3.7 Oakham Enterprise Park (OEP) – for the Central Site Development (Phase 2) a direct tendering exercise is underway. A possible relocation to the cooking school has been investigated to reduce escalating costs on groundworks, a planning application is pending. The investment of solar at (OEP) is currently on hold (see para 2.2.2) as is the Phase 2 Investment in OEP. Variable market conditions have meant that a suitable investment opportunity has not yet materialised.

OEP Capital Project	2016/17 Budget (£000)	2017/18 Budget (£000)	2018/19 Budget (£000)	Total Project (£000)
Solar			100	100
Phase 2	500			500
Catering School	70			70
<b>Total OEP Capital Projects</b>				<b>670</b>

## 2.4 Unallocated projects – what are we planning?

- 2.4.1 Currently, the Council is holding capital funds that have not yet been committed to a project. A breakdown of held funds for this financial year is shown below.

Uncommitted Funding Held	Opening Balance 2016/17 £000	Expected receipts 2016/17 £000	Capital Financing 2016/17 £000	Un - committed Funding 2016/17 £000
Adult Social Care	(415)	0	190	(255)
Basic Needs	(1,457)	(1,047)	425	(2,079)
Capital Maintenance	(1,054)	(196)	441	(809)
Highways	(709)	(2,407)	2,189	(927)
Schools Targeted Capital	(149)	0	0	(149)
Miscellaneous	(78)	(1,671)	1,680	(68)
<b>Total</b>				<b>(4,256)</b>
Developer Contributions	(1,859)	(996)	398	(2,457)
Oakham North Agreement	(1,440)	(551)	257	(1,735)
Capital Receipts	(1,471)	(190)	806	(855)
<b>Total Uncommitted Funding Available</b>				<b>(9,303)</b>

- 2.4.2 The uncommitted amount in table 2.4.1 does not include the following capital

projects where commitment has been given but not official approval of amount. These include projects such as, those that have previously received the support of cabinet (e.g. the new primary school) and projects that had been identified within the council's short term finance plan. The following projects have been identified over the next two years as committed but not formally agreed.

- Schools maintenance – continuation of small projects such as those listed in 2.3.5;
- Integrated Transport Blocks – a list of schemes was previously presented to Cabinet but are linked to the future of Oakham town centre; and
- New Primary School – Council is supporting the Barleythorpe Primary Free school bid – amount yet undefined.

2.4.3 A more detailed forecast beyond 16/17 available funding will be presented as part of the 2017/18 budget setting process.

2.4.4 Typically, if Council wishes to use uncommitted funding, a report would need to be prepared for Cabinet/Council approval to add a new scheme to the capital programme. In order to simplify and expedite the process for small value projects (or where funds have specific conditions of use which means the Council has no choice) it is proposed that delegated authority is given to the Chief Executive in consultation with the relevant Portfolio Holder to fund projects up to £50k on condition that the funding is included within table in para 2.4.1.

### **3 MEDIUM TERM FINANCIAL PLAN (MTFP)**

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

3.1.1 The MTFP was updated as part of the budget setting process, then further updated in the outturn report (Report 109/2016) and adjusted again in the Quarter 1 Finance Report (133/2016). In the annual budget report (39/2016) it was explained that the MTFP is based on a number of assumptions in respect of inflation, pay inflation, funding, pension contributions, interest rates and business rates growth which, should they change, could have an adverse or positive impact on the MTFP.

3.1.2 In the past few months, there have been a number of important developments and events that could impact these assumptions including:

- The EU referendum and result
- The publication of a consultation paper on Business Rates Reform (100% Retention)
- A request from Government for evidence to support a Review of Local Government 'needs' (this is linked to 100% Retention)
- Business Rates Revaluation
- Progress on House building and New Homes Bonus

3.1.3 Section 151 Officers across the country are trying, as best they can, to work through what some of these issues might mean. There is still so much uncertainty that it is difficult to give a clear view – the MTFP therefore must be seen in this context. The following sections provide an update on and the potential consequences on the MTFP.

#### **3.2 Brexit update – what might the impact be?**

3.2.1 In Quarter 1, following the result of the referendum the Council reported that it was still too early to get a clear picture on what Brexit might mean for Rutland. This position has not changed as there is still uncertainty as to when the Government will trigger Article 50 of the Lisbon Treaty.

3.2.2 The Council was offered and has accepted a 4-year funding settlement from DCLG. There has still been no statement as to whether Brexit will alter the terms of this offer and the Council is awaiting confirmation of its final award. The Council still believes that the Autumn Statement will provide the first insight into whether the direction of travel for local government funding might change.

3.2.3 In terms of the economy, interest rates have reduced but are expected to increase at a slower rate than previous forecasts. The returns expected from investments was reduced in Q1 following forecasts received from Capita, the Council's Treasury advisors, and will be revisited again in advance of budget setting.

- 3.2.4 In August 2016 the Bank of England produced a report on Inflation. The Government has set the Bank's Monetary Policy Committee a target for the annual inflation rate of the Consumer Price Index of 2%. The Bank of England report includes the following commentary:
- 3.2.5 "Following the United Kingdom's vote to leave the European Union, the exchange rate has fallen and the outlook for growth in the short to medium term has weakened markedly. The fall in sterling is likely to push up on CPI inflation in the near term, hastening its return to the 2% target and probably causing it to rise above the target in the latter part of the MPC's forecast period, before the exchange rate effect dissipates thereafter".
- 3.2.6 As set out in the August *Inflation Report*, conditional on the package of measures undertaken by the Government including the cut [of 0.25%] in Bank Rate, the MPC expects that by the three-year forecast horizon unemployment will have begun to fall back and that much of the economy's spare capacity will have been re-absorbed, while inflation will be a little above the 2% target.
- 3.2.7 This message has been emphasized recently with the 'weak' pound likely to see inflation increasing in the year to September. The Council's MTFP assumes core inflation of 2% and given the analysis above is not intending to modify this assumption.
- 3.2.8 The Council continues to monitor the impact of Brexit and as more information is available this will be shared.

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

- 3.3.1 In October 2015, the Government announced that, by the end of this Parliament, local authorities will be able to keep 100 per cent of the business rates they raise locally. In order to ensure that the reforms are fiscally neutral, the main local government grants will be phased out and additional responsibilities will be devolved to local authorities.
- 3.3.2 Achieving these reforms will require a radical overhaul of the local government finance system. The Government has been consulting on various proposals (key questions were shared in the Quarter 1 report) and the Council has now submitted a formal response and is awaiting the next stage of consultation.
- 3.3.3 It is quite clear from attendance at Business Rates events, the minutes of Steering Group meetings (which are publicly available via the LGA website) and from discussion with other officers that there is still much to be debated and resolved. The "certainties" thus far are:
- local councils will take on some new responsibilities – there is still debate over which responsibilities but this will happen. The key argument is about the quantum of rates available. Councils believe the

quantum quoted is exaggerated and hence the risk is that duties are devolved which in the medium term are unaffordable;

- the funding allocation councils receive will be reassessed – this is discussed in 3.4;
- Councils will have some powers to modify reliefs and rate levels – this is very likely but the detail is still to be decided.

3.3.4 At this stage, no changes have been made to the MTFP.

## 3.4 Fair funding review – what might it mean?

3.4.1 Alongside the 2016/17 Local Government Finance Settlement, the Government announced the Fair Funding Review - a thorough review of what the needs assessment formula should be for local government funding.

3.4.2 The Government has published a call for evidence and asked local councils to contribute ideas and evidence to feed into this review. The Council has submitted a detailed response with the following key points:

- that it should be simple, as far as possible, for everyone to understand including the public, business ratepayers and practitioners;
- that it should be based on a definition of what “need” is across service areas – it is time that “need” is revisited. Taxpayers require visibility over how Councils are funded and for what. This is an important point that has been lost over time;
- there should be a clear understanding of what drives costs and this should be reflected in any formula. Adult social care is a very good example where key drivers of costs such as length of care provision, or complexity of cases are not reflected in the old formula;
- the Council is fundamentally against using spending per se as an indicator of need - previous patterns in spending may not necessarily be representative of the actual need to spend of local authorities and may reward councils that have made few savings, and/or inefficient and wasteful. On a per head basis, this Council is one of the lowest spending per head across all unitary councils. The assumption that high cost Councils have the highest need and should be funded to remain at the level does not hold true when higher cost councils have the potential to increase council tax to a level commensurate with Councils like ours; and
- one of the key aims of the fairer funding review should be to narrow the gap on council tax levels through fairer government funding distribution. Whilst accepting that Rutland may have less deprivation or social issues than say Doncaster, it does not feel right that those in a Band G property in Rutland are paying £200-£300 more than their counterparts in Doncaster.

- 3.4.3 Whilst the outcome of Fairer Funding review will not be implemented until later in the Parliament, the Councils view (based on comments made by DCLG representatives) is that there is unlikely to be significant changes to the formula. It is equally likely that the Government will continue to distribute funding based on relative resources so that Councils like Rutland with a high council tax level will continue to receive a smaller share of Government funding.

## 3.5 Business Rates Revaluation – what does this mean?

- 3.5.1 In September 2016 the Valuation Office Agency produced a new rating list for local business. The draft list sees the Rateable Value of Rutland increasing from £27.3m to £31.4m.
- 3.5.2 Whilst the increase in business valuations this year is very likely to result in local business paying more in business rates subject to transitional relief, the direct impact on the Councils revenues is minimal as the Government will try as far as is practicable, to ensure that the impact of the 2017 revaluation is neutralised in the rates retention scheme.
- 3.5.3 DCLG propose to make various adjustments to tariffs and top ups. As a proxy, DCLG proposes to adopt the change in gross rates payable before all reliefs and accounting adjustments between 31 March 2017 and 1 April 2017. Essentially, this is just the rateable value x small business multiplier for those 2 days.

## 3.6 School Funding – what changes are emerging?

- 3.6.1 The DfE have been consulting on proposals for a national funding formula for schools which was originally proposed to commence in 2017/18. The first stage of the consultation required Councils to confirm how the 2015/16 DSG was being allocated between Schools, Central School funding, High Needs and Early Years. The information supplied allowed the DfE to set a baseline for comparing future allocations.
- 3.6.2 Due to delays in consultation and to ensure that local authorities can start planning budgets for next year, proposals made in the first stage of the national funding formula consultation to create a new central schools block, allow local flexibility on the minimum funding guarantee (MFG) and to ringfence the schools block will not be implemented for 2017/18. This means that for 2017/18, it will be possible to move funds between the Schools block and the High Needs block. However, the baseline has been set based on the 2016/17 spend levels and therefore this would only be a one year solution to the high needs issues.
- 3.6.3 With regards to school funding, the DfE have confirmed that no local authority will see a reduction from their 2016/17 per pupil funding (adjusted to reflect the baseline figures) on the schools block allocation. Final allocations figures will be available in December on the basis of pupil

numbers recorded in the October census and local authorities will need to submit their completed proformas by no later than 20 January 2017.

3.6.4 The Council currently receives Education Services Grant (ESG) which is split into two elements:

- General Funding Rate (£77 per pupil) provided to local authorities to provide services to pupils in maintained schools only;
- Retained Duties Rate (£15 per pupil) provided to local authorities to support statutory duties that the authority has for all pupils (including those in academies).

3.6.5 The grant for Rutland in 2016/17 is £156k (£85k for Retained Duties and £71k for General Funding Rate) and currently sits in the General Fund. The DfE have announced that from September 2017 the General Funding Rate element of the ESG will cease and therefore, unless a recharge to maintained schools can be agreed or services provided reduced, the £71k will be a pressure on the revenue budget.

3.6.6 The Retained Duties element is being transferred into the DSG and being added to the schools block for 2017/18 before being transferred into the Central Schools Block in 2018/19. Local authorities will be able to recharge to the DSG costs associated with the statutory duties being provided to schools covered by this funding. However, the DfE have indicated that in future years, as responsibilities are removed from local authorities (e.g. school improvement), the funding to support these responsibilities will be reduced.

3.6.7 From 18/19 therefore to avoid a pressure the Council will have to either a) resize its education service or b) find additional income to contribute to costs.

## 3.7 Early Years funding – what does the new formula mean?

3.7.1 On 11th August 2016, the DfE started consultation on an Early Years National Funding Formula. The formula will allocate funding for the three- and four-year-old entitlement, both the existing universal 15 hour entitlement and the new 30 hour entitlement for working parents, on a formulaic basis for the first time. The formula will allocate funding to local authorities based on a calculated hourly rate whereas previously authorities were allocated funding based on a historic per pupil cost, the basis of which has been lost in time and is therefore unclear.

3.7.2 In 2016/17, the budget for 3&4 year old funding was set at £1,340,500 and centrally retained budgets at £104,500 to provide support and advice to providers. This has given Rutland a baseline of £1,445,000 as a benchmark for comparison with the proposed new funding formula. Rutland currently pays its early years providers an hourly rate of £4.60 and retains centrally 7.23% of total funding.

3.7.3 The proposed new national funding formula features 2 funding factors (a universal base rate and an additional needs factor) that determine the funding per child per hour that each authority will receive. An area cost adjustment (ACA), reflecting different costs of providing childcare in different areas of the country is then applied to both funding factors to give an overall funding rate for each authority. Out of this funding, local authorities will be limited to retaining centrally no more than 7% of funding in 2017/18 and no more than 5% thereafter.

3.7.4 Under the new funding formula, without any protections being applied, Rutland would only receive £3.81 per hour compared to the £4.98 it currently spends. There are two protections being proposed by the DfE as follows:

- A funding floor built into the formula that would ensure that local authorities would not see a reduction in its hourly rate of more than 10% against its 2016/17 baseline; and
- A cap on reductions in hourly rate funding to 5% in 2017/18 and 2018/19 (at which point the 10% funding floor will be reached and no further reduction is envisaged at this stage).

3.7.5 As the Government will phase in the changes, the Council will receive some protections in 2017/18 as shown in the table below. The table shows a comparison of funding that would be received based on the 2016/17 pupil numbers (excluding the increase in funding anticipated for the increase to 30 hours for working parents).

	<b>Current 2016/17 Budgets</b>	<b>Proposed 2017/18 allocations</b>	<b>Proposed 2018/19 allocations</b>	<b>Proposed 2019/20 allocations</b>
Hourly rate to LA	£4.98	£4.73	£4.48	£4.48
3&4 yr olds (PTE)	508.9	508.9	508.9	508.9
Total budget	£1,445,000	£1,371,955	£1,299,442	£1,299,442
Allocated to providers	£1,340,500	£1,275,918	£1,234,470	£1,234,470
Maximum held centrally	£104,500	£96,037	£64,972	£64,972
Hourly rate to providers	£4.60	£4.40	£4.25	£4.25

3.7.6 There are two key implications of the funding change:

- The Council will have less funding to pass on to providers who are already putting a case forward for a rate beyond the existing £4.60 per hour. This will put pressure on the Council's responsibility to ensure that all 3&4 year olds receive 15 hours of free provision as some providers are indicating that a reduction in hourly rate could see them pulling out of the scheme. This also comes at a time when the



Government wants to introduce up to 30 hours of free provision for working parents.

- The Council will be unable to retain sufficient funding to cover the cost of the services currently being provided to early years settings which means that if it continues to retain the same in-house service then the shortfall in cost will fall on the General Fund.

3.7.7 The proposed changes were discussed at Schools Forum on 22<sup>nd</sup> September. The Schools Forum is supportive of ensuring that the hourly rate paid to providers is kept as high as possible. Providers were indicating that if they were to offer the 30 hours from September then they will be losing money and will therefore have to carefully consider whether they can afford to do so.

## 3.8 Pension Fund – review of fund and results

3.8.1 The Government Actuary's Department (GAD) was appointed by DCLG to report under section 13 of the Public Service Pensions Act 2013 about LGPS funding reviews and employer contribution rates to check that they meet the aims of section 13. In particular, section 13 requires GAD to report on whether four main aims are achieved:

- Compliance. Whether the fund's valuation is in accordance with the scheme's regulations;
- Consistency. Whether the fund's valuation has been carried out in a way which is not inconsistent with the other fund valuations within the LGPS;
- Solvency. Whether the rate of employer contributions is set at an appropriate level to ensure the solvency of the pension fund, and
- Long term cost efficiency. Whether the rate of employer contributions is set at an appropriate level to ensure the long term cost-efficiency of the scheme, so far as relating to the pension fund.

3.8.2 Section 13 will apply for the first time to the 2016 round of fund valuations for the LGPS. It is expected that that report will be published in the Summer of 2018.

3.8.3 However, GAD was asked by DCLG to carry out a "dry run" section 13 report based on the 2013 round of fund valuations. The "dry run" report into the 2013 fund valuations has no statutory force but highlighted no issues for the Leicestershire Pension Fund which Rutland is a member of.

3.8.4 In respect of solvency, the assessment looks at various risks and the exposure of the Fund. Interesting points to note are as follows

- The Leicestershire Fund is still open to new members – a fund which is closed is closer to maturity leaving less scope to receive contributions

and make returns on them. Equally the risk of employers defaulting on contributions is seen as greater.

- The Leicestershire Fund only includes 5% of non-statutory members – those who work for organisation which do not have statutory backing or tax raising powers. This limits exposure of the fund should these organisations are not able to meet their statutory contributions. The change in average employer contribution rates as a % of payroll would be less than 1% in the Pension Fund.
- Should scheme assets fall by 15%, then average employer contribution rates as a % of payroll would increase on average by 3% - anything above 5% was seen as being “Amber”.
- Should liabilities increase by 10% then average employer contribution rates as a % of payroll would increase on average by 3% - anything above 5% was seen as being “Amber”.

3.8.5 In relation to cost efficiency, relative considerations include the investment required to achieve full funding and the implied deficit recovery period. In terms of the Leicestershire Fund:

- The required investment return rates to achieve full funding in 20 years' time is 5%. This is pretty typical with anything over 5% being seen as “Amber”.
- The implied deficit recovery period is 8 years. Any Fund with a recovery period of 20 years or more was classified as “Amber”.

3.8.6 The conclusion from the report is that the Leicestershire Fund did not hit any triggers that indicate any problems.

3.8.7 The actuarial valuation of the Leicestershire County Council Pension Fund is currently being carried out, based on the position of each employing body at 31st March 2016. One of the key outcomes of the valuation is the setting of employers' contribution rates for the three year period commencing 1st April 2017. The new rates will be announced in December.

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

3.9.1 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.

3.9.2 In February the Government began consultation on changes to the New Homes Bonus (NHB) scheme. Whilst consultation closed in mid-March,

there has been no announcement in respect of the results of consultation or what changes will be made. The MTFP assumes that the existing 6 year payment for every new home built or empty property returned to use will reduce to 4 years but the Council is awaiting final details of the revised scheme.

- 3.9.3 In terms of latest performance, the NHB allocation for 2017/18 is based on performance achieved between October 2015 and September 2016.

<b>New Homes Bonus (Council Tax Band)</b>	<b>Start position CTB1 Oct 2015</b>	<b>Actual CTB1 Oct 2016</b>	<b>Movement from base</b>
A	1,594	1,606	12
B	4,465	4,538	73
C	2,988	3,047	59
D	2,397	2,435	38
E	2,258	2,282	24
F	1,578	1,592	14
G	1,248	1,257	9
H	145	146	1
<b>Properties</b>	<b>16,673</b>	<b>16,903</b>	<b>230</b>
Empty Homes	179	183	(4)
Movement			226

- 3.9.4 The spread of the properties completed to date would provide the Council with £320k New Homes Bonus Funding (excluding any affordable homes element) this represents 98% of the budget for 2017/18 (£328k), which was adjusted at Q1 for the expected under performance.
- 3.9.5 The forward looking housing figures will be produced by the end of October and the revised figures will be used to update the position for future years as part of the budget setting process.

## 3.10 Other updates

- 3.10.1 The Council's budgeted position on Business Rates is £4.770m. The amount of rates budgeted comprises actual rates retained net of the levy (£112k, payable because the Council has achieved an actual outturn above its baseline) and tariff (£796k). The rates retained figure also includes compensation from DCLG (in the form of section 31 grants) for rates foregone due (c£337k) for implementation of Government policy e.g. small business rate relief. The current position is in line with budget. Any over/under performance against Business Rates will be paid in 2017/18, with the exception of Section 31 grants and any levy payable.
- 3.10.2 Council Tax represents 60% of the total income the Council receives, and even slight fluctuations can have a significant impact on the General Fund balance. For that reason the position on Council Tax is monitored closely. There are a variety of movements that can affect the **Council Tax Collection Fund Balance**, including additional Council Tax Support claims; fluctuations in the council tax base (e.g. number of properties the Council

bills); and write offs. The current projected surplus is £185k which would be paid in 2017/18 but this is not included in the current MTFP and will be updated as part of the budget setting process when housing numbers and the full picture on Council Tax is reviewed.

- 3.10.3 The Council put £50k into a **Discretionary Hardship Fund** to support those who need additional support paying their council tax. The latest position is shown below. Awards have been made for the full year in order to reduce administration of repeat claims where claimants circumstances are unlikely to change.

<b>Hardship Fund</b>	<b>2015/16 Outturn</b>	<b>Q1 Actual</b>	<b>Q2 Actual</b>
Number of applications	191	61	86
Number awarded	144	61	79
Number of appeals (won)	1	0	0
Value of awards (£000)	26	18	23
Budget remaining (£000)	24	32	27

## 4 FINANCIAL PERFORMANCE

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

- 4.1.1 The Council's aged debt position shows an increase in debts outstanding from the previous quarter. The long term debt position has increased due to late payments in relation to income due from one public sector organisation. The Assistant Director – Finance is in dialogue with the organisation to progress c100 outstanding invoices totalling £460k.

<b>Aged debt</b>	<b>Q4 2015/16 £000</b>	<b>Q1 £000</b>	<b>Q2 £000</b>
0-30 days	831	597	856
31-60 days	194	72	111
61-90 days	17	134	175
> 91 days	252	397	532
Deferred Payments	286	298	303
<b>Total</b>	<b>1,580</b>	<b>1,498</b>	<b>1,977</b>
<b>By Directorate</b>			
People	968	924	968
Places	344	535	941
Resources	268	39	68
<b>Total</b>	<b>1,580</b>	<b>1,498</b>	<b>1,977</b>
<b>By Recovery Rating</b>			
Red	32	68	85
Amber	237	463	622
Green	1,311	967	1,270
<b>Total</b>	<b>1,580</b>	<b>1,498</b>	<b>1,977</b>

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

- 4.2.1 In the second quarter, the Council's average interest rate received on investments has been 0.79% on an average investment balance of £30.535m which is a decrease from the average of 0.82% in quarter 1, the main reason is down to the decrease in interest rates as a result of Brexit.
- 4.2.2 The budgeted interest for 2016/17 is £220k. The Council is currently forecasting investment income at being £235k. The table overleaf shows the current investments held as at 30 September 2016.

Investment Number	Amount Invested	Interest Rate	Date Invested	Maturity Date	Number of Days
<b>Banks - UK</b>					
1	4,011,469	0.45%	120 Day Notice Account		
2	2,000,000	0.73%	06-Jun-16	06-Dec-16	183
3	2,000,000	0.60%	12-Sep-16	14-Mar-17	183
4	1,000,000	1.05%	30-Mar-16	29-Mar-17	364
5	1,000,000	1.05%	30-Mar-16	29-Mar-17	364
6	3,000,000	1.05%	01-Apr-16	31-Mar-17	364
7	2,000,000	1.05%	12-Apr-16	11-Apr-17	364
8	1,000,000	1.05%	13-Apr-16	12-Apr-17	364
9	2,000,000	0.97%	29-Apr-16	28-Apr-17	364
10	1,000,000	1.05%	27-Jul-16	26-Jul-17	364
11	1,000,000	1.05%	27-Jul-16	26-Jul-17	364
<b>Building Societies</b>					
12	1,000,000	0.73%	05-Apr-16	04-Oct-16	182
13	1,000,000	0.71%	03-May-16	03-Nov-16	184
14	1,000,000	0.71%	17-May-16	15-Nov-16	182
15	1,000,000	0.73%	24-May-16	24-Nov-16	184
16	1,000,000	0.75%	22-Jun-16	20-Dec-16	181
17	1,000,000	0.55%	08-Jul-16	10-Jan-17	186
18	1,000,000	0.60%	14-Jul-16	17-Jan-17	187
19	1,000,000	0.57%	02-Aug-16	02-Feb-17	184
<b>Money Market Funds</b>					
21	15,476	0.20%	Instant Access		
22	801,771	0.33%	Instant Access		
23	52,000	0.30%	Instant Access		
<b>Total</b>	<b>28,880,716</b>				

### 4.3 VAT Partial Exemption – are the Council within the 5% Limit?

- 4.3.1 The Council makes a number of supplies that have different VAT liabilities. There are taxable supplies which have VAT charged at the zero, reduced (5%) or standard rate (20%). Also, there are non-business and exempt supplies on which no VAT is charged. The VAT that we charge to our customers on our supplies is referred to as output tax. Rutland County Council also incurs VAT on the purchases that we make, which is referred to as input tax. Output tax is paid to HM Revenue and Customs (HMRC) and input tax is claimed back from them under certain rules.
- 4.3.2 HMRC require local authorities to complete the partial exemption calculation every year to show how much of the input tax that they have claimed back in the year relates to the exempt supplies they have made. There is a de-minimis limit set, whereby if the amount of input tax that relates to making

exempt supplies is below that, you are entitled to keep that exempt input tax (which has already been reclaimed during the year). However, if you exceed that limit, all input tax that has been reclaimed in relation to exempt supplies would have to be repaid to HMRC. The de-minimis limit is 5% of the total input tax that was reclaimed in the year. The calculation must be completed by the end of October each year so that any amounts that are to be repaid to HMRC are declared on the September VAT return (which must be submitted by 31st October).

4.3.3 The calculation for 2015/16 showed the Council's exempt input VAT to be 4.47%. This is very close to the 5% limit, this meant that £20,000 of extra VAT relating to exempt supplies would have put the Council over the limit and for 2015/16 resulting in the Council having to repay HMRC a minimum of £163,000. The figure for 2014/15 was 3.45%. The main reason behind the increase in percentage is down to the Council VAT incurred has reduced by £100k and an increase of £22k of VAT in relation to Adult Learning (all of which is an exempt supply).

4.3.4 Due to the calculation being so close to the 5% limit we have also include details of the partial exemption calculation as at 30<sup>th</sup> September 2016 to monitor any further increases. There are steps Finance are taking to reduce the risk of future re-payment including:

- looking at changing the methodology in some of the calculations to reflect changes in delivery models across the Council; and
- regular monitoring of the position and transactions within the exempt supplies to see if they are all valid.

4.3.5 The expectation is that these changes will increase the head room from the £19,342 of 2015/16 and reduce the exempt percentage to closer to 2014/15 levels

4.3.6 The partial exemption calculation for 2015/16 and 2016/17 (as at Q2) are shown in the table below.

<b>VAT Partial Exemption</b>	<b>2015/16 £000</b>	<b>2016/17(Q2) £000</b>
Total Input VAT (a)	3,656	1,675
5% Limit (b = a x 5%)	183	84
Total amount of exempt VAT reclaimed	163	79
Percentage used	4.47%	4.70%
Headroom (VAT)	20	5

## Appendix B. Approved Budget Changes

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

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

Description	Source of Funding	Net Cost of Services £000	Capital Financing £000	Funding £000	Transfer to/(from) Reserves £000	Spend on Capital £'000	(Surplus)/ Deficit £000	Cabinet* £500k Limit £000	Cabinet Other £000	Council £000	Ch Exec. s151 Officer £000
<b>Changes already made</b>											
<b>Approved Budget (39/2016)</b>		<b>33,993</b>	<b>1,711</b>	<b>(35,963)</b>	<b>(553)</b>	<b>180</b>	<b>(632)</b>				
<b>Approved Budget at Q1 (133/2016)</b>		<b>34,807</b>	<b>1,711</b>	<b>(36,011)</b>	<b>(1,468)</b>	<b>186</b>	<b>(775)</b>	<b>0</b>	<b>1,000</b>	<b>0</b>	<b>117</b>
Development of Local Plan (133/2016) (i)	ER	14			(14)		0		14		
Welland Market Towns (133/2016) (ii)	ER	19			(19)		0		19		
		<b>34,840</b>	<b>1,711</b>	<b>(36,011)</b>	<b>(1,501)</b>	<b>186</b>	<b>(775)</b>	<b>0</b>	<b>1,033</b>	<b>0</b>	<b>117</b>
<b>Changes Awaiting Approval</b>											
Project Sunshine Training Development (iii)	ER	10			(10)		0		10		
Fostering & Adoption (iv)	ER	57			(57)		0		57		
Internal Audit Reserve (v)	ER	35			(35)		0		35		



Description	Source of Funding	Net Cost of Services £000	Capital Financing £000	Funding £000	Transfer to/(from) Reserves £000	Spend on Capital £'000	(Surplus)/ Deficit £000	Cabinet* £500k Limit £000	Cabinet Other £000	Council £000	Ch Exec. s151 Officer £000
Legal Fees for Planning (vi)	ER	80			(80)		0		80		
Sustainable Drainage (vii)	ER	2			(2)		0		2		
S106 Monitoring (viii)	ER	15			(15)		0		15		
		<b>35,039</b>	<b>1,711</b>	<b>(36,011)</b>	<b>(1,700)</b>	<b>186</b>	<b>(775)</b>	<b>0</b>	<b>1,232</b>	<b>0</b>	<b>117</b>

- (i) At Q1, Members approved the use of £14k of the Planning Delivery Grant reserve to support the development on the Local Plan.
- (ii) At Q1, Members approved the transfer of £19k from the Budget Carry Forward reserve to be distributed to the Welland Market Towns in Q2.
- (iii) As part of Project Sunshine, a requirement for training development has been identified and approval is being sought to fund this from the Training Reserve.
- (iv) Fostering & Adoption function within People Directorate is forecasting a significant overspend and therefore approval is being sought to use the balance of the Adoption Reform Grant reserve to part fund it.
- (v) Cabinet have approved the delegation of Internal Audit to LGSS. This will require the Internal Audit reserve to be redistributed to the existing Welland Partners.
- (vi) The Council has incurred legal costs associated with a planning claim and approval is being sought to transfer £80k from the Insurance and Legal Reserve to meet these costs.
- (vii) Within the Highways Reserve is funding received from Government for Sustainable Drainage Schemes and approval is being sought to use £2k of this reserve.
- (viii) Within the Budget Carry Forward Reserve is £15k for S106 monitoring and approval is being sought to use this reserve to support S106/CIL monitoring in 2016/17.

## Appendix C. Reconciliation of Directorate budgets

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

	Approved Budget 2016/17 £'000	Local Plan £000 (i)	Welland Market Towns £000 (i)	Budget After Q1 £000	Project Sunshine £000 (ii)	Fostering & Adoption £000 (ii)	Internal Audit £000 (ii)	S106 Monitoring £000 (ii)	Sustainable Drainage £000 (ii)	Legal Fees £000 (ii)	Budget At Q2 2016/17 £000
People	16,424			16,424		57					16,481
Places	12,524	14	19	12,558				15	2		12,575
Resources	5,743			5,743	10		35			80	5,868
Pay Inflation	0			0							0
Contract Inflation	150			150							150
Fire Authority	0			0							0
Social Care Contingency	200			200							200
People First Savings	(235)			(235)							(235)
<b>Net Cost of Services</b>	<b>34,807</b>	<b>14</b>	<b>19</b>	<b>34,840</b>	<b>10</b>	<b>57</b>	<b>35</b>	<b>15</b>	<b>2</b>	<b>80</b>	<b>35,039</b>

- (i) The use of earmarked reserves to fund the Local Plan and Welland Market Towns were approved as part of the Q1 Financial Management Report (133/2016)
- (ii) Approval is being sought as part of the Q2 Financial Monitoring Report for transfers from reserves for various reasons, See Appendix B note (iii) to (viii)

## Appendix D. Virements

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

Function	Current Ceiling	Revised	Movement	Reason
Drainage & Structures	£147,100	£191,100	£44,000	Virement required to fund additional drainage works identified to alleviate flooding issues
Road Maintenance	£927,500	£883,500	(£44,000)	

## Appendix E. People Budget Monitoring Summary

Function	Outturn 2015/16	Budget	Revised Budget	Q1 Forecast	Q2 Forecast	Variance
Directorate Management Costs	1,817,667	1,472,400	1,622,400	1,786,700	1,850,500	228,100
Savings	0	(50,000)	(50,000)	(157,000)	(157,000)	(107,000)
<b>Total Directorate Costs</b>	<b>1,817,667</b>	<b>1,422,400</b>	<b>1,572,400</b>	<b>1,629,700</b>	<b>1,693,500</b>	<b>121,100</b>
Public Health	143,900	210,000	210,000	149,500	137,000	( 73,000)
BCF Programme Support	37,320	85,200	85,200	85,200	85,200	0
BCF Community Prevention	182,263	217,000	217,000	217,000	217,000	0
BCF Supporting Independence	1,351,326	1,634,000	1,634,000	1,634,000	1,610,400	(23,600)
BCF Adult Social Care	158,498	325,000	325,000	325,000	296,000	(29,000)
<b>Adults and Health (Ringfenced)</b>	<b>1,873,306</b>	<b>2,471,200</b>	<b>2,471,200</b>	<b>2,410,700</b>	<b>2,345,600</b>	<b>(125,600)</b>
Non BCF Contract and Procurement	524,586	620,500	642,600	656,800	658,300	15,700
ASC Community Inclusion	576,246	648,700	658,600	689,500	708,300	49,700
ASC Prevention and Safeguarding	265,967	269,600	163,600	139,800	125,800	(37,800)
ASC Prevention and Safeguarding - Staffing	463,185	471,600	476,400	477,000	461,100	(15,300)
ASC Support and Review - Daycare	157,986	179,300	198,300	170,900	173,400	(24,900)
ASC Support and Review – Direct Payments	497,300	531,600	657,800	673,100	579,000	(78,800)
ASC Support and Review – Homecare	958,459	1,007,000	1,129,800	1,140,600	1,169,900	40,100
ASC Support and Review – Other	308,425	350,400	418,400	402,400	338,100	(80,300)
ASC Support and Review – Residential & Nursing	2,808,207	2,953,600	2,720,600	2,712,500	2,700,000	(20,600)
ASC Support and Review – Staffing	529,128	607,100	612,400	605,400	588,900	(23,500)
ASC Hospital and Reablement	272,563	415,600	421,900	402,700	433,900	12,000
<b>Adults and Health (Non Ringfenced)</b>	<b>7,362,052</b>	<b>8,055,000</b>	<b>8,100,400</b>	<b>8,070,700</b>	<b>7,936,700</b>	<b>(163,700)</b>
Safeguarding	160,432	177,700	152,600	163,100	136,600	(16,000)
Childrens Duty Social Care	457,305	229,700	231,300	326,000	277,000	45,700
Long Term Childrens Social Care	567,373	596,300	670,100	621,000	666,900	(3,200)

<b>Function</b>	<b>Outturn 2015/16</b>	<b>Budget</b>	<b>Revised Budget</b>	<b>Q1 Forecast</b>	<b>Q2 Forecast</b>	<b>Variance</b>
Early Intervention – Targeted Intervention	864,046	898,500	902,700	944,600	1,134,500	231,800
Early Intervention – Universal and Partnership	360,845	433,800	435,800	405,800	396,600	(39,200)
Fostering and Adoption	1,215,718	1,179,100	1,192,100	1,438,600	1,580,000	387,900
<b>Childrens</b>	<b>3,625,718</b>	<b>3,515,100</b>	<b>3,584,600</b>	<b>3,899,100</b>	<b>4,191,600</b>	<b>607,000</b>
Schools and Early Years	863,357	651,400	742,200	724,700	742,000	(200)
Rutland Adult Learning and Skills Service (RALSS)	12,372	7,200	10,500	(20,200)	(13,000)	(23,500)
<b>Learning and Skills</b>	<b>875,730</b>	<b>658,600</b>	<b>752,700</b>	<b>704,500</b>	<b>729,000</b>	<b>(23,700)</b>
<b>Total People - GF (Ringfenced)</b>	<b>1,873,306</b>	<b>2,471,200</b>	<b>2,471,200</b>	<b>2,410,700</b>	<b>2,345,600</b>	<b>(125,600)</b>
<b>Total People - GF (Non Ringfenced)</b>	<b>13,681,167</b>	<b>13,651,100</b>	<b>14,010,100</b>	<b>14,304,000</b>	<b>14,550,800</b>	<b>540,700</b>
<b>Total People – GF</b>	<b>15,554,473</b>	<b>16,122,300</b>	<b>16,481,300</b>	<b>16,714,700</b>	<b>16,896,400</b>	<b>415,100</b>
Schools Dedicated Schools Grant (DSG)	226,546	0	0	436,600	201,300	201,300
<b>Total People (Including DSG)</b>	<b>15,781,018</b>	<b>16,122,300</b>	<b>16,481,300</b>	<b>17,151,300</b>	<b>17,097,700</b>	<b>616,400</b>

## Appendix F. Places Budget Monitoring Summary

Function	Outturn 2015/16	Budget 2016/17	Revised Budget	Q1 Forecast	Q2 Forecast	Variance
Directorate Management Costs	187,828	187,800	190,200	193,000	193,000	2,800
Development Control	(80,628)	210,100	215,200	166,300	175,100	(40,100)
Drainage & Structures	164,550	122,100	193,100	150,500	193,800	700
Emergency Planning	28,191	29,100	29,100	28,100	28,100	(1,000)
Environmental Maintenance	1,183,778	1,140,400	1,117,100	1,152,100	1,156,700	39,600
Forestry Maintenance	106,289	128,700	128,700	128,600	128,700	0
Highways Capital Charges	1,158,600	1,332,300	1,332,300	1,332,300	1,332,300	0
Highways Management	162,499	227,000	228,000	153,300	136,600	(91,400)
Home to School Transport	1,320,901	1,343,900	1,347,200	1,321,400	1,293,200	(54,000)
Lights Barriers Traffic Signals	269,102	271,200	271,200	248,600	267,400	(3,800)
Parking	(285,050)	(230,900)	(230,100)	(230,300)	(246,600)	(16,500)
Pool Cars & Car Hire	89,325	94,400	94,400	94,400	98,600	4,200
Public Protection	375,238	397,900	421,200	402,500	401,600	(19,600)
Public Rights of Way	111,956	119,700	108,000	98,500	105,700	(2,300)
Public Transport	804,019	819,200	819,200	792,700	827,400	8,200
Road Maintenance	1,038,174	927,500	883,500	927,500	883,500	0
Transport Management	412,821	382,000	464,300	382,800	437,700	(26,600)
Waste Management	2,226,556	2,124,900	2,124,900	2,325,900	2,384,700	259,800
Winter Maintenance	213,353	267,500	267,500	267,500	267,500	0
Crime Prevention	151,309	152,100	152,100	152,100	136,600	(15,500)
<b>Environment, Planning and Transport</b>	<b>9,450,983</b>	<b>9,859,100</b>	<b>9,966,900</b>	<b>9,894,800</b>	<b>10,008,600</b>	<b>41,700</b>

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Function	Outturn 2015/16	Budget 2016/17	Revised Budget	Q1 Forecast	Q2 Forecast	Variance
Planning Policy	397,233	356,500	289,300	286,700	297,800	8,500
Housing	88,305	108,400	232,000	220,000	218,800	(13,200)
Tourism	19,376	13,900	14,100	15,400	14,700	600
Health & Safety	35,144	37,000	37,400	37,400	37,400	0
Property Services	901,339	955,800	963,100	953,400	938,600	(24,500)
Building Control	3,944	(47,100)	(47,100)	(47,100)	(46,100)	1,000
Commercial & Industrial Properties	(143,690)	(212,900)	(212,000)	(142,500)	(161,000)	51,000
Economic Development	98,936	146,400	214,000	171,600	178,100	(35,900)
Culture & Registration Services	83,949	78,100	85,500	87,100	77,300	(8,200)
Libraries	425,397	444,500	448,000	450,300	434,000	(14,000)
Museum Services	340,572	358,600	360,500	356,100	366,000	5,500
Sports & Leisure Services	13,901	32,100	33,300	41,100	36,800	3,500
<b>Development and Economy</b>	<b>2,264,406</b>	<b>2,271,300</b>	<b>2,418,100</b>	<b>2,429,500</b>	<b>2,392,400</b>	<b>(25,700)</b>
<b>Total Places</b>	<b>11,903,217</b>	<b>12,318,200</b>	<b>12,575,200</b>	<b>12,517,300</b>	<b>12,594,000</b>	<b>18,800</b>

## Appendix G. Resources Budget Monitoring Summary

Function	Outturn 2015/16	Budget 2016/17	Revised Budget	Q1 Forecast	Q2 Forecast	Variance
Chief Executives Office	268,254	263,400	332,400	282,400	282,400	(50,000)
Directorate Management Costs	194,488	170,500	231,300	259,100	259,200	27,900
Corporate Costs	145,190	158,800	158,800	159,000	157,000	(1,800)
Pensions	221,692	220,000	220,000	217,200	219,200	(800)
Audit Services	134,610	160,000	196,700	160,900	183,200	(13,500)
Insurance	195,912	210,300	210,300	208,700	208,700	(1,600)
Accountancy & Finance	643,150	624,700	651,600	635,100	635,800	(15,800)
Information Technology	1,093,082	1,229,900	1,396,400	1,386,400	1,402,900	6,500
Corporate Support Services	772,678	515,800	593,900	558,700	557,900	(36,000)
Members Services	189,222	206,700	206,700	206,700	201,500	(5,200)
Customer Services Team	202,098	230,400	247,500	247,500	217,300	(30,200)
Elections	16,064	16,900	36,900	17,300	7,500	(29,400)
Legal & Governance	368,659	354,400	436,800	352,900	433,200	(3,600)
Human Resources	428,154	426,200	438,500	448,600	453,200	14,700
Revenues & Benefits	265,842	383,700	435,000	417,500	402,100	(32,900)
Financial Support	27,214	75,000	75,000	35,000	44,700	(30,300)
<b>Total Resources</b>	<b>5,166,309</b>	<b>5,246,700</b>	<b>5,867,800</b>	<b>5,593,000</b>	<b>5,665,800</b>	<b>(202,000)</b>



## Appendix H. Adverse variances over £50k

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

Reference	H1
Directorate	People
Function	Fostering and Adoption
Budget	£1,192,100 (including £57k Adoption reform reserve)
Forecast	£1,580,000
Amount requested	£57,000
Source of funding requested	Adoption Reform Earmarked Reserve
Rationale	In order to maintain transparency it is not proposed that the budget is altered for 2016/17 (except for the use of the earmarked reserve) but is revisited as part of 2017/18 budget setting process.
Explain why existing budget can/cannot accommodate cost	<p>The over spend is entirely attributable to the cost of care placements and the increased numbers of children who came into care during the last quarter of 2015/16. Also there is ongoing need for some specialist placements (such as residential and specialist respite) beyond that originally anticipated.</p> <p>The existing budget which was set on a caseload and mix which prior to 2015/16 was sufficient funding to support:</p> <ul style="list-style-type: none"> <li>• 15 weeks of care in residential placements;</li> <li>• 3 children in Independent Fostering Agency (IFA) placements;</li> <li>• 20 children in in house placements.</li> </ul> <p>The Council started the financial year with 40 looked after children, this was reduced to 38 by June and has since then been reduced to 34 and has then remained at this level until recently.</p> <p>In 2015/16, a short term (6 months) high cost residential placement was agreed. Whilst this placement is not suitable or appropriate in the long term, it has not been possible to find a suitable foster placement as an alternative and therefore the residential placement has continued (currently in its 10th month and likely to continue for at least</p>

another 3 months) beyond that originally anticipated (increase in forecast of £104k). A suitable alternative placement is still being investigated.

We have within this quarter additional safeguarding for a large family group which has increased our number in care by 14%. This has increased the forecast spend for the remainder of the year by approx. £36k.

Reference	H2
Directorate	People
Function	Early Intervention - Targeted
Budget	£902,700
Forecast	£1,134,500
Amount requested	N/A
Source of funding requested	N/A
Rationale	In order to maintain transparency it is not proposed that the budget is altered for 2016/17 but is revisited as part of 2017/18 budget setting.
explain why existing budget can/cannot accommodate cost	<p>The Children With Disabilities (CWD) service has additional pressures with the need to meet the costs of further specialist placement provision for children with disabilities.</p> <p>The service is a statutory demand led function and the response provided by the Council is based on a detailed assessment of need, this can be a Children in Need (CiN) assessment and/or an Education Health and Care (EHC) assessment. Future demand and level of funding required remains unknown and projections are based on existing known children.</p> <p>Pressures have developed in year due to two new children assessed as needing social care support and requiring specialist placements, one of which moved in County.</p> <p>However, as the cost of the placement cannot be met by the Dedicated Schools Grant (DSG) in full, the social care aspects of the placement requires funding by the People Directorate, CWD has been identified as the correct general fund budget for these costs</p>

Reference	H3
Directorate	People
Function	Directorate Senior Management Costs
Budget	£1,622,400
Forecast	£1,850,500
Amount requested	N/A
Source of funding requested	N/A
Rationale	In order to maintain transparency it is not proposed that the budget is altered for 2016/17.
Please explain why existing directorate budget can/cannot accommodate cost	<p>This budget covers costs associated with the senior management team for the People Directorate including the Director, Assistant Director, Heads of Service and team manager salaries.</p> <p>At the start of the year, the People Directorate had two vacant Head of Service positions (Head of Safeguarding and Head of Learning and Skills). Both of these positions have now been successfully recruited with one postholder commencing in September and the other due to start before Christmas. The forecast has been changed to reflect this position and includes recruitment costs of £70k.</p> <p>There are two long term sick team managers being covered by interim arrangements at additional cost. There are also a number of vacancies at team manager level across children's services – safeguarding, children's social care, and lifelong learning. These vacancies are currently being covered by Interim managers. The role of fostering team manager was removed from the 16/17 structure in line with planned changes to the fostering service which has not transpired. This post is therefore being covered by an interim causing a further budget pressure as the post is unbudgeted.</p> <p>Budget forecasts for team managers includes predictions of ending three interim contracts in December 2016, and a further one in January 2017.</p> <p>All posts are critical statutory posts and must be covered. A new recruitment drive has been commenced and the current forecasts are based upon this new drive being successful and new employees starting by the dates detailed.</p> <p>If this is not successful, then the forecast will need to be revised upward and will result in a further pressure on this budget.</p>

Reference	H4
Directorate	Places
Function	Waste Management
Budget	£2,124,900
Forecast	£2,384,700
Amount requested	£Nil
Source of funding requested	N/A
Rationale	In order to maintain transparency it is not proposed that the budget is altered for 2016/17.
Explain why existing budget can/cannot accommodate cost	<p>The service budget set for 2016/17 allowed for 2% inflation and a further £150k was set aside in a contingency for contract inflation. The service budget did not directly take into account continuing adverse pricing changes or potential increases in tonnages over and above those anticipated due to housing growth.</p> <p>At Q4 and Q1 it was reported that there was likely to be a £200k over spend in 16/17 based on:</p> <ul style="list-style-type: none"> <li>• Known changes in pricing/rates for Dry Mixed Recycling and Green Waste, including Dry Mixed Recycling moving from generating an income to incurring a cost; and</li> <li>• Some increases in waste tonnages in the latter part of 2015/16.</li> </ul> <p>The latest data for April to August 2016 indicates some continued increases in waste. Detailed analysis compared with the same months in 2015, indicates:</p> <ul style="list-style-type: none"> <li>• An increase of approx. 600tonnes (20%) of Green Waste, at a cost of £19.85 per tonne.</li> <li>• An increase of approx. 380tonnes (13%) of Residual Waste, at a cost of £89.97 per tonne.</li> </ul> <p>The most significant change though, is Dry Mixed Recycling treatment now being a cost, at c £10/t in quarter 1 and c£15/t in quarter 2, compared with a budgeted income generation of approx. £20/t. This accounts for £141k of the forecasted overspend.</p> <p>In addition, Quarter 2 has seen a continued increase in compactor and container repairs and maintenance costs at the Civic Amenity Sites, resulting in c£21k of the forecasted overspend.</p> <p>The remainder of the overspend relates to £24k additional green waste tonnage, £35k additional residual tonnage, on £11k loss of</p>

	<p>recycling income on glass, wood and other recyclables. The remainder of the budget overspend relates to adverse price changes across a number of the 33 different waste streams.</p> <p>As a result, at Quarter 2, the Waste Management functional budget is forecast to be £259,800 overspent. Management continue to review ways in which waste generation can be minimised.</p>
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Reference	H5
Directorate	Places
Function	Commercial & Industrial Properties
Budget	(£212,900)
Forecast	(£161,000)
Amount requested	£Nil
Source of funding requested	N/A
Rationale	In order to maintain transparency it is not proposed that the budget is altered for 2016/17.
Please explain why existing directorate budget can/cannot accommodate cost	<p>This overspend is being driven by the need to undertake certain works to ensure assets are compliant with building regulations at Oakham Enterprise Park (OEP). Failure to undertake these works will lead to a situation where certain assets cannot be let and therefore have an impact on the anticipated revenue stream. These works included site wide fire compliance works (improve road access, installation of water tanks, additional fire hydrants and re-commissioning of the fire main) and specific works to units e.g. fire alarms, razor wire removal etc.</p> <p>The forecast has improved since Q1 as a result of lower than anticipated utility bills.</p> <p>This expenditure should be viewed as 'spend to save' as these works will improve the overall income levels from OEP over the short and medium term.</p>

## Appendix I. Detailed Capital Programme

Directorate	Project Description	Total Project Budget	Total Project Expenditure	Variance	Total Budget 2016/17	Committed Expenditure	Estimated Outturn	Variance 2016/17
People	Devolved Formula	32,000	32,000	0	32,000	15,982	32,000	0
People	Disabled Facilities Grants	195,300	195,300	0	195,300	53,661	195,300	0
People	Autism Innovation	18,500	18,179	(321)	3,500	0	3,500	0
People	ASC System Replace	590,000	589,978	(22)	344,900	302,429	344,900	0
People	Special Guardianship	60,000	60,000	0	5,789	5,789	5,789	0
<b>Total People Capital Programme</b>		<b>895,800</b>	<b>895,457</b>	<b>(343)</b>	<b>581,489</b>	<b>377,860</b>	<b>581,489</b>	<b>0</b>
Places	Digital Rutland	2,670,000	2,670,233	233	1,470,200	0	1,470,200	0
Places	Oakham Enterprise Park	670,000	670,000	0	570,000	670	570,000	0
Places	Uppingham College	74,000	74,000	0	74,000	0	74,000	0
Places	Capital Allocation Project Board	480,550	483,254	2,704	446,950	107,722	446,950	0
5 Places	CAPB-Increase Capacity	132,580	132,580	0	25,000	16,002	25,000	0
Places	Highways 2016/17	2,489,500	2,489,500	0	2,489,500	1,106,687	2,489,500	0
Places	Highways Capital Project	41,400	40,566	(834)	36,500	22,035	36,500	0
Places	Integrated Transport Block	85,000	84,975	(25)	83,000	79,327	83,000	0
Places	Active Rutland Hub	769,000	768,476	(524)	4,000	0	4,000	0
Places	Sports Grants	500,000	499,914	(86)	202,500	21,000	202,500	0
Places	Oakham Castle Restoration	2,400,100	2,400,096	(4)	1,583,700	766,421	1,583,700	0
Places	Oakham Library	680,000	680,000	0	680,000	11,527	680,000	0
<b>Total Places Capital Programme</b>		<b>10,992,130</b>	<b>10,993,54</b>	<b>1,464</b>	<b>7,665,350</b>	<b>2,131,391</b>	<b>7,665,349</b>	<b>0</b>
Resources	Agresso Upgrade	45,000	45,000	0	45,000	0	45,000	0
<b>Total Resources Capital Programme</b>		<b>45,000</b>	<b>45,000</b>	<b>0</b>	<b>45,000</b>	<b>0</b>	<b>45,000</b>	<b>0</b>
<b>Total Capital Programme</b>		<b>11,932,930</b>	<b>11,934,051</b>	<b>1,121</b>	<b>8,291,839</b>	<b>2,509,251</b>	<b>8,291,838</b>	<b>0</b>



## Appendix J. Medium Term Financial Plan

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

Ref		2015/16	2016/17	2016/17	2017/18	2018/19	2019/20	2020/21
		Q4 Outturn	Proposed	Q2 Forecast	Proposed	Proposed	Proposed	Proposed
		£	£	£	£	£	£	£
1,2,3,19	People	15,554,500	16,481,300	16,896,400	16,041,200	16,601,500	16,912,100	17,325,900
1,2,3,19	Places	11,903,200	12,575,200	12,594,000	12,634,600	12,888,500	13,171,200	13,445,600
1,2,3,19	Resources	5,166,300	5,867,800	5,665,800	5,583,200	5,696,300	5,810,800	5,917,300
4	Pay Inflation Contingency	0	0	0	308,200	716,300	1,146,500	1,588,600
5	Contract Inflation		150,000	0	153,000	156,100	159,200	162,400
6	Adult Social Care Contingency	0	200,000	0	200,000	200,000	200,000	200,000
	People First Savings	0	(234,800)	0	(512,800)	(612,800)	(612,800)	(612,800)
	<b>Net Cost of Services</b>	<b>32,624,000</b>	<b>35,039,500</b>	<b>35,156,200</b>	<b>34,407,400</b>	<b>35,645,900</b>	<b>36,787,000</b>	<b>38,027,000</b>
7	Capital Financing	1,897,000	1,930,601	1,930,601	1,904,945	1,881,825	1,858,890	1,836,103
8	Interest Receivable	(254,000)	(220,000)	(23,500)	(180,000)	(210,000)	(170,000)	(155,000)
	<b>Net spending</b>	<b>34,267,000</b>	<b>36,750,101</b>	<b>36,851,801</b>	<b>36,132,345</b>	<b>37,317,725</b>	<b>38,475,890</b>	<b>39,708,103</b>
	Resources							
15/18	Other Income	(576,604)	(272,500)	(296,513)	(101,800)	(50,900)	0	0
13	New Homes Bonus	(808,606)	(1,230,055)	(1,230,024)	(1,174,255)	(1,461,755)	(1,563,417)	(1,385,200)
17	Better Care Fund	(2,046,000)	(2,061,200)	(2,061,200)	(2,061,200)	(2,061,200)	(2,061,200)	(2,061,200)
14	Social Care In Prisons	(294,198)	(70,138)	(54,128)	(70,138)	(70,138)	(70,138)	(70,138)
16	Rural Delivey Grant		(843,258)	(843,258)	(680,891)	(523,763)	(680,891)	(680,891)
23	Transition Grant		(339,932)	(339,932)	(336,573)	0	0	0
	Council tax freeze grant	(218,634)	0	0	0	0	0	0
9	Revenue Support Grant	(4,060,409)	(2,353,919)	(2,353,919)	(888,716)	30,692	958,318	958,318
10	Retained Business Rates Funding	(4,221,300)	(4,770,200)	(4,770,200)	(4,677,800)	(4,790,200)	(4,969,600)	(5,162,300)
12	Council Tax	(20,685,300)	(21,502,700)	(21,502,700)	(22,234,300)	(22,907,100)	(23,572,400)	(24,255,300)
11	Adult Social Care Precept		(421,700)	(421,700)	(857,600)	(1,306,700)	(1,768,900)	(2,244,500)
21	Collection fund surplus		(248,000)	(248,000)	0	0	0	0
22	Capital met from Direct Revenue	244,200	186,000	186,000	0	0	0	0
20	Transfers to/from earmarked reserves	(214,000)	(1,700,600)	(1,446,000)	(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)	(1,897,000)
	<b>(Surplus)/Deficit for year</b>	<b>(468,751)</b>	<b>(775,101)</b>	<b>(426,773)</b>	<b>1,027,272</b>	<b>2,154,861</b>	<b>2,772,062</b>	<b>2,831,292</b>
	<b>Balance brought forward</b>	<b>(9,675,000)</b>	<b>(10,143,751)</b>	<b>(10,143,751)</b>	<b>(10,570,524)</b>	<b>(9,543,252)</b>	<b>(7,388,390)</b>	<b>(4,616,328)</b>
	<b>Balance carried forward</b>	<b>(10,143,751)</b>	<b>(10,918,852)</b>	<b>(10,570,524)</b>	<b>(9,543,252)</b>	<b>(7,388,390)</b>	<b>(4,616,328)</b>	<b>(1,785,036)</b>
	New Homes Bonus (2 Years at Risk)				(251,900)	(265,900)	(425,138)	(705,655)
	<b>Balance carried forward with NHB</b>	<b>(10,143,751)</b>	<b>(10,918,852)</b>	<b>(10,570,524)</b>	<b>(9,795,152)</b>	<b>(7,906,190)</b>	<b>(5,559,266)</b>	<b>(3,433,628)</b>

Ref	Expenditure /Funding	Assumptions/Commentary
1	Directorate Costs	<p>Directorate costs for 2017/18 assume 2016/17 as a starting point and build in inflation and any changes to National Insurance contributions.</p> <p>Inflation is built into the MTFP to cover potential cost increases. The level of inflation ranges from 8% for fuel (gas, electric etc.) to 2% for general inflation (supplies and services).</p>
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	<p>The capital financing charges are made up of 2 amounts;</p> <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.

Ref	Expenditure /Funding	Assumptions/Commentary
9	RSG	The 4-year settlement 'offer' figures from Government. The MTFP assumes that RSG reduces to £0 by 2019/20.
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 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 equivalents will increase by c80-90. An increase in local council tax support claims could dampen this growth but in 15/16 the number of claimants has reduced.
13	New Homes Bonus	<p>The MTFP uses projections from Planning on new homes and damping of 10%.</p> <p>The NHB scheme is under review. The MTFP assumes NHB payments will be received for 4 years starting from 2017/18.</p>
14	Social Care in prisons	The only Care Act funding not part of RSG is the funding for social care in prisons which is funded by a Department of Health grant.
15	Other Income	<p>The other income includes 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 £68k 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	The Better Care Fund (BCF) allocations are built in based on 2016/17 figures.

Ref	Expenditure /Funding	Assumptions/Commentary
	Fund	
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 grants	<p>These grants are included within cost centres and not shown with other funding streams. The biggest ring fenced grant is for Public Health. Grant level is based on 16/17 allocation.</p>
20	Earmarked Reserves	<p>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.</p>
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>
23	Transition Grant	<p>Additional funding in the form of transitional grant has been given in both 2016/17 and 2017/18 for the Councils adversely affected by the change in distribution of central funding.</p>

## CABINET

15<sup>th</sup> November 2016

# PERFORMANCE MANAGEMENT REPORT – QUARTER 2 2016/17

### Report of the Chief Executive

Strategic Aim:	All	
Key Decision: No	Forward Plan Reference: FP/220716/03	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr T C King, Leader of the Council	
Contact Officer(s):	Helen Briggs, Chief Executive	01572 758201 hbriggs@rutland.gov.uk
	Jason Haynes, Performance and Projects Co-ordinator	01572 720962 jhaynes@rutland.gov.uk

### DECISION RECOMMENDATIONS

1. That Cabinet notes the overall position in relation to performance for the second quarter of 2016/17 and the actions being taken to address areas of underperformance.

## 1 PURPOSE OF THE REPORT

- 1.1 To provide Cabinet with strategic oversight of the Council's performance for Quarter 2 of 2016/17. Members are accountable for the delivery of the Council's Corporate Plan and this monitoring information reports on progress and highlights any key challenges.

## 2 INTRODUCTION

- 2.1 In September 2016 Full Council approved a Corporate Plan that sets the strategic direction for Rutland County Council for the remaining period of this Council (to May 2019).
- 2.2 The Strategic Aims set out in the plan are as follows:
  - Deliver sustainable growth in our County supported by appropriate housing, employment, learning opportunities and supporting infrastructure (including other public services) whilst protecting our rural environment in accordance with our Local Plan
  - Safeguard the most vulnerable and support the health and well-being needs of

our community

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

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

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

2.4 The format of this report has therefore been updated and amended so that targets and indicators are aligned to the revised Strategic Aims and Objectives. As we are part way through the reporting year, key performance indicators have been re-aligned but not reviewed in detail. This exercise will be completed in time for any revisions to take effect from 1 April 2017.

### 3 OVERALL SUMMARY

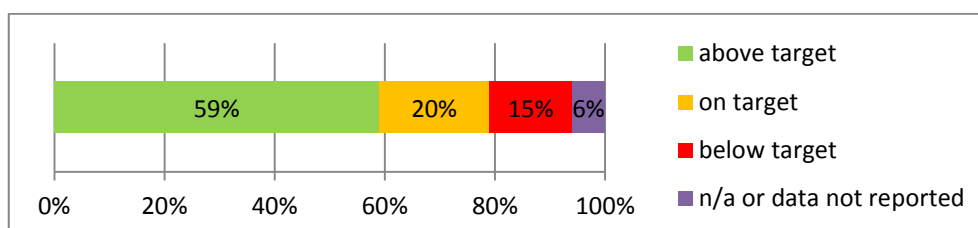
3.1 This report brings together an update on progress across a number of areas:

3.2 **Appendix A** contains detailed information on the Council's performance in relation to a number of local and statutory indicators covering the Council's Aims and Objectives and where applicable also compares our performance against statistical neighbours and national averages. The Council's overall performance is summarised below:

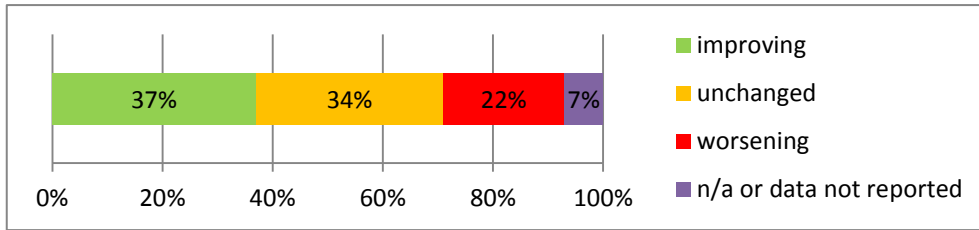
#### Overall Performance Summary

3.3 The performance against targets graph below represents how many indicators are currently above and below target. The direction of travel graph compares performance this quarter against the previous quarter.

3.4 Performance against targets:



### 3.5 Direction of travel:



3.6 In Quarter 2, 79% (47) of indicators were on or above target and 71% (42) are either unchanged or have improved since the previous quarter. 15% (9) are currently below target.

3.7 Key areas where there has been an improvement in performance in terms of direction of travel compared to 12 months earlier are:

- Processing of planning applications (major, minor and other)
- % of blue badge applications resolved within timescales
- The number of delayed transfer of care days attributable to social care
- % of Freedom of Information requests replied to within 20 days
- % of stage 1 and 2 complaints answered within timescales
- % of household waste sent for recycling

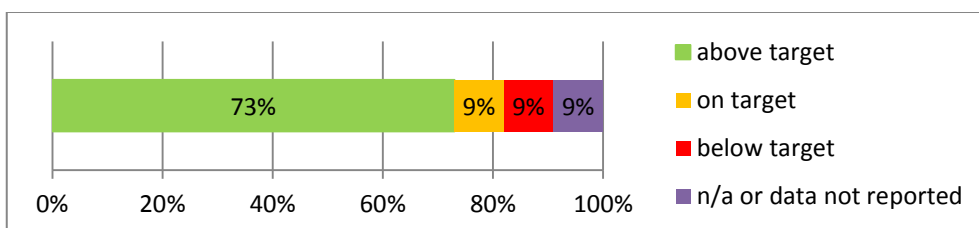
3.8 Key areas where there has been deterioration in performance in terms of direction of travel compared to 12 months earlier are:

- Overall employment rate
- Number of affordable homes delivered
- Looked after Children stability: Length of Placement
- % of referrals going onto assessment
- Child poverty in Rutland
- % of sundry debt recovered
- Fly-tipping incidents reported

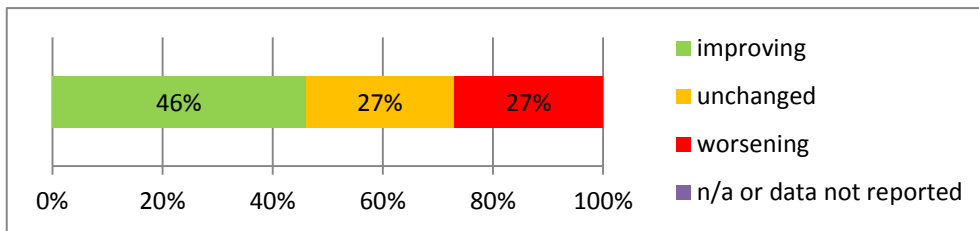
## 4 SUSTAINABLE GROWTH

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

4.1 Performance against targets:



#### 4.2 Direction of travel:



#### 4.3 Key achievements

4.4 Planning application measures (PI157) have been changed to align with how this data is now being reported nationally to allow us to more easily benchmark local performance. Nationally published data includes where there has been an agreed extension in time between the applicant and the Council and taking this into consideration all planning applications processed during Quarter 2 were processed within timescales.

4.5 The percentage of working age people in receipt of benefits (PI152) is currently at 5.5% against a local target of 7.3% and a small improvement on performance 12 months ago (and on the previous quarter). Currently well below the national average (11.8%) and also our statistical neighbours (7.9%) and the average across the East Midlands as a whole (11.4%). This equates to 1,240 people currently receiving benefits in Rutland, the majority of whom are currently claiming Employment and Support Allowance (ESA) and Incapacity Benefits:

Benefit	Number claiming
Job Seekers Allowance	110
ESA and Incapacity Benefits	630
Lone Parents	80
Carers	210
Other income related benefits	20
Disability	140
Bereavement	50

4.6 Recycling rates (PI192) in Rutland remain high despite being slightly lower than the previous quarter (64.6%) and the same time last year (65.6%), with 63% of household waste currently sent for reuse, recycling and composting. Most recently published data (as at Quarter 1) for 79 unitary authorities shows that Rutland currently has the 2<sup>nd</sup> highest recycling rate in the country, with only East Riding of Yorkshire higher.

#### 4.7 Performance issues

4.8 Rutland's overall employment rate (PI151) has dropped slightly again this quarter to 76.3% (16,600 people) and is currently lower than statistical neighbours (78.9%) but higher than the national average of 73.7% and the East Midlands average of 74.2%. Rutland has seen a decline in 'in employment' and 'population aged 16-64 year' numbers relative to previous years reflecting our increasingly aging population and whilst Rutland has seen a slight increase in employment rates for males (c. 3%) this has not been sufficient to compensate for the decrease in female employee numbers (c. -7.5%). The impact of the changes to state aid



pensionable age for women have had a positive impact in other areas (with more women in the 60-65 age group staying in employment longer) but this impact is currently not being reflected in Rutland.

4.9 As at the end of Quarter 2, only 5 affordable homes (PI154) have been completed in Rutland against our locally set target of 33. At the same point last year 43 homes had been completed. Whilst this is low, another 73 affordable homes are currently forecast to be completed over the coming year and performance in this area is expected to improve throughout the year.

4.10 There has been a large increase in the number of fly tipping incidents (LI190) so far during 2016/17, with the number reported in Quarter 2 (136), the highest level reported in the last three years. This increase is currently under-investigation and more detailed analysis on the likely causes will be available in the near future.

4.11 Targets

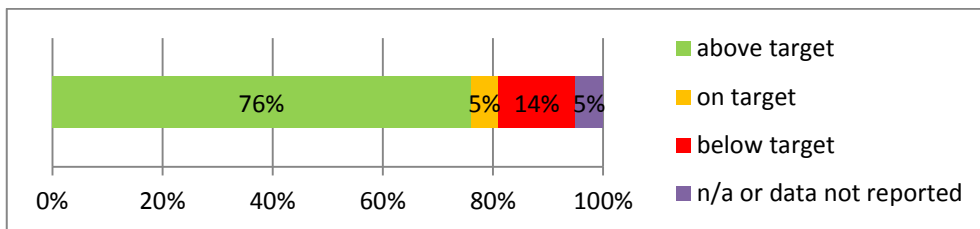
	Scrutiny Panel	RAG
<b>Develop Phase 2 of Oakham Enterprise Park to create further employment and business growth opportunities</b>	Places	
<p>Total available floor space is currently 109,685sqft (106 units). Tenancy across the site remains steady at 98% with 104 units (totalling 107,710sqft or 98.2% of floor space) now let or with leases being progressed. There is firm interest in a further 0.9% (1 office unit, 401 sqft or 0.8% floor space). One small industrial unit has been taken off the market pending a viability decision on compliance works. These figures exclude the Active Rutland Hub. 152,847sqft of further space is already leased as the Events Zone and is excluded from the above figures. An additional 12 acres of land is available for development opportunities or other activities. A development strategy for the site is currently being prepared.</p> <p>Interest in office units has levelled off but demand for storage &amp; light industrial units remains strong with new enquiries being received on a regular basis. Cabinet approved £500k capital funding to commence development of the central area of the site (3 acres). Discussions are ongoing with prospective tenants and a new marketing campaign is being prepared. Two 10ksqft warehouses are initially proposed.</p> <p>Significant compliance works have been completed so far this year with further works scheduled to commence shortly. A new café &amp; bakery is currently under construction (Unit 25) and is due to open in November. A new modular unit is proposed to be located in the Gate 2 car park area with a lease provisionally agreed for a new cookery school.</p> <p>Projected income for 2016/17 is up on initial projections at £533.3k with a net surplus estimated at £114k, an adverse budget position of £56.2k. This is due to significant revenue spend on essential building works and infrastructure improvements. Much of this spend will ensure increased income from provision of improved commercial space in years to come. These figures exclude business rates of over £64k currently being collected from OEP properties. A revised 10 year business plan is being finalised.</p> <p>Significant work has taken place to address issues with site utilities. This includes recent replacement of the mains gas meter and a report to project board detailing the high voltage electrical supply situation.</p>		

<b>Complete the improvement of broadband, developing and implementing a strategy for 2020 connectivity for the County</b>	Places	
<p>Phase 1 of the Digital Rutland project has completed to provide fibre infrastructure to 9416 premises with 8555 of these with access to SFBB( Superfast Broadband) . Rutland has seen the highest take up rate in the country at over 52% (October 2016) for these new fibre based services.</p> <p>Phase 2 deployment is in advance of the scheduled milestone of 30 Dec 2016 utilising 23 structures are a mix of Fibre to the Cabinet (FTTC), Copper Re-arrangement (CuRE) and Fibre to the Premise (FTTP)</p> <p>The project is forecast to over-deliver against the contracted number of Superfast Broadband premises within the intervention area.</p> <p>The project board is currently reviewing options for a final Phase of delivery including a new OJEU compliant procurement.</p>		
<b>Castle Restoration Project</b>	Places	
<p>Restoration works to the Great Hall and construction of the new toilets is complete, and official opening took place on Monday 30<sup>th</sup> May. Work on the external curtain wall was completed on 19<sup>th</sup> October, bringing a close to the major construction phase. Minor snagging issues are being completed, and options for Motte stabilisation are being reviewed. Project remains currently within budget. In the first 5 months open the site welcomed 24,000 visitors, significantly ahead of target.</p>		

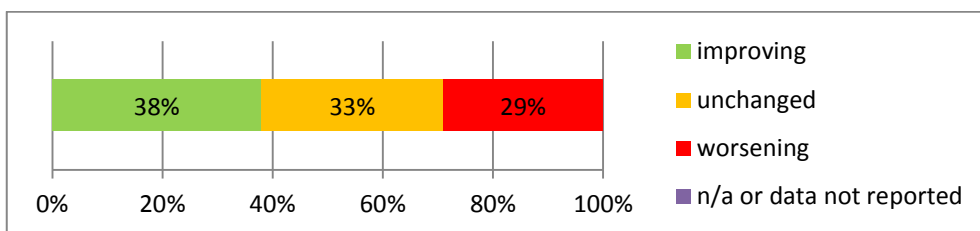
## 5 SAFEGUARDING

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

### 5.1 Performance against targets



### 5.2 Direction of travel



5.3 Key achievements

5.4 There has been a large increase in the number of carers assessments completed (LI111) during the quarter (37 completed, up from 16 in Quarter 1), despite this the number of carers signposted onto further services has stayed above target at 84% this quarter with 31 of the 37 signposted onto further services, and a further 4 being offered more help but declining further intervention.

5.5 All Looked after Children (PI066) and Child Protection (PI067) case reviews have been held within timescales so far during 2016/17. There has been a lot of work undertaken by Child Protection chairs/Independent Review Officers (IRO) to develop this area and ensure regular reviews take place and are in timescales. This is a real positive for the service and has enabled plans to be reviewed frequently and on time to ensure all children's needs are being adequately met.

5.6 Performance issues

5.7 Child Poverty in Rutland (LI127) is currently at 8.5%. Although below our local target (10%) this is still a 1.3% increase on the previous year (an actual increase of 70 children from 435 to 505). Most of this increase is concentrated in three wards, Langham where there has been a 6.5% increase on the previous year, Greetham where there has been a 6.3% increase and Lyddington where there has been a 3.9% increase:

	% of children in low income families	Change from last reported data
Braunston and Belton	4.3%	0.7%
Cottesmore	3.2%	-0.4%
Exton	7.6%	3%
Greetham	12.8%	6.3%
Ketton	5.8%	-0.7%
Langham	10.8%	6.5%
Lyddington	6.7%	3.9%
Martinsthorpe	5.4%	-3%
Normanton	5.1%	1.6%
Oakham NE	9.5%	1.7%
Oakham NW	14.8%	-0.2%
Oakham SE	5.4%	0.9%
Oakham SW	10%	1.6%
Ryhall and Casterton	8%	1.6%
Uppingham	12.5%	1.4%
Whissendine	14.4%	1.1%

5.8 Currently 64% of all single assessments are completed within 45 days (PI060), although an improvement on performance at the same time 12 months ago (55%) this is still below our locally set target of 80%. This is being addressed directly with individuals within the service, as well as the process around timescales being changed. The reasons for late assessments are a mixture of getting used to the new LiquidLogic system as well as staff workloads and in some instances staff not prioritising work correctly. Managers are working with staff to

resolve individual errors and there is now an expectation that all assessments will work to a 35 day timescale thus allowing, if needed, some time to finish off the assessment should any delays occur. Any assessment which is still open after 35 days will now have to have management oversight and it is anticipated that performance will start to improve as these new processes start to 'bed in'.

5.9 60% of referrals during Quarter 2 went onto Single Assessment, below our locally set target of 75% and a drop from 76% in Quarter 1. There were 102 referrals in Quarter 2, a rise in volume on the previous quarter (85) and the highest number of referrals raised in a quarter for over 2 years. There has been a lot of work undertaken around the 'front door' service and Early Help are now part of Duty to allow contacts to be triaged effectively and only those that require assessments become referrals. This is allowing more families to get support sooner as need can be identified at the contact stage. This is expected to have a positive effect on performance in this area as we continue through 2016/17.

5.10 Targets

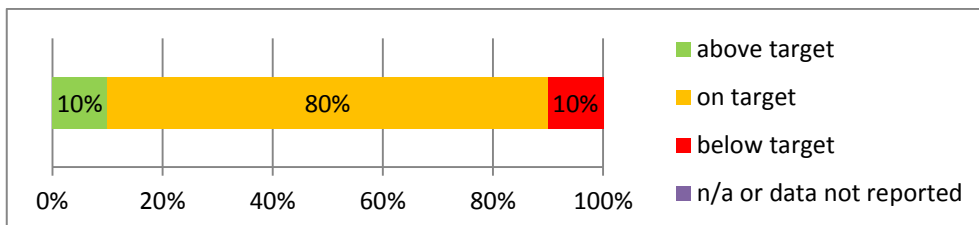
	Scrutiny Panel	RAG
<b>Better Care Fund</b>	<b>Peoples (Adults and Health)</b>	
<p>The 2016-17 BCF programme is progressing well overall, with significant progress in all four priority areas, and good performance against most key indicators. Spend is on track overall, particularly where budget lines are for personnel or ongoing projects. However, there are some areas with capacity for new projects or funds to carry forward for one-off activities next year.</p> <p>Under <b>Unified prevention</b>, ongoing schemes have sustained their momentum (e.g. the Community Agents, falls prevention projects, assistive technology and home adaptations). New activities include improvements to the Rutland Information Service community directory website, a 'Men in Sheds' project at Rutland County Museum and telephone befriending for social isolation, including among carers.</p> <p>Under <b>Long term condition management</b>, close working continues to be fostered between the long term social care and community health teams. Complementing the Community Agents and the GP based Care Coordination service, a new ELR CCG project is broadening the wellbeing services available through local GP surgeries.</p> <p>Under the <b>Hospital flow</b> priority, successful delivery of reablement services continues while new DTOC management approaches are having a significant impact, including the Complex Case Coordination role, use of interim care home beds and improved information flows from more hospitals about delays, which are enabling more targeted troubleshooting. Some 50 to 75 days of DTOC have been mistakenly attributed to Rutland patients due to hospital recording issues and we are applying to have these removed.</p> <p>Under <b>Enablers</b>, progress is being made on LLR wide information Sharing Agreements, Information Governance standards and compliance (RCC IG Toolkit now approved), IT projects for health and care, analytics support, user engagement about hospital discharge and joint commissioning.</p> <p>In terms of performance, Rutland was on track with care home admissions and reablement success in Q1. NHS data, available up to August 2016, indicates that Rutland also remains on target for reductions in emergency admissions and falls, two challenging areas. Delayed transfers of care (DTOCs), however, remain over target, although performance improved substantially in July and August, when there were the lowest DTOC numbers since October 2015.</p> <p>The planning process is about to start for Better Care Fund plans for 2017-19. Guidance is under development for the new programmes, anticipated end November.</p>		

<b>Poverty Review</b>	<b>All</b>	
<p>An initial Members workshop was held on September 13<sup>th</sup> to introduce the new Scrutiny Review process and the first theme to be covered by this process, a Poverty Review.</p> <p>Issues highlighted for further investigation at the workshop are now being considered by individual Scrutiny panels. In line with the timetable agreed by Scrutiny Commission, time has been set aside for consideration of the Poverty in Rutland Scrutiny Project at the following forthcoming meetings:</p> <p>Resources - 10<sup>th</sup> November 2016 and 16<sup>th</sup> February 2017</p> <p>People (Children) - 17<sup>th</sup> November 2016 and 23<sup>rd</sup> February 2017</p> <p>Places – 24<sup>th</sup> November 2016 and 9<sup>th</sup> February 2017</p> <p>People (Adults and Health) – 1<sup>st</sup> December 2016</p> <p>The outcomes of discussion and evidence from these meetings will be used to inform a Green Paper which is due to be presented to Cabinet in March 2017.</p>		
<b>Liquidlogic Implementation</b>	<b>Peoples (Children and Adults)</b>	
<p>The remaining Liquidlogic modules to implement are Briefcase (for remote working) and Autonomy (for customer self-assessments). Both have been hindered due to technical issues on the provider side, but now both are in the testing phase. Once tested, Briefcase will be piloted later in the month with a couple of users and if this receives positive feedback it will be rolled out to all social workers (both children's and adults). With Autonomy, once tested, we will need to communicate its availability to the public – again this should be later in the month.</p>		

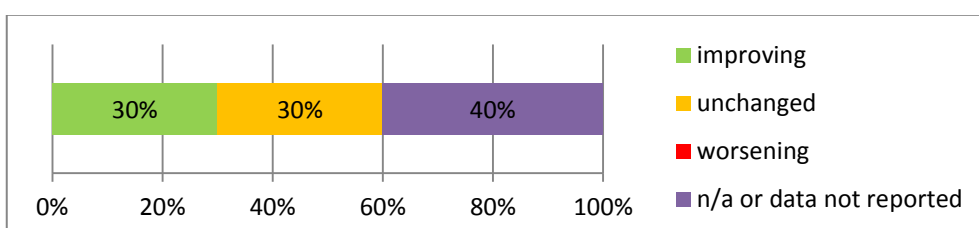
## 6 REACHING OUR FULL POTENTIAL

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

### 6.1 Performance against targets



### 6.2 Direction of travel



6.3 Key Achievements

6.4 Key Stage 4 results this year were the highest we have achieved and provide a good benchmark for Rutland children. Casterton College, which marked the largest fall in standards three or four years ago has turned a corner and in the last two years performance in this indicator has been raised by 18%, possibly making it one of the most improved schools in England at KS4.

6.5 Rutland is now ranked 4<sup>th</sup> nationally with 70% of pupils achieving 5 or more A\*-C grades, including English and Maths. This is a superb achievement marking a 10% improvement in Rutland over two years – at a time when other counties have struggled to tread water and the national average has declined.

6.6 Performance in Early Years showed a slight decline this year in both average points score and good level of development. However, Rutland children remain well above the national average.

6.7 Phonics assessment at Key Stage 1 continues the three year rising trend with scores rising from 2% below to 5% above the national average. At Key Stage 1 outcomes in 2016 are also well above the national standard.

6.8 Performance Issues

6.9 We are currently ranked 63<sup>rd</sup> nationally at Key Stage 2, with 53% of pupils reaching the expected standard at this level, only just above the national average of 52%. This phase remains the area of greatest challenge for our schools. Schools are collaborating to raise standards and are looking particularly at the performance of disadvantaged, SEND, boys and service children. Training is being provided and will offer a programme of support to schools focused on raising standards for these groups.

6.10 The reduction in the numbers of children offered their first choice secondary school place is related to the increased numbers opting for Rutland schools. Changes to admissions policies in the last year, e.g. ‘feeder’ definition at Uppingham, have restricted the number of places left for pupils within Rutland but who were not educated at the feeder schools.

6.11 Targets

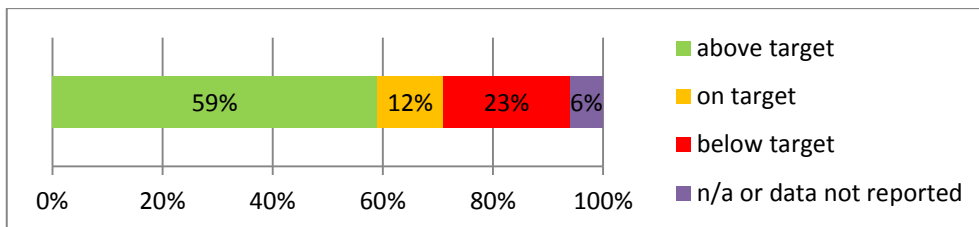
	Scrutiny Panel	RAG
<b>School Place Planning</b>	Peoples (Children’s)	
The School Place planning report was submitted and it was agreed that the Oakham Church Of England school will be expanded from 315 places to 420 to cover the Primary places required in 2017 in Oakham. Secondary places are being supported in Oakham by the move of the Children’s Centre. There are further discussions on cost and an additional extension at Catmose College. The new Barleythorpe primary school places are a continuing discussion.		
<b>Additional Secondary Places</b>	Places	
The removal of the Children’s Centre from Catmose College will allow a further 150 square meters of space to be included in the redesign of the school. Works have been		

undertaken by the school to reconfigure their administration unit and certain areas used for meetings. We are anticipating a bill against basic needs funding for this. The school have ideas to extend further at the rear of the premises which we will work with them on.		
<b>Barleythorpe Primary</b>	Places	
This has now been put for an application in March 2017 to the DFE. December Cabinet will receive an indicative report suggesting level of funds to be allocated. We are working with the School on planning viability alongside Secondary extension and Harrington free School build.		
<b>Library and Children's Centre</b>	Places	
This project is currently progressing through the planning route with a twin track approach. We are preparing documentation for procurement purposes and also consulting with the families at the centre re the potential move. The planning committee refused the application at committee on the 25 <sup>th</sup> October. The decision has now been referred to Full Council on the 14 <sup>th</sup> November. We await the response.		

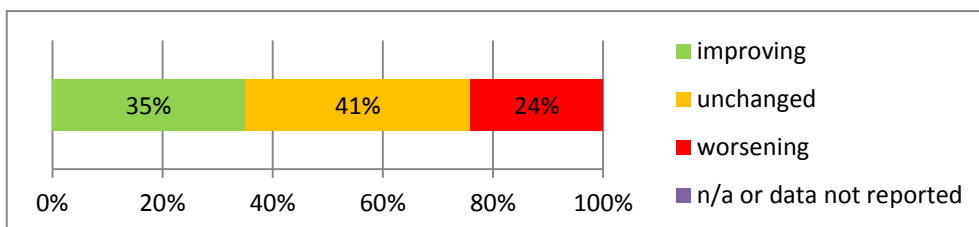
## 7 SOUND FINANCIAL AND WORKFORCE PLANNING

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

### 7.1 Performance against targets



### 7.2 Direction of travel



### 7.3 Key achievements

7.4 97% of invoices have been paid on time (LI001), the highest performance in this area for a number of years and showing the impact of a number of process changes being made in preparation for the implementation of the new Agresso system.

7.5 There were 19 meetings held during Quarter 2, with all agendas (LI031) and

minutes (LI032) issued on time during Quarter 2, this continues the strong performance in this area during 2016/17 with all agendas and minutes issued on time so far during this year.

7.6 Despite volumes of blue badge applications still remaining high (164 received during Quarter 2 compared to 125 at the same time last year) resolutions within timescales are still at their highest ever recorded with 98% processed within 4 weeks of application during 2016/17. The increase in the number of applications is predominantly due to an increase in the number of renewals (rather than new applications) and initial findings suggest that this is caused by an increase in the number of existing blue badge owners moving into Rutland and then renewing their blue badges here.

7.7 The results for Quarter 2 reflect the excellent progress that has been made to streamline the administrative process of Blue Badge applications:

- Application Forms have been reviewed to make them more user-friendly.
- Evidence and Identification documents process has been revised.
- Extensive staff training has been completed, including visits to neighbouring authorities for training on their screening process and additional members of the Corporate Support team being trained on the process to increase resilience within the department.
- Payment process changed – payments are now taken once the badge is approved which has reduced lengthy administrative delays.

Further efficiencies have been identified and will be implemented by the end of 2016.

7.8 Quarter 2 sees the first time that we have achieved a 100% response rate within timescales to Freedom of Information requests (LI004) during a whole quarter. This has been achieved despite a change in staff that administers the process with a planned handover and the right member of staff identified to take on the role. This is a genuine success for the Corporate Support team who are continuing to build staff resilience to keep performance at this high level for the future.

7.9 The number of days lost to sickness absence per employee (LI190) rose slightly this quarter to 1.67 days; however this is still well below both the national average and in comparison to our statistical neighbours.

7.10 The table below shows the number of days lost by each directorate in Quarter 2, expressed as total days lost per directorate and days lost per employee:

Directorate	Days lost through Sickness	Headcount 1 <sup>st</sup> July 2016	Headcount 30 <sup>th</sup> September 2016	Average	Days lost per employee
PEOPLE	582	226	223	224.5	2.59
PLACES	138	150	153	151.5	0.91
RESOURCES	57	90	90	90	0.63
Total	777	466	466	466	1.67



- 7.11 The average number of days at 1.67 per employee is higher than Q1 (1.28) and higher than the same quarter in 2015/16. Overall, the actual number of incidents of sickness has reduced in his quarter, particularly for short term absence. However the number of long term incidents has increased and reflects some ongoing serious health issues with 3 members of staff together with some musculo-skeletal absences (including injuries and broken bones) which have required a period of recovery before returning to work.
- 7.12 Comparing this to the previous quarter shows that sickness in the Peoples (from 2.01 days per employee to 2.59) and Places (from 0.35 days to 0.91 days) Directorates has increased, with absence in the Resources Directorate dropping from 1.02 days to 0.63 days over the same period.
- 7.13 As part of our Health and Well-Being support for staff, all employees have been offered a free flu vaccination. At the end of October, 95 employees had taken up this offer.
- 7.14 The table below shows a comparison of sickness for the whole council over the last four quarters.

Year	Days lost through sickness	Average no of employees	Days lost per employee	Days lost per month
Q2 2016/17	777	466	1.67	259
Q1 2016/17	599	467	1.28	200
Q4 2015/16	807	462	1.75	269
Q3 2015/16	626	461	1.36	218
<b>AVERAGE</b>	<b>702</b>	<b>464</b>	<b>1.51</b>	<b>237</b>

- 7.15 The Statement of Accounts (LI025) was approved for publication by the Assistant Director – Finance on 30<sup>th</sup> June 2016 and submitted to external auditors, together with accompanying working papers.

The Auditors have concluded their audit and the Council has again received an unqualified audit opinion on the Statement of Accounts. The Auditors have also concluded that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

The audited version of the Statement of Accounts is available on the Rutland County Council website along with associated documents from the auditors.

- 7.16 So far during 2016/17, 90% of all stage 1 complaints have been answered within agreed timescales, whilst this is still below our target of 100%, performance is improving, and current performance is much improved on the same point last year when it was 59%. During Quarter 2, 38 complaints were received, and of these 5 were replied to outside of timescales with two being one day late and the remaining three responded to within 13, 19 and 20 days. The business areas responsible for these delays have been identified and the Corporate Governance team are working with them to ensure compliance with timescales moving forward.

- 7.17 The Corporate Governance team are continuing to monitor compliance with agreed timescales and reminders are sent to the lead officer on two occasions before the 10 working day deadline. However, on some occasions the issue is more complex and may need time allocation to resolve the customers concerns. In these cases, the customer is always kept informed of any extensions to the agreed timescales. The table below shows the number of stage 1 complaints received by each Directorate so far during 2016/17:

	People	Places	Resources
Complaints received during 2016/17	18	41	19
No. answered within timescales	17	34	19
%	94%	83%	100%

- 7.18 We have also received comments and compliments as set out below during the year; these are passed onto Heads of Service within the relevant departments to discuss with staff involved.

	People	Places	Resources
No. of comments received	1	7	7
No of compliments received	17	24	12

- 7.19 94% of calls received by the Customer Services team were answered within four minutes during Quarter 2. A summary of performance for Customer Services is included as **Appendix B**.

7.20 Performance issues

- 7.21 So far during 2016/17, seven priority one calls have been logged with the ICT Helpdesk (six of these during Quarter 2). Five have been resolved within timescales (LI033) and the team are continuing to work to increase performance in this area assisted by new Helpdesk software that is now fully in use, both of the calls resolved outside of timescales were resolved on the same day as the fault and regular communication was maintained with staff whilst the issues were being investigated.

- 7.22 84% of the current years sundry debt has so far been recovered (LI029). There is one large invoice outstanding which is being disputed. The Council has provided evidence to substantiate the invoice and is awaiting a response. If this invoice is excluded then performance would be above target.

7.23 Targets

	Scrutiny Panel	RAG
<b>Welfare Benefit Reform</b>	<b>Resources</b>	
A paper regarding The Local Council Tax Support Scheme and Discretionary Fund was discussed by Cabinet in October. No changes to the operation of the scheme were made as there are few complaints, council tax recovery rates are holding up, and the full impact of welfare reforms is still not fully known and the discretionary fund still gives the Council flexibility to direct support to those in greatest need.		

<p>The Benefit Cap will be rolled out in Rutland from 7<sup>th</sup> November. There are c15 people that could be affected by the cap. DWP have written to all those likely to be affected. We will be contacting those affected ourselves to offer support. Job Centres are working with those affected, as our Spire Homes. We have CAB supporting with budget advice alongside the support we offer at RCC.</p>		
<p><b>Deliver a new website that increases online transactional services year on year</b></p>	<p><b>Resources</b></p>	
<p>The feasibility and analysis phases are complete, with a Project Initiation document developed and agreed. Governance structures have been put in place, with a project board and team set up to steer the project in the correct direction.</p> <p>The analysis phase essentially, identified the need to work with other local authorities for a joint working arrangement, where RCC would share their website platform. This has been agreed with West Lindsay District Council, Lincoln City Council and North Kesteven District Council – as a collective, we will develop the website for future requirements. Primarily, RCC will mirror the WLDC website, using their core design and usage principles.</p> <p>The Content Management System has been agreed with a company called Ideagen – they have completed the development of the skeleton website. This skeleton website is being designed by WLDC on RCC’s behalf.</p> <p>Engagement across the council has been positive, with many of the services providing input through the Project Board. The development of the actual content will be dependent upon the webpage owners throughout the council.</p>		
<p><b>Agresso upgrade and transfer to Herefordshire Council</b></p>	<p><b>Resources</b></p>	
<p>Project Sunshine continues to move forward at a pace, with our delivery partners, Hoople. Engagement with Hoople has been positive, and a recent visit to their site proved to be very successful, as we were able to forge a positive relationship with Hereford City Council staff.</p> <p>The scope of the project has been changed, as the version of the Agresso system RCC is to go live with will now be a later version, Milestone6. The reason for this change was to ensure RCC were in line with Hoople, and its implementation roadmap. Therefore, the go-live date has moved to early December testing permitting.</p> <p>Development of the system is broadly complete, with RCC user testing it against the set of requirements stated. Testing is a challenge, as the staff involved cannot dedicate full time to this task, having to fit it into their schedules. Nevertheless, good progress has been made and the number of “problem” issues is gradually being reduced. In overall terms the Team had hoped to be further advanced at this stage but some tasks have proved technically challenging and required more input than originally envisaged.</p> <p>Once of the biggest challenges being faced by the project is with the implementation of the payments part of the system. This requires input from Unit 4 alongside Hoople. This work is scheduled for mid-November, later than originally intended, and any problems could have an impact on the Go Live date.</p> <p>Training, in preparation for the go-live, will commence in mid November and the material is being prepared. Training will be available through classroom sessions, e-learning and quickcards – a set of power users will also be available to consult with.</p>		

## **8 OUTSTANDING AUDIT RECOMMENDATIONS**

8.1 At the end of Quarter 2 there were 17 open audit recommendations (1 high, 10 medium and 6 low priority). Only one high priority recommendation is currently overdue for implementation, this recommendation relates to the finalisation and communication of the ICT Disaster Recovery Plan and remains in progress.

## **9 CONSULTATION**

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

## **10 ALTERNATIVE OPTIONS**

10.1 Alternative options are not considered within this report.

## **11 FINANCIAL IMPLICATIONS**

11.1 There are no direct costs associated with this report.

## **12 LEGAL AND GOVERNANCE CONSIDERATIONS**

12.1 There are not considered to be any legal or governance issues associated with this report.

## **13 EQUALITY IMPACT ASSESSMENT**

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

## **14 COMMUNITY SAFETY IMPLICATIONS**

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

## **15 HEALTH AND WELLBEING IMPLICATIONS**

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

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

16.1 79% of indicators measured during Quarter 2 were on or above target, with 71% either improving or unchanged when compared to the previous quarter. 15% of indicators are currently below target and main areas of concern have been highlighted in this report and the remedial action being undertaken to improve performance has been identified.

16.2 Overall performance based on activity in the second quarter is satisfactory.

## **17 APPENDICES (MANDATORY, SIMPLY STATE IF THERE ARE NO APPENDICES)**

17.1 Appendix A – Quarterly Performance Report

17.2 Appendix B – Customer Services summary

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

Rutland County Council  
Quarterly Performance Report  
Quarter 2  
2016/17

## Key to symbols used within the report

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

### Performance Indicators:

	<u>Performance against target</u> Meeting/Exceeding Target	<u>Benchmarking</u> Same as or better than comparator group
	Performance approaching target (within 5%)	Worse than comparator group but within 5%
	Performance >5% behind target	More than 5% below comparator group

79

### National Benchmarking






































This compares our performance against all English authorities using the most currently available data, where this isn't the current quarter the period being compared will be shown in brackets, for example (Q4 15/16) means the data being compared is from Quarter 4 2015/16. The number of authorities varies according to the performance indicator and functions of councils.

### Statistical Neighbour Benchmarking

This compares our performance against our statistical neighbours, as above this uses the most recently available data.

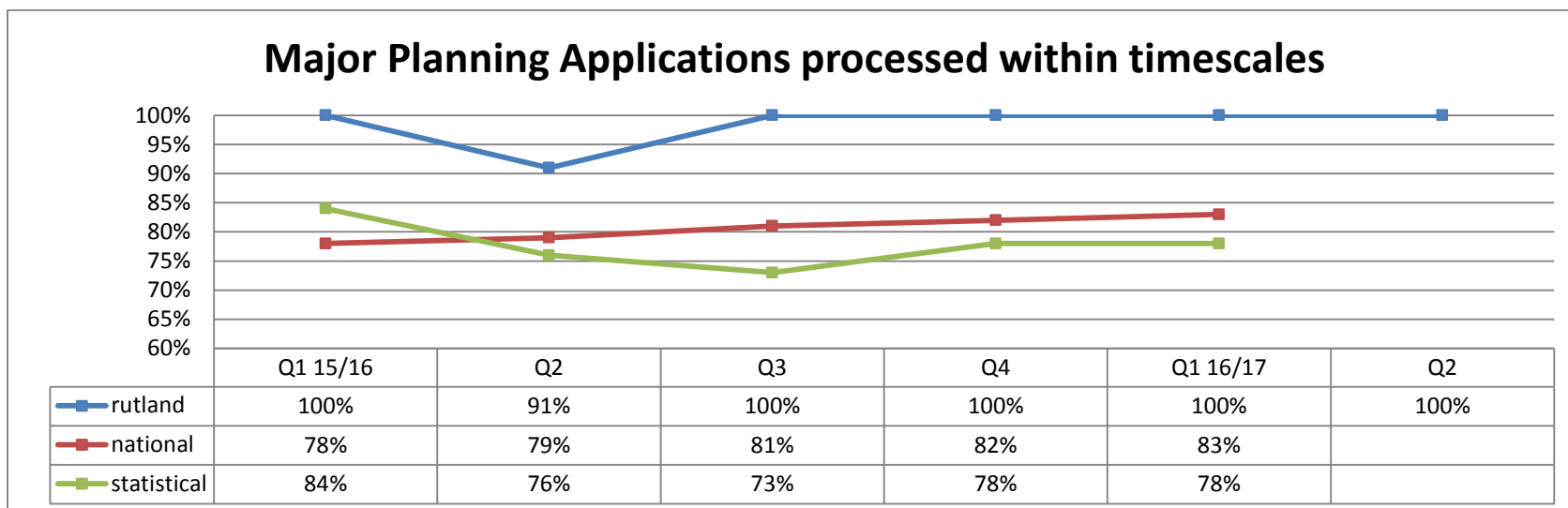
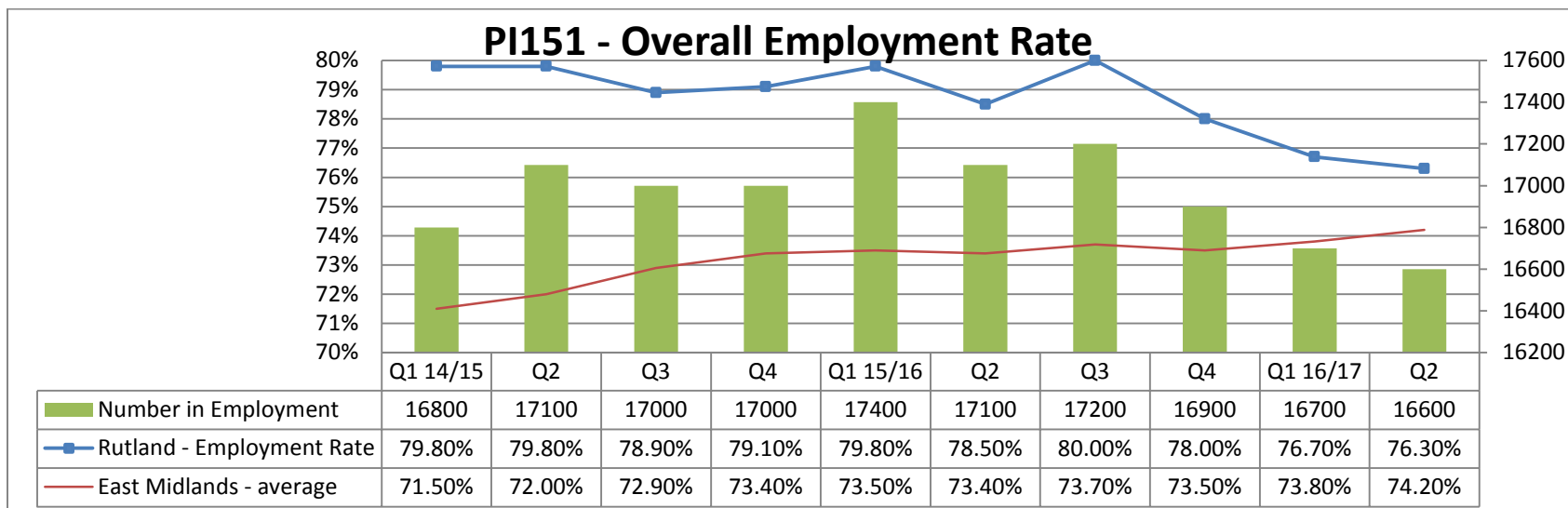
Where benchmarking data is currently unavailable these parts of the report will be greyed out.

## Sustainable Growth - Performance































Indicator	Target	Cumulative Year to Date	Current Performance to Target	Performance compared to 12 months earlier	National Figure (where available)	Statistical Neighbour (where available)	
LI085 - % on children NEET	2%	0.8%		0.8%		2.7% (Q1) 	2.1% (Q1) 
PI151 – Overall employment rate	79.7%	76.3%		78.5%		72.7% 	78.9% 
PI152 – Working age people in receipt of benefits	7.3%	5.5%		5.6%		11.8% 	7.9% 
PI154 – Net additional homes provided	70	113		114			
PI155 – Number of affordable homes delivered	33	5		43			
PI157a – Processing of major planning applications	60%	100%		54.5%		83% (Q1) 	87% (Q1) 
PI157b – Processing of minor planning applications	65%	92%		69.6%		82% (Q1) 	75% (Q1) 
PI157c – Processing of other planning applications	80%	93%		90.6%		86% (Q4 15/16) 	75% (Q4 15/16) 
PI191 – Residual waste per household	130kg	118kg		112kg		124 (Q1) 	140 (Q1) 
PI192 - % of waste sent for recycling	59%	63.2%		65.6%		48% (Q1) 	54% (Q1) 
LI190 – Number of fly tipping incidents		230		77			

























## Sustainable Growth - Trends



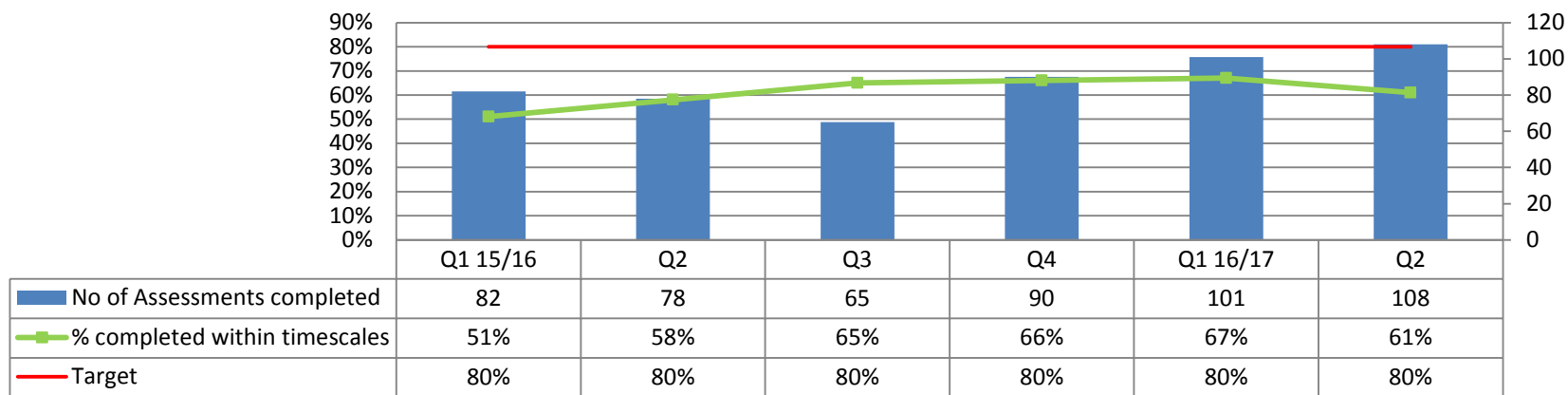
## Safeguarding - Performance

Indicator	Target	Cumulative Year to Date	Current Performance to Target	Performance compared to 12 months earlier	National Figure (where available)	Statistical Neighbour (where available)
PI047 – People killed or seriously injured in road traffic accidents	Less than 23	7		4 		
PI048 – Children killed or seriously injured in road traffic accidents	Less than 1	0		0 		
PI060 – % of Single assessments completed within 45 days	80%	64%		55% 		
PI062 – LAC stability: % of children with 3 or more placement moves in the last 12 months	6%	0%		0% 	10% (14/15) 	10.1% (14/15) 
PI063 – LAC stability: Of those children looked after for more than 2.5 years, the % who have been in the same placement for at least 2 years	70%	75%		94% 	67% (14/15) 	65.1% (14/15) 
PI064 – Child Protection Plans lasting 2 years or more	5%	0%		0% 	3.4% (14/15) 	3.7% (14/15) 
PI065 – Children subject to a second or subsequent child protection plan in the last 2 years	5%	0%		5% 	16.6% (14/15) 	17.3% (14/15) 
PI066 – Looked after children's cases reviewed within timescales	100%	100%		100% 		
PI067 – CP cases reviewed within timescales	100%	100%		100% 	63.7% (14/15) 	64.3% (14/15) 
PI068 - % of referrals going onto assessment	75%	65%		90% 		

Indicator	Target	Cumulative Year to Date	Current Performance to Target	Performance compared to 12 months earlier		National Figure (where available)		Statistical Neighbour (where available)	
LI111 - % of carers signposted	80%	85%		79%					
LI127 – Child Poverty in Rutland	10%	8.5%		7.2%		18.2%		12.6%	
LI130 – Reduction in temporary stays in B&B's	18	30		13					
LI173 - % of eligible children registered with Children's Centres	80%	92%		100%					
LI174 - % of target families registered with sustained engagement	65%	98%							
LI175 - % of contacts received that resulted in Early Help support	20%	15%							
LI176 - % of Adult Social Care reviews for LD completed annually	75%	87.5%							
LI181 – Number of Adult Social Care reviews completed on time	80%	90%		86%					
LI182 - % of service users who were still at home 91 days after discharge	83%	95%		91%		82.7% (15/16)		84% (15/16)	
LI191 – The number of delayed transfer of care (DTC) days attributable to social care		4		31					
LI192 – Permanent admissions of older people (65+) to residential and nursing care homes	17	5		15					

## Safeguarding - Trends

### PI060 Single Assessments completed within timescales



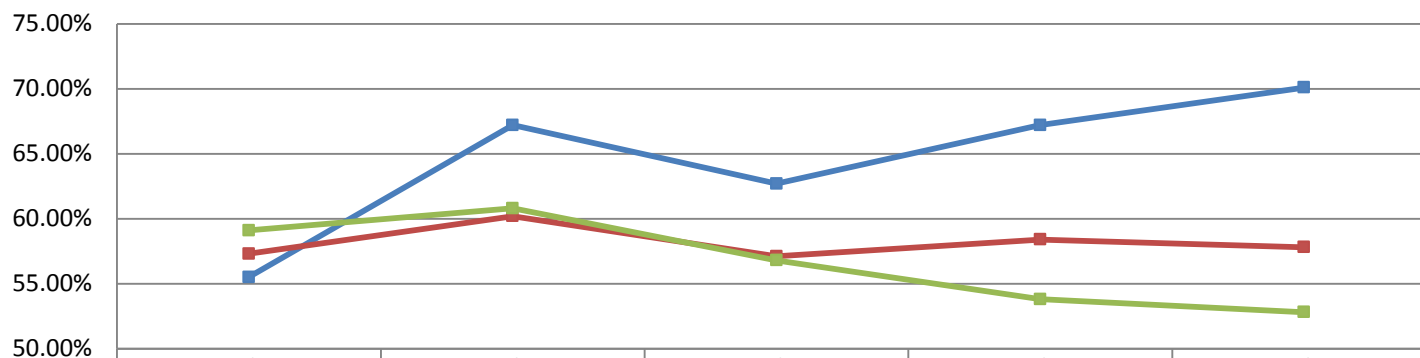
## Reaching our Full Potential - Performance

Indicator	Target	Cumulative Year to Date	Current Performance to Target	Performance compared to 12 months earlier	National Figure (where available)	Statistical Neighbour (where available)			
% of children offered their first choice primary school place	95%	93%	A	93%	G	88.4%	G	91%	G
% of children offered a primary school of their choice (1 <sup>st</sup> to 3 <sup>rd</sup> choice)	100%	99.2%	A	98.6%	G	96.3%	G	97%	G
% of children offered their first choice secondary school place	90%	89%	A	92%	A	84.1%	G	92%	A
% of children offered a secondary school of their choice (1 <sup>st</sup> to 3 <sup>rd</sup> choice)	98%	97%	A	98%	A	95%	G	98%	A
% of pupils reaching a good level of development in Early Years Foundation Stage Profile	75% by 2017	72%	A	75%	A	69%	G		
% of pupils reaching the expected standard in Reading, Writing and Maths at Key Stage 1	67% by 2017	65%	A						
% of pupils reaching the expected standard in Reading, Writing and Maths at Key Stage 2	60% by 2017	53%	R			52%	G	52%	G
% of pupils achieving 5+ A*-C grades including English and Maths at Key Stage 4	73% by 2017	70%	A	67.2%	G	52.8%	G	61%	G
% gap between boys and girls reaching the expected standard in Reading, Writing and Maths at Key Stage 2	7% gap by 2017	1%	G			7%	G	8%	G

Indicator	Target	Cumulative Year to Date	Current Performance to Target	Performance compared to 12 months earlier		National Figure (where available)		Statistical Neighbour (where available)	
% gap between boys and girls reaching the expected standard in Reading, Writing and Maths at Key Stage 4	9% gap by 2017	12%	A			8%	A	9%	A































## Reaching our Full Potential - Trends

**% Pupils achieving 5+ A\*-C at Key Stage 4 inc. English and Maths**












	11/12	12/13	13/14	14/15	15/16
—■— Rutland	55.50%	67.20%	62.70%	67.20%	70.10%
—■— Statistical Neighbours	57.30%	60.20%	57.10%	58.40%	57.80%
—■— National	59.10%	60.80%	56.80%	53.80%	52.80%

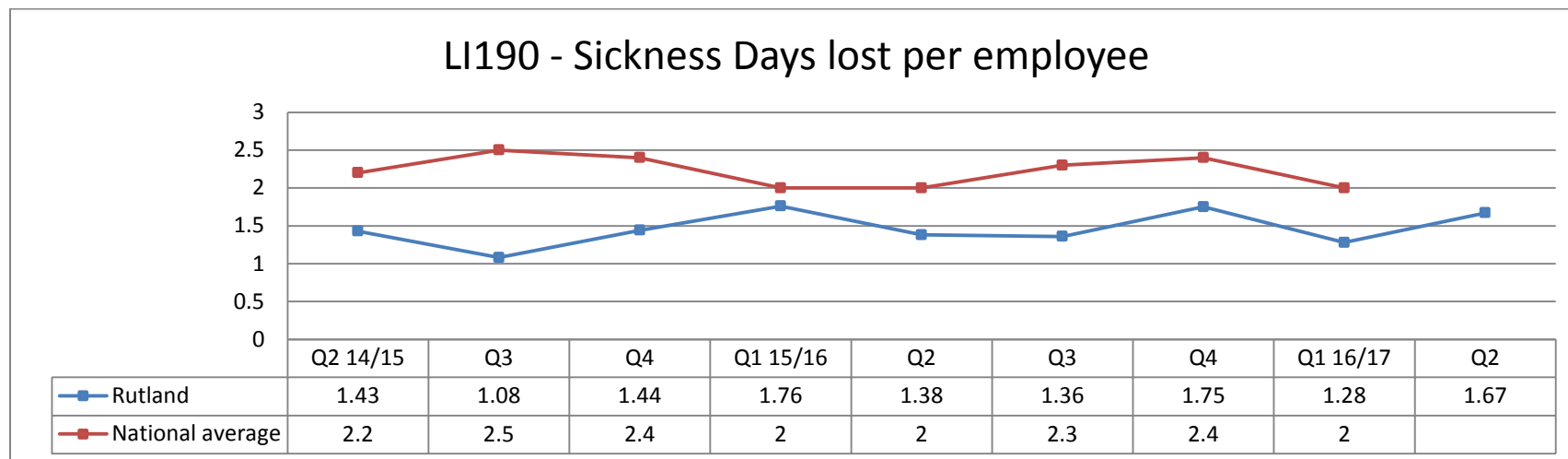
## Sound Financial and Workforce Planning - Performance

Indicator	Target	Cumulative Year to Date	Current Performance to Target	Performance compared to 12 months earlier	National Figure (where available)	Statistical Neighbour (where available)
LI001 - % of invoices paid on time (30 calendar days from receipt)	95%	97%		93% 		
LI003 - % of audits to be delivered by year end	90%	9%		5% 		
LI004 - % of FOI requests replied to within 20 days	100%	99%		96.5% 		93% 
LI005 – Average number of days to respond to Ombudsman complaints	28 days	Achieved		-		
LI020 - % of Council Tax received	60%	60.8%		61.3% 	96% (Q4 15/16) 	98% (Q4 15/16) 
LI021 - % of NNDR received	60%	63.6%		64.6% 	97% (Q4 15/16) 	98% (Q4 15/16) 
LI022 – Benefit claims – speed of processing	22 days	23 days		15 days 		
LI024 – Monthly financial reports on time	100%	100%		100% 		
LI025 – Statement of Accounts produced by 30 <sup>th</sup> June each year	Achieved	Achieved		Achieved 		
LI029 - % of sundry debt recovered	90%	84%		92% 		
LI031 – Agendas and reports published on time	100%	100%		100% 		
LI032 – Draft minutes issued	100%	100%		100% 		
LI033 - % of priority 1 resolved within SLA	95%	72%		100% 		

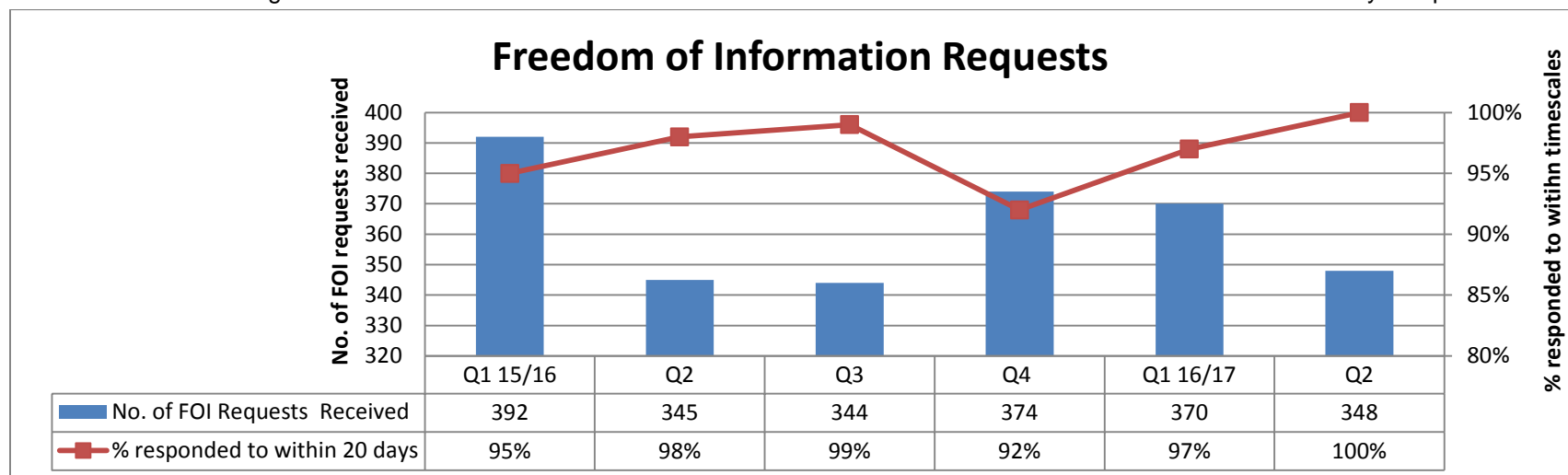


Indicator	Target	Cumulative Year to Date	Current Performance to Target	Performance compared to 12 months earlier		National Figure (where available)		Statistical Neighbour (where available)	
LI034 - % of stage 1 complaints answered	100%	90%		59%					
LI035 - % of stage 2 responses issued	100%	85%		60%					
LI105 - % of blue badge applications resolved in timescales	80%	98%		81%					
LI190 - Average sickness days lost per employee		1.67		1.4		2 (Q1)		2.4 (Q1)	

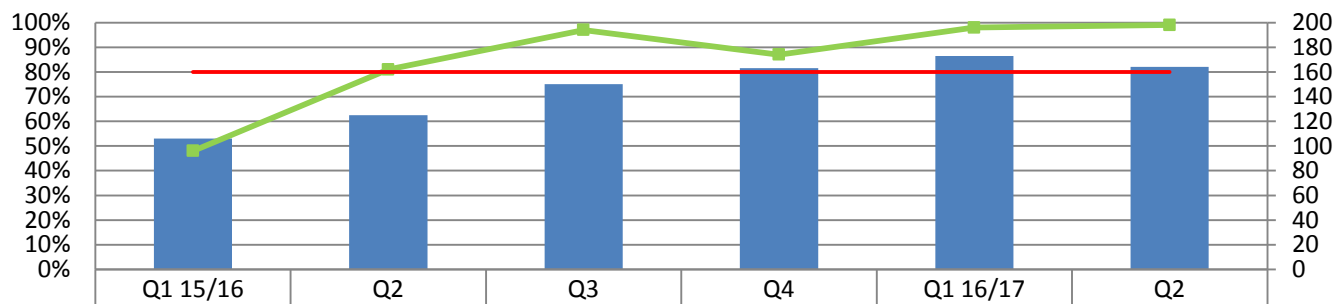
## Sound Financial and Workforce Planning - Trends






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



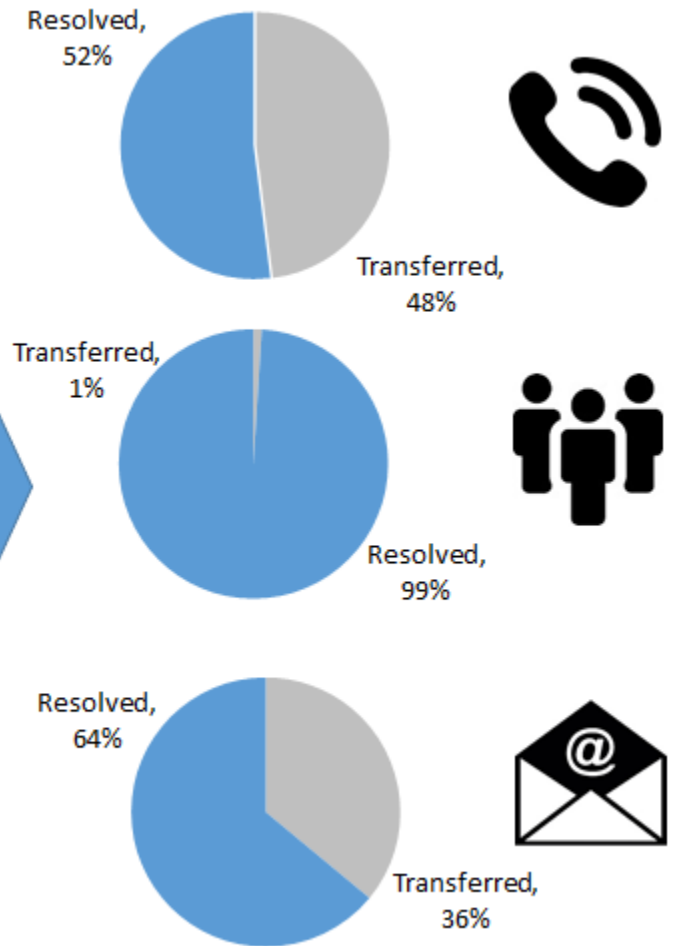
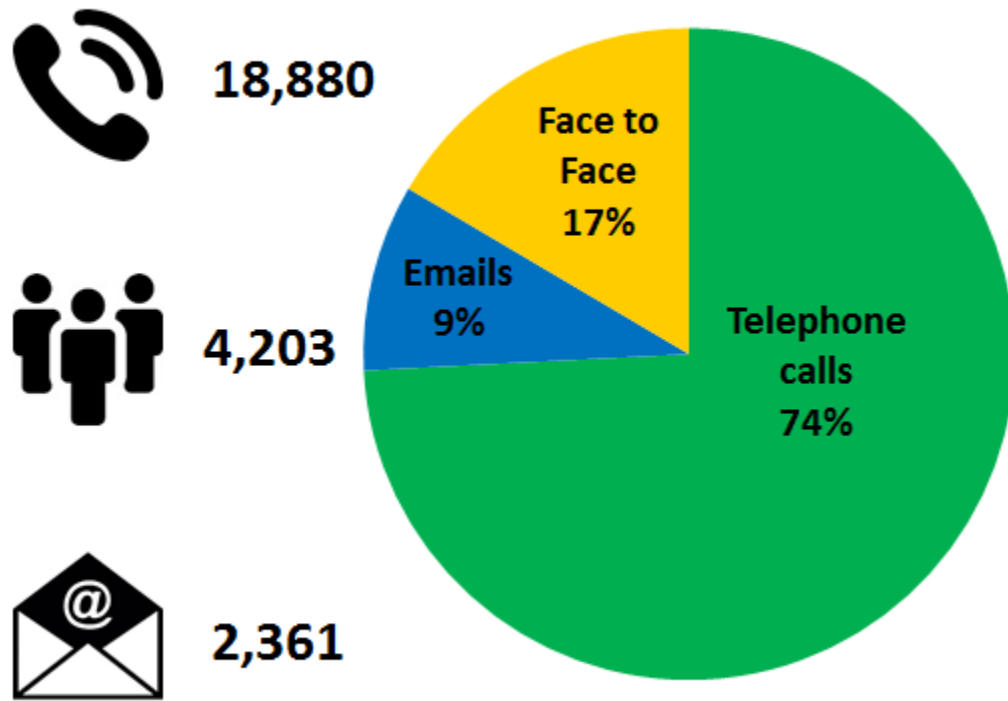
### LI105 - Blue Badge Applications



 No. of Blue Badge applications	106	125	150	163	173	164
 % issued within timescales	48%	81%	97%	87%	98%	99%
 Target	80%	80%	80%	80%	80%	80%

**CST Quarter 2 Performance**

## Q2 2016 Customer Service – Highlights



## Q2 2016 Customer Service – Highlights

Top 5 Services  
= 50% of all calls



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



Abandoned  
Calls



**Q1 2016 – 13%**  
**Q2 2016 – 11%**  
**Year to Date – 12%**

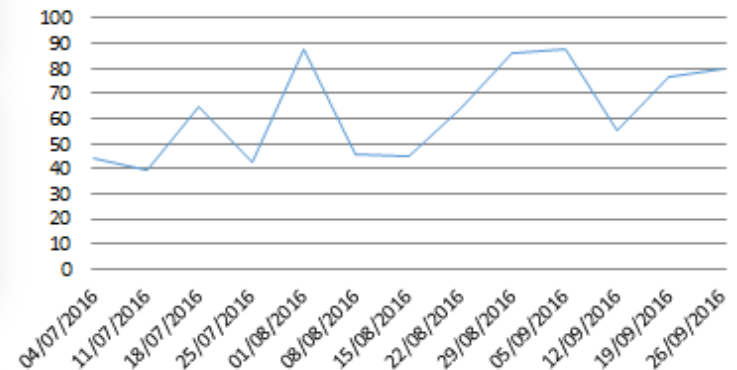
% Answered  
within 15  
seconds



**Q1 2016 – 40%**  
**Q2 2016 – 39%**  
**Year to date 39.5%**



Average Wait Times (Sec)



## Q2 2016 Customer Service – Highlights

Q2 2016  
Customer  
Service  
Satisfaction



**78% Good**  
**8% Average**  
**14% Poor**  
**493 Responses**



**59% Good**  
**15% Average**  
**25% Poor**  
**123 Responses**

## Q2 2016 Customer Service – Highlights

**% Answered  
within 1 mins**



**Q1 2016 – 64%  
Q2 2016 – 70%  
Year to date – 67%**



**% Answered  
within 4 mins**



**Q1 2016 – 91%  
Q2 2016 – 94%  
Year to date – 92.5%**

**% Answered  
within 5 mins  
minus calls  
abandoned after 5  
mins**



**Q1 2016 – 94%  
Q2 2016 – 96%  
Year to date – 95%**