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TO: ALL MEMBERS OF THE COUNCIL

4th June 2018

Dear Member

RE: Report No. 83/2018 Revenue and Capital Outturn 2017/18

Please find attached the above report from the Director for Resources which was considered by Cabinet on 22 May 2018. It will be considered at the following Scrutiny Panel meetings:-

Growth, Infrastructure and Resources Scrutiny Panel
Children and Young People Scrutiny Panel
Adults and Health Scrutiny Panel

Thursday 14th June 2018
Thursday 21st June 2018
Thursday 28th June 2018

Members are requested to ensure they bring this copy to the relevant meetings.

Yours sincerely

Natasha Taylor
Governance Manager – GovernanceTeam

Encs

Copy to: Chief Executive
Chief Officers
Governance Officers
CST Public Copy
Co-opted members – Children and Young People Scrutiny Panel

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CABINET

22 May 2018

REVENUE AND CAPITAL OUTTURN 2017/18

Report of the Director for Resources

Strategic Aim:	Sound Financial Planning	
Key Decision: Yes	Forward Plan Reference: FP150318	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor Gordon Brown, Portfolio Holder for Regulatory Services, Waste Management, Property Services, Culture & Leisure, 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:

- a) Notes the provisional outturn on the revenue budget and updated capital programme
- b) Approve the transfer of £1.025m from 17/18 underspends to earmarked reserves for future use of which £60k relates to the ring fenced budgets, £400k for business rates and £315k for social care
- c) Approve the revenue budget carry forwards of £821k as outlined in Appendix A para 1.3.3
- d) Notes that the MTFP in Appendix F reflects the outturn position but assumptions are currently under review

1 PURPOSE OF THE REPORT

- 1.1 To inform Cabinet of the provisional outturn figures (subject to audit) for the financial year 2017/18. In reporting the outturn, Cabinet is being asked to carry forward some

budgets to 2018/19 and put aside some additional funding in earmarked reserves.

2 BACKGROUND AND MAIN CONSIDERATIONS

2.1 Revenue outturn 2017/18

2.1.1 The Council approved its 2017/18 budget in February 2017. Throughout the year, Cabinet and Scrutiny Panels have received quarterly updates on progress against the budget. Cabinet and Council have also made some changes to the approved budget which are itemised in each quarterly report.

2.1.2 The end of year provisional revenue position is that the Council has over spent its revenue budget by £169k which equates to an over spend of 0.5% when compared to the Net Operating Expenditure. A full explanation of the year end revenue position is covered in Appendix A, Section 1 to this report.

2.1.3 This position is provisional for two reasons:

- The position is subject to external audit by KPMG LLP; and
- In arriving at the overall position for 17/18, officers are making requests for budget carry forwards of £821k to be used in 2018/19 and for £1.025m to be transferred to existing earmarked reserves (Appendix A para 1.3.2). These are decisions that must be approved by Cabinet.
- With the overall position being a deficit, the Council's financial context remains challenging with significant savings required over the medium term.

2.2 Capital update

2.2.1 The Council spent £4.199m on the capital programme in 17/18. Since the 18/19 budget was set, Cabinet have approved further budget changes, detailed in Appendix A para 2.2.1, and an additional amount of £24k has been received for Disabled Facilities grant. A full list of approved schemes is shown in Appendix E.

2.3 MTFP

2.3.1 The Medium Term Financial Plan has been updated to reflect the provisional year end revenue position and is attached at Appendix F.

2.3.2 The assumptions used are currently being reviewed and any changes will be reported as part of the Quarter 1 report.

3 CONSULTATION

3.1 Formal consultation is not required for any decisions being sought in this report. Internal consultation has been undertaken with officers to assess the impact of the outturn on the budget for 2018/19.

4 ALTERNATIVE OPTIONS

4.1 Cabinet are requested to make decisions about whether unspent budgets should be carried forward to 2018/19. In many cases, it should be noted that officers may have already committed such budgets (i.e. work may have been started but not finished)

or plan to do so for service delivery in 2018/19. Cabinet can choose to approve the carry forwards or could still request that budget managers assess whether such expenditure can be absorbed within existing budgets or savings made elsewhere. Where this is not possible, there may be budget pressures later in the year.

- 4.2 Members are also being asked to make additional contributions to earmarked reserves. Members could choose to retain all funds in the General Fund Reserve rather than to prop up earmarked reserves. The former is not the preferred option for the reason that the establishment of earmarked reserves recognises that funds are likely to be needed for a specific cause. Retaining such funds in a General Reserve could give the impression that the Council's financial health is better than what is actually the case.

5 FINANCIAL IMPLICATIONS

- 5.1 The report highlights the impact of the outturn on the MTFP. General Fund balances will decrease by £169k from that budgeted for if all recommendations are approved.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1 The FPRs allow Cabinet to approve budget carry forwards from one period to the next and put additional funds in earmarked reserves up to the approved ceiling value. The FPRs allow Council to establish a new reserve and set ceilings for earmarked reserves.

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

7 EQUALITY IMPACT ASSESSMENT

- 7.1 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 outturn position is positive compared to Quarter 3. The approval of budget carry forwards will allow the 2018/19 budget to be updated to reflect spending plans.

11 BACKGROUND PAPERS

- 11.1 None

12 APPENDICES – UPDATE

Appendix A: Outturn 2017/18

Appendix B: People Budget Monitoring Summary

Appendix C: Places Budget Monitoring Summary
Appendix D: Resources Budget Monitoring Summary
Appendix E: Capital Outturn
Appendix F: Medium Term Financial Plan

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

Appendix A. Outturn 2017/18

1 REVENUE OUTTURN

1.1 Budget – what is the overall outturn position?

1.1.1 The Council is reporting a year end deficit of £656k. This represents an overspend of £169k on its budgeted deficit of £487k. In the context of an MTFP which shows reducing funding levels (Report 43/2018), the overall outcome is reasonably positive because a) the position is better than that reported in earlier Quarters; and b) in reporting an overall overspend, the Council is setting aside some service underspends (the most significant being an adult social care underspend of £315k) into earmarked reserves to meet future pressures. Without these transfers, the Council would be underspent against its budget. The revenue position at 31 March 2018 is shown below:

	More detail	Current Budget £000	Q2 Forecast £000	Q3 Forecast £000	Q4 Outturn £000
People		17,689	17,956	17,662	17,042
Places		12,334	12,166	12,286	12,200
Resources		6,077	5,859	5,716	5,397
Directorate Totals	1.2	36,100	35,981	35,664	34,639
Pay Inflation		45	0	0	0
Social Care Contingency		70	0	0	0
Planning – One off Settlement		500	500	500	500
Corporate Headcount Saving		(121)	0	0	0
Net Cost of Services		36,594	36,481	36,164	35,139
Appropriations		(1,897)	(1,897)	(1,897)	(1,897)
Capital Financing	1.4.1	1,930	1,930	1,930	1,930
Interest Receivable	1.4.2	(180)	(220)	(230)	(232)
Net Operating Expenditure		36,447	36,294	35,967	34,940
Non ring-fenced grants	1.4.3	(6,316)	(6,336)	(6,342)	(6,354)
BCF Reserve returned to CCG	1.1.2	0	0	0	268
National Non-Domestic Rates	1.4.4	(4,786)	(4,786)	(4,786)	(5,186)
Council Tax	1.4.5	(23,242)	(23,242)	(23,242)	(23,242)
Transfers to/(from) reserves	1.3	(1,501)	(1,046)	(724)	295
Transfers from S106/commuted sums		(115)	(115)	(115)	(65)
(Surplus)/Deficit		487	769	758	656
General Fund 1 April 2017		(9,634)	(9,634)	(9,634)	(9,634)
General Fund 31 March 2018		(9,147)	(8,865)	(8,876)	(8,978)

1.1.2 The overall position can be summarised as follows:

- At a Directorate level, the overall underspend was £1.461m. There are many reasons for underspends but the key ones are: a) savings from vacant posts and delays in recruiting staff pending reviews or further work; b) additional grant income received e.g. in respect of the One Public Estate programme; c) additional client income particularly in social care; and d) other cost control measures.
- Despite the overall underspend, there are some areas where there are overspends – there have been significant pressures in adoption and fostering, waste management and children’s social care. Further detail is given in Section 1.2. The reasons for the ‘overspend’ are consistent with those reported in year.
- The £1.461m underspend was increased further by additional grant income of £31k (of which £14k was received in the final quarter), better returns on investment income, £52k, and additional business rates of £400k.
- The underspend is offset by:
 - i) The return of some funding to the CCG. In line with the Section 75 agreement for the Better Care Fund (BCF) between the Council and the Clinical Commissioning Group (CCG), the Partnership Board agreed to the return of £268k of funding to the CCG. The CCG has agreed to make additional investment in 18/19 of the same amount.
 - ii) A request to transfer just under £1.8m to reserves. Officers are requesting to carry forward £320k (for already committed projects) and £1.525m (see table in 1.3.2) to use either next year or in future years. Some of the underspend (£598k) relates to ring fenced funding e.g. public health, Better Care Fund, One Public Estate, (see tables in section 1.2) and is therefore carried forward to next year/put into reserves. This means that the underspend in these areas is not put into the General Fund.

1.1.3 The revenue outturn position reconciles to the Comprehensive Income and Expenditure Statement (CIES) in the Draft Statement of Accounts which will be published by the end of May.

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

1.2.1 A summary of the performance of each function against budget can be found in Appendices B to D. A full analysis of Directorate performance in respect of each function is provided in the accompanying Budget Excel file which is available on the Council website at:

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

1.2.2 Throughout the year, the Financial Procedure Rules (FPR) require Directors to report on functions which are forecast to be £25k overspent and provide a detailed report on functions overspent by more than £100k explaining the reasons why. As 17/18 is now complete, a summary of the position on each function is given in the Directorate appendices. The overall position is as follows:

Directorate	Within budget?	Ceilings>25k overspent?				Ceilings>£25k underspent?			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Places	Yes	2	1	4	6	2*	1*	1*	2*
Resources	Yes	0	0	1	1	2*	3*	2*	3*
People	Yes	3	6	6	4	5*	5*	6*	4*

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

People Directorate

1.2.3 The People Directorate is underspent by £647k and there has been a favourable movement of £620k since Quarter 3. The net position does not show some of the significant challenges and pressures the Directorate has been dealing with this year. As the Directorate is required to carry forward unspent ring fenced budgets (e.g. Public Health and Better Care Fund) and is requesting budget carry forwards of £108k from other unspent budgets as well as transferring £315k to the Social Care reserve, the Directorate has, in effect, over spent its non-ring-fenced budgets by £182k as shown in the table below.

People Directorate budget	£'000	£'000
(Under)/Over spend People Directorate (Excluding Dedicated Schools Grant)		(647)
Add back: ring-fenced grant underspends (£268k of funding given back to CCG plus £138k transferred to reserves)	406	
Add back: Adult Social Care underspends to be transferred to Social Care reserve (see 1.2.8)	315	
Add back: Other budget carry forwards	108	
(Under)/Over spend after transfers		182
Key variances (Excluding Transfers to Reserves):		

People Directorate budget	£'000	£'000
Directorate Management costs	13	
Savings – Placements (1.2.7)	90	
Childrens Services (Placement costs and Children with Disabilities) (1.2.5 – 1.2.6)	118	
Learning and Skills (1.2.9)	(39)	
Total Variance		182

- 1.2.4 As reported consistently throughout the year, the key pressures in the Directorate have revolved around children with disabilities, fostering and adoption and Savings on Placements. Further information is given below and in Appendix B.
- 1.2.5 The Children with Disabilities service (within the Early Intervention – Targeted functional budget) has overspent as a result of the use of agency staff to cover long term sickness and additional high cost placements not known about at the time of setting the budget. The budget for 2018/19 has been increased to reflect this change.
- 1.2.6 Fostering and Adoption services were significantly overspent as a result of changes to placement needs, an increase in the number of placements required during the year and a high cost residential placement which had been anticipated would transfer to a suitable foster placement which has not turned out to be possible. The budget for 2018/19 has been increased and will be monitored closely throughout the year. The outturn position is much less than previously anticipated due to work undertaken during the year to reduce costs including reuniting families.
- 1.2.7 The budget included a savings estimate of £150k on external placements for 2017/18. External consultants were appointed to review the placements in both children and adult services to find savings. The review generated savings of £60k but beyond that has indicated that there is very little scope for immediately reducing costs further as the Council is already achieving value for money.
- 1.2.8 Adults and Health has underspent by £315k due to a number of factors including staff vacancies, the reclassification of some Integrated Community Equipment services costs to capital, the review of payment rates for Direct Payments not taking place during the year, and increased income from service users and health. Homecare for people with Learning Disabilities has increased spend in the final half of the year due to an additional service user compared to that reported at Quarter 2 when the budget was reviewed and set for 2018/19. This will be monitored during 2018/19 for potential ongoing pressures.
- 1.2.9 Learning and Skills is underspent as a result of staff vacancies whilst a review of structures including roles and responsibilities is undertaken and also due to school improvement programmes starting later in year that will

be completed next year. A budget carry forward to cover these commitments of £48k has been requested.

Places Directorate

- 1.2.10 The Places Directorate is underspent by £134k but is requesting that £334k is carried forward to next year or put into reserves. This effectively shows that the “real” position is a net overspend of £200k. Further information is given below and in Appendix C.

Places Directorate Budget	£'000	£'000
(Under)/Over spend Places Directorate		(134)
Add back:		
Ringfenced Funding (Total Transport Grant)	10	
Grants unused and committed in next year's budget (Planning Delivery grants)	84	
Return of unused funds (Highways – S38 Income, Tourism)	56	
Budget Carry Forwards (Warm Homes, Safety Partnership, Bike Ability, Library)	184	
(Under)/Over spend after transfers		200
Key variances (Excluding Transfers to Reserves):		
Development Control (1.2.11)	86	
Commissioned Transport (1.2.12)	(27)	
Public Transport (1.2.13)	(57)	
Waste Management (1.2.14)	93	
Winter Maintenance (1.2.15)	58	
Property Services & Commercial Properties (1.2.16)	96	
Economic Development (1.2.17)	(22)	
Other minor variances	(28)	
Total Variance		200

- 1.2.11 The main reason for the Development control overspend is due to the number and complexity of planning applications received during the year being lower than anticipated leading to less income (c£60k) and there has been staffing pressures due to the need to use agency staff to fill vacant posts c£20k.
- 1.2.12 The Commissioned Transport surplus is as a result of reductions in Home to School and Adult Services transport costs due to bringing some services in house and using Council employed drivers and passenger assistants. However, there have also been service pressures in Children Looked After

and SEN transport due to increased demand which have reduced the surplus.

- 1.2.13 Public Transport is underspent as a result of a refund by a bus operator of overcharged concessionary fare (£25k) and a reduction in demand during the final quarter of the year due to bad weather conditions.
- 1.2.14 There has been an increase cost in the disposal of tins of waste paint from September 2017 to £1.95 per container (£0.52 per container previously) leading to a c£50k overspend in this area. The new rate of £1.95 is in line with the market rates for the transporting/treating of CA site paint. In addition income from licensing and trade waste has been lower than anticipated (c£20k). This alongside higher than expected contract price increases has led to an overall overspend.
- 1.2.15 Winter Maintenance was predicted to be on budget at Quarter 3, however due to the severe weather conditions experienced between December and March and the Council's hard work ensuring that roads were gritted and kept safe to use, this budget has now overspent by £58k.
- 1.2.16 Due to the work required by Property Services on large Council projects (such as ROPE), delays have occurred on capital projects resulting in a lower than anticipated recharge of salaries. Also, there have been delays in implementing the new Facilities Management contract which was anticipated to save the Council £45k in year. This alongside the requirement for additional maintenance works on property including the museum roof, has resulted in an overall overspend.
- 1.2.17 A member of staff has been on maternity leave resulting in an underspend on salaries in Economic Development. This alongside the return of the Council's share of the underspend on Welland Market Towns has resulted in the overall underspend.

Resources Directorate

- 1.2.18 The Resources Directorate is underspent against budget by £680k and there has been a favourable movement since Q3 of £319k. With the Directorate requesting that £551k is carried forward to next year/put into earmarked reserves for future use, the "real" under spend is £129k.

Resources Directorate Budget	£'000	£'000
(Under)/Over spend Resources Directorate		(680)
Add back:		
Ringfenced Funding (ROPE)	182	
Unused grants already committed in future years budget (Elections)	83	
Return of unused funds (Discretionary Hardship)	27	
Budget Carry Forwards (Finance, Members Training, Customer Services, Training,	259	

Resources Directorate Budget	£'000	£'000
Communication, Direct Management Costs, Revenues & Benefits)		
(Under)/Over spend after transfers		(129)
Key variances (Excluding Transfers to Reserves):		
Legal (1.2.19)	86	
Chief Executive (1.2.20)	(97)	
Information Technology (1.2.21)	(26)	
Corporate Costs and Communications (1.2.24)	(45)	
Revenues & Benefits (1.2.25)	(44)	
Other minor variances	(3)	
Total Variance		(129)

- 1.2.19 In the early part of the year, there was increased general use of the Legal Service. This reduced when the Head of Governance started in September and in the final few months usage has returned back to lower levels. Service changes are being actioned to reduce the need for external support.
- 1.2.20 The Chief Executives project budget includes c£52k underspends arising from grants received that are being used to fund salary costs of officers shown in other cost centres. The Chief Executive budget allows additional expenditure to be incurred in line with HR and employment decisions made (e.g. giving an acting up allowance), this budget has not been required in 2017/18 and is therefore underspent.
- 1.2.21 IT underspends relate primarily to savings on IT hardware.
- 1.2.22 The surplus in Corporate Support relates to vacancies, underspends in the blue badge service and within reprographics and post.
- 1.2.23 The Customer Services underspend is c£77k of which £49k relates to the amount remaining for the Customer Services Improvement project which will be requested to be carried forward to 2018/19.
- 1.2.24 Corporate costs are underspent due to a lower than anticipated spend on the Apprenticeship Levy as a result of staff vacancies along with a reduction in spend with Welland Procurement. The Communications budget has underspent due to there being staff vacancies during the year.
- 1.2.25 The surplus in Revenues is due to a staffing restructure and vacancies, additional grant funding and better recovery of Housing Benefit overpayments than anticipated. Of a total underspend of £83k, £44k is requested to be carried forward.

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

- 1.3.1 The Council planned to use £1.501m from earmarked reserves during 2017/18 including Budget Carry Forward requests approved as part of the Q4 Outturn Report 2016/17 (111/2017). The Council also planned to use £115k of Commuted Sums and S106 revenue funding. A summary of the planned and actual movement in reserves is shown below.

	Budget 2017/18 £'000		Actuals 2017/18 £'000	
Balance @ 01/04/2017		4,524		4,524
Use of Reserves	(1,501)		(1,501)	
Transfer to Reserves	0	(1,501)	1,796	295
Balance @ 31/03/2018		3,203		4,819
Use of Commuted Sums	(36)*		(36)*	
Use of S106 for Revenue spend	(79)*		(29)*	
Total Use of S106/Commuted sums		(115)		(65)

- 1.3.2 The transfer to reserves and the unspent S106 contribution totalling £1.846m are detailed in the Directorate Appendices B to D attached to this report. A breakdown of the transfer to reserves of £1.796m and use of £50k S106 is shown below:

	£'000
Amounts to Transfer to reserves not requested to carry forward (including Adult Social Care)	625
Budget Carry Forward – Spend already committed (including £50k s106 for ROPE)	423
Budget Carry Forward – Requested but not committed	398
Amount to be transferred to reserves for NNDR (see 1.4.6)	400
Total Transfer to Reserves for 2017/18	1,846

- 1.3.3 The total of budget carry forwards is £821k (£423k where spend has already been committed in 2018/19 and £398k where projects have been planned but there has been no commitment to actual spend). Officers are also requesting that a total of £625k is put back into reserves for future use (£60k into ring fenced funds, £315k into the Social Care reserve and £240k into other reserves).

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

Capital Financing and Interest Receivable

- 1.4.1 Capital financing costs comprising the Minimum Revenue Provision (the amount set aside for the repayment of debt) and external interest payable are in line with budget.
- 1.4.2 The interest receivable on investments figure has exceeded budget by £52k in line with figures reported as early as Quarter 1. Investment income expected was reduced given the low level of interest rates but has been bettered through investing larger sums over longer periods.

Non Ring-fenced Grants:

- 1.4.3 The Non Ring-fenced Grants outturn of £6.354m shows additional grants of £38k over and above the budget of £6.316m. This is due to receipt of more than anticipated Education Services Grant (£8k) and additional grants such as Transparency Code (£13k), New Homes Bonus Share of funds held back (£10k) and other small grants of £8k.

Non-Domestic Rates

- 1.4.4 The Council's final position on Non-Domestic Rates was £5.186m. This is higher than actually anticipated because of the way in which business rates funding works not because of business rates growth.
- 1.4.5 In year, the Council receives business rates income based on projections made in January 2017. In addition, the Council receives compensation from MHCLG (in the form of section 31 grants) for rates foregone (c£387k) due to implementation of Government policy e.g. small business rate relief.
- 1.4.6 The Government decision (after our January 2017 forecast was completed) to pay additional reliefs means we have received both a grant for the reliefs and the rates we would have received (if the reliefs had not been awarded). This means we have a surplus on business rates this year but have a deficit next year which we will smooth out through putting the additional funding of £400k into reserves this year and then using this next year.

Council Tax and Collection Fund Surplus

- 1.4.7 If a surplus or deficit remains in the Collection Fund at the year-end it is subsequently distributed to, or borne by the billing authority (RCC) and the preceptors (Police and Fire Authorities). In 2017/18, the Council's collection fund surplus relating to 2016/17 was £170,000.

Appropriations

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

2 CAPITAL PROGRAMME

2.1 Overall Programme – how much was spent in 17/18?

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

	Total Project Budget	Prior Year Outturn	Outturn 2017/18	Future Year Outturn	Estimated Outturn	Total Project Variance
	£000	£000	£000	£000	£000	£000
Approved Projects: Not started						
Commercialisation	10,000	0	0	10,000	10,000	0
Asset Management Requirements	2,282	0	0	2,282	2,282	0
Strategic Aims and Priorities	853	0	0	853	853	0
Total: Not Started	13,135	0	0	13,135	13,135	0
Approved Projects: In Progress						
Commercialisation	3,056	0	6	3,050	3,056	0
Asset Management Requirements	4,674	134	391	3,948	4,474	(200)
Strategic Aims and Priorities	6,855	4,198	229	2,428	6,855	0
Total: In Progress	14,585	4,332	626	9,426	14,385	(200)
Approved Projects: Completed						
Commercialisation	200	0	196	0	196	(4)
Asset Management Requirements	3,442	105	3,018	202	3,326	(116)
Strategic Aims and Priorities	1,684	1,324	359	0	1,682	(2)
Total: Completed	5,327	1,429	3,573	202	5,205	(122)
Total	33,046	5,761	4,199	22,763	32,724	(322)

2.1.2 The capital expenditure incurred in the year has been financed as follows:

	Outturn 2017/18
	£000
Financed by:	
Grant	3,185
Capital Receipts	341
Oakham North Agreement	252
S106	421
Total Financing	4,199

2.1.3 The project variance of £322k relates to underspends on the following projects:

2.1.4 Integrated Transport Block – The overall programme for the Integrated Transport Block is showing as an underspend of £17k. This is due to one of the schemes not going ahead (£5k) and a number of schemes coming in under budget. A cabinet paper will be issued shortly on plans for the Integrated Transport Block for 2018/19.

2.1.5 Oakham Library and Children Centre – The refurbishment of Oakham Library and the new Visions Children’s Centre were officially opened October 2018. The project was overspent by £5k due to essential works on the Library.

2.1.6 Oakham Town Centre – The project was halted January 2018. A task and finishing group have been established to consider the future of Oakham Town Centre. The estimated £200k underspends on the project was included in the Highways Capital Programme (Report No: 16/2018). £100k of the underspend has been allocated towards essential works for Oakham Town Centre, the remaining £100k underspend will be used within the highways capital programme.

2.1.7 The King Centre – The first tenants moved into the King centre in January 2018. A contribution from the Rutland County College is expected towards essential works. This is reflected in the £4k underspend.

2.1.8 Highways – Approval was given in 2016/17 for the upgrade of Rutland’s street lighting which was funded by a Salix Loan. The 2017/18 contribution towards the loan will be funded from the £105k underspend.

2.1.9 Active Rutland Hub – The community Sport Facility located within Oakham Enterprise Park open in October 2016. The project was delivered with a £4k underspend. The project will be closed as at 31st March 2018.

2.2 Approved programme – Are there changes to the approved programme

2.2.1 The table below shows that the programme has increased by £2.108m since budget setting, giving a revised capital programme of £33.046m. The changes in the programme are as follows:

Project	Amount £000	Amount £000
Approved Capital Programme at Budget Setting (Report No: 43/2018)		30,938
Approved Since Budget Setting		
Highways (Report No 16/2018)	1,173	
Disabled Facilities Grant (Ring Fenced)	24	
Uppingham Hopper Loan (Delegated Approval)	25	
Oakham Market Town Trade Stall (Delegated Approval)	14	
St George Barracks – Officer Mess (Report No: 54/2018)	850	
Kendrew – Nursery Provision (Ring Fenced)	10	
Greetham Heating System (Ring Fenced)	12	
Total Approved Since Budget Setting		2,108
Revised Capital Programme		33,046

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

2.3.1 Oakham Enterprise Park – Phase 2a of the project was approved December 2017. In March 2018 the procurement strategy for the project was approved. Early indications from the Architect are that the project end date can be met.

2.3.2 Transforming Care Project – Due to the terms and conditions of the NHS England funding a decision was made to look at alternative funding for the project. The project is currently under review and a further cabinet paper is expected if the project is to progress.

2.3.3 Oakham Castle – The restoration of Oakham Castle was completed October 2016. The outstanding works for the Motte area of the project has been agreed with Heritage Lottery and will be completed in 2018/19.

2.3.4 IT Project (Report 111/2017) – Cabinet authorises the Director of Resources to allocate the IT capital allocation for individual projects. Delegated approval has been given for the ongoing IT projects below:

- Idox Data Transfer – the project is to transfer the data from the current APAS system to the new Idox system.
- Wireless – the project is to improve the provision of Wi-Fi across Catmose building.

- Chamber Audio Visual System – the project is to improve the provision available in the Council Chambers with the purchase of projectors and audio visual equipment.
- Adult Learning MIS System – the project is to support a new system for the Adult Learning Management Information system. The current providers have withdrawn their support.

2.3.5 Liquid Logic – The Liquid Logic capital project has been completed and will be closed as at 31st March 2018.

2.3.6 Digital Rutland – Phase 3 of the Digital Rutland project is expected to start in 2018/19.

3 LOOKING AHEAD

3.1 Budget 18/19

3.1.1 The Council's budget was approved at February Council. Since that date minor changes have been approved, further grants received, and a conclusion reached on the pay award (see 3.2). An up to date position will be presented to Members as part of the Q1 report.

3.2 Pay award

3.2.1 Agreement has now been reached between the Trade Unions and Employers organisation for the April 2018 pay award for employees (up to Grade PO5) on the National Joint Council (Green Book) terms and conditions. This is a two-year deal which includes a new pay spine for April 2019 to allow progression to the National Living Wage – forecast for 2020 of £9.35 per hour. The pay spine will see:

- The introduction of a minimum hourly rate of £9.00 per hour
- Five new spinal column points
- The existing lower 12 pay points 'paired off' into six new pay points
- A further increase of between 2.3% and 7.3% for current pay points 6 to 28
- An increase of 2% for current scp 29 and above

3.2.2 The agreement does not cover Chief Officers posts at this time. The Council's budget included sufficient provision to meet the costs of the pay award.

3.3 Fair funding review

3.3.1 This is ongoing with the Council recently responding to the call for evidence on the assessment of relative needs. A further series of papers is expected in due course with implementation currently planned for April 2019.

3.4 Business Rate Revaluation 2021

3.4.1 The next business rates revaluation will be brought forward by one year and will now take place in 2021 instead of 2022. The most recent revaluation was in 2017, and before that in 2010. A consultation on increasing the frequency of revaluations was published in March 2016.

3.4.2 The Government promised to increase the frequency of the revaluations from 5 years to 3 years. We assume that the decision to bring forward the next revaluation to 2021 is to get all parties used to having more frequent

revaluations.

- 3.4.3 Revaluations will continue to be undertaken by the Valuation Office Agency (VOA). In practice, more frequent revaluations will have little financial impact on local government funding. The 2017 revaluation has shown that adjustments to top-ups and tariffs can be made within the Business Rate Retention System (BRRS) to offset the impact of revaluations at authority level. Furthermore, having more frequent revaluations will reduce the impact of each revaluation: the 2017 revaluation was dealing with 7 years of valuation changes, whereas the next revaluations will be dealing with only 4 and then 3 years.

3.5 Social care: Green Paper

- 3.5.1 The Government has said that the Green Paper will “focus on care for older people, but many of the issues and questions about the sustainability of the care system will be relevant to adults of all ages”. To date, the Government has confirmed that the Green Paper on social care for older people will cover the following issues:

- how people pay for social care including a cap on lifetime social care bills
- market stabilisation on the back of a number of care homes coming under financial pressure
- integration of health and social care and link with other services e.g. housing
- the role of carers
- workforce
- technological developments

- 3.5.2 On 20 March 2018, the Health and Social Care Secretary, reiterated that one of the seven key principles guiding the Green paper would be to develop a sustainable funding model for social care.

- 3.5.3 The precise timings for the Green Paper are not known but it is likely that it will be published by the end of this summer.

3.6 MTFP – What is the latest position?

- 3.6.1 The MTFP presents a position based on various assumptions and estimates about variables that are predominantly outside the control of the Council. The Council’s experience is that these can change over time and sometimes quite significantly. The MTFP is updated regularly to take account of government decisions, ministerial announcements and other information which means that assumptions need to be revisited.

3.6.2 The MTFP is under review (but the latest version is in Appendix F), in particular the following assumptions are being considered:

- Pay award assumptions
- Housing growth (linked to the Local Plan)
- Government funding
- Move to 75% retention.

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Appendix B. People Budget Monitoring Summary

KEY:

1 - Underspend with no impact next year (one off); 2 - Underspend with budget adjustment to be done in Q1 or already done
 3 - One off underspend requested to be used next year; 4 - Overspend with no impact next year (one off);
 5 - Overspend where budget has been or needs to be adjusted next year

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/Fwd	Transfer to reserves	Comments
25 Directorate Management Costs	1,429,300	1,438,900	1,450,957	21,657	12,057	4	0	0	Overspend due to use of agency staff to cover team manager vacancies at the start of the year, advertising costs to fill vacancies and a contribution to the regional sector led improvement fund.
Business Intelligence	126,700	126,000	120,260	(6,440)	(5,740)	1	0	0	Underspend due to staff vacancies
Crime Prevention	237,500	242,700	234,856	(2,644)	(544)	1	0	0	
Contract Placement Savings	(150,000)	(60,000)	(60,000)	90,000	0	5	0	0	Review of placement costs identified £60k of savings. Beyond this, cost avoidance rather than cost savings have been identified. The saving requirement has been removed from the 18/19 budget.
Directorate	1,643,500	1,740,300	1,746,073	102,573	5,773		0	0	

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/Fwd	Transfer to reserves	Comments
Public Health	67,400	48,800	7,376	(60,024)	(41,424)	1	0	60,000	Underspend due to reprocurement of contracts for substance misuse and Commissioning of 0-5 services required as grant funding is reducing. Some one-off projects were delayed in the last quarter due to long term sickness.
BCF Programme Support	158,000	149,900	134,463	(23,537)	(15,437)	3	78,000	0	The Better Care Fund (BCF) is underspent due to delays in recruitment of staff and vacancies arising during the year. Also some new schemes were delayed in starting due to timing of announcements of funding. In line with the Section 75 agreement for the Better Care Fund (BCF) between the Council and the Clinical Commissioning Group (CCG), the Partnership Board agreed to the return of £268k of funding to the CCG
BCF Unified Prevention	395,000	323,000	242,075	(152,925)	(80,925)				
BCF Holistic Management of Health & Wellbeing	1,080,000	1,043,700	916,351	(163,649)	(127,349)				
BCF Hospital Flows	999,400	965,200	993,667	(5,733)	28,467				
Adults & Health (Ringfenced)	2,699,800	2,530,600	2,293,931	(405,869)	(236,669)		78,000	60,000	
Non BCF Contract and Procurement	572,200	529,500	535,819	(36,381)	6,319	2	0	315,000	Underspend as a result of staff costs savings & renegotiated contract values. Budgets will be reviewed for Q1.
ASC Community Inclusion	757,500	795,600	805,508	48,008	9,908	5	0		Increased community outreach and inclusion has resulted in an overspend. Budget has been realigned in 18/19.
ASC Prevention & Safeguarding	141,000	129,800	126,302	(14,698)	(3,498)	2	0		Extra income due to increased Older People contributions towards care costs, and reduced Learning Disabilities costs due to the service user moving out of county.

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/Fwd	Transfer to reserves	Comments
ASC Prevention & Safeguarding - Staffing	412,400	412,500	414,665	2,265	2,165	4	0		
ASC Housing	128,700	113,600	110,512	(18,188)	(3,088)	1	0		Underspend due to vacancy management and extra government funding.
ASC Support & Review - Daycare	204,800	211,500	198,862	(5,938)	(12,638)	1	0		New Brambles contract for daycare for Older People not implemented until part way through year.
ASC Support & Review - Direct Payments	666,000	632,300	617,863	(48,137)	(14,437)	1	0		The budget was set assuming that the numbers of direct payments would increase when the hourly rate was reviewed and increased. This review has not been concluded.
ASC Support & Review - Homecare	1,332,000	1,361,100	1,328,124	(3,876)	(32,976)	2	0		Q4 saw the transfer of Physical Disability cases to health resulting in reduced spend, along with increased fairer charging income due to revised assessments and new service users being assessed as having the resources to contribute towards care.
ASC Support & Review - Other	284,500	281,400	281,559	(2,941)	159	2	0		
ASC Support & Review - Residential & Nursing	2,871,700	2,807,100	2,755,721	(115,979)	(51,379)	2	0		Reductions in demand as more service users opt for homecare provision instead of residential care. There has been an increase in Health contributions resulting in increased income.
ASC Support & Review - Staffing	550,100	545,400	548,697	(1,403)	3,297	1	0		

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/Fwd	Transfer to reserves	Comments
ASC Hospital & Reablement	540,500	469,500	422,671	(117,829)	(46,829)	1	0		Underspend due to a transfer of £63k of expenditure to Disabled Facilities Grant capital budget and increased funding from the BCF.
Adults & Health (Non Ringfenced)	8,461,400	8,289,300	8,146,302	(315,098)	(142,998)		0	315,000	
Safeguarding	190,700	166,200	161,302	(29,463)	(4,963)	1	0	0	The underspend is as a result of a staff vacancy which has now been filled.
Referral, Assessment and Intervention Services	291,100	203,700	193,905	(97,195)	(9,795)	1	0	0	The underspend is as a result of staff vacancies which have now been filled.
Permanency and Protection Services	457,200	491,100	480,485	23,285	(10,615)	4	0	0	The overspend is as a result of the use of agency staff to cover vacant posts and increased support to families. These posts have now been filled.
Fostering, Adoption and Care Leaver Service	1,531,100	1,837,900	1,712,656	181,556	(125,244)	5	0	0	The overspend is due to Foster placement pressures arising from change in placement needs as well as increased numbers, residential placement which has continued do to needs of individual and increased use of Independent Fostering Agencies. The budget has been adjusted in 18/19.
Early Intervention – Targeted Intervention	1,149,900	1,322,200	1,230,871	80,971	(91,329)	5	38,000	0	Children with Disabilities overspent due to increased demand for placements. Underspend on Childrens Centre is requested to be carried forward for development of outside play area and Parent Volunteers.

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/Fwd	Transfer to reserves	Comments
Early Intervention – SEND & Inclusion	284,500	273,600	257,265	(27,235)	(16,335)	3	22,000		SEND Reform grant funding not fully spent and is requested to be carried forward to continue works in 18/19.
Early Intervention – Universal and Partnership	409,500	353,200	335,595	(73,905)	(17,605)	1	0	0	Outside space project at Jules House did not go ahead in 17/18 as planned. Staff vacancies (£44k) have also contributed to the underspend.
Childrens	4,314,000	4,647,900	4,372,014	58,014	(275,886)		60,000	0	
Schools & Early Years	558,900	453,900	478,464	(80,436)	24,564	3	48,000	0	Underspend due to staff vacancies and delayed school improvement projects requested to be carried forward.
Rutland Adult Learning & Skills Service	10,800	0	4,938	(5,862)	4,938	1	0	0	
Learning & Skills	569,700	453,900	483,403	(86,297)	29,503		48,000	0	
Total People - GF (Ringfenced)	2,699,800	2,530,600	2,293,931	(405,869)	(236,669)			0	
Total People - GF (Non Ringfenced)	14,988,600	15,131,400	14,747,792	(240,808)	(383,608)		0	0	
Total People (Excluding DSG)	17,688,400	17,662,000	17,041,724	(646,676)	(620,276)		0	0	
Schools Dedicated Schools Grant (DSG)	0	82,200	15,961	15,961	(66,239)	4			The DSG is overspent on High Needs due to increased demand and changes to pupil requirements. This will be

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/Fwd	Transfer to reserves	Comments
									recharged to schools in 2019/20. The Early Years is underspent as a result of a reduction in pupil numbers.
Total People (Including DSG)	17,688,400	17,744,200	17,057,685	(630,715)	(686,515)		186,000	375,000	

Appendix C. Places Budget Monitoring Summary

KEY:

1 - Underspend with no impact next year (one off); 2 - Underspend with budget adjustment to be done in Q1 or already done
 3 - One off underspend requested to be used next year; 4 - Overspend with no impact next year (one off);
 5 - Overspend where budget has been or needs to be adjusted next year

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/fwd	Transfer to reserves	Comments
Directorate Management Costs	198,200	203,300	205,968	7,768	2,668	4	0	0	
Directorate Management	198,200	203,300	205,968	7,768	2,668		0	0	
Development Control	184,700	229,800	270,498	85,798	40,698	4	0	0	The main reason for the overspend is because the number and complexity of planning applications has been lower than budgeted resulting in less fees for the Council Planning Applications (£59k) and Land Charges Searches (£10k), also staffing pressures due to the need to use agency staff to cover vacant posts (£16k).
Drainage & Structures	184,100	185,900	172,063	(12,037)	(13,837)	1	0	0	The under spend is due to wintry weather in February and March meaning that there were some small drainage schemes that could not be completed.
Emergency Planning	29,700	30,100	30,117	417	17	4	0	0	
Environmental Maintenance	1,073,200	1,094,800	1,080,315	7,115	(14,485)	4	0	0	Variance includes vacancy management savings £18k which has been absorbed by Cemetery grounds maintenance overspend (£9k) and one off equipment purchases for the Cemetery (£13k) which will result in grounds maintenance savings going forward to bring back on budget.
Forestry Maintenance	117,000	110,900	100,140	(16,860)	(10,760)	1	0	0	Underspend is due to additional income from Parishes (£1k), and an insurance claim (£5k), plus consolidation of works during year less than originally estimated £10k.

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/fwd	Transfer to reserves	Comments
Highways Capital Charges	1,332,300	1,332,300	1,332,300	0	0		0	0	
Highways Management	180,300	151,800	138,964	(41,336)	(12,836)	1	0	38,000	The under spend is S38 income received from Developers for road adoption assessment and future maintenance. This is held until assessments completed and maintenance required.
Commissioned Transport	1,464,200	1,513,900	1,436,947	(27,253)	(76,953)	1	0	0	Surplus in Home to School Transport and Adult Social Services Transport as a result of bringing services in house (£99k), absorbed by increased demand in Children Looked After Transport due to new foster care cases and in SEN Transport due to an increase in number of SEN students requiring transport this academic year.
Lights Barriers Traffic Signals	124,400	124,400	101,364	(23,036)	(23,036)	1	0	0	Costs for street lighting were reduced as effects of new LED stock meant less faults reported over the year (£20k), and energy savings led to reduced energy bills (£3k).
Parking	(350,000)	(343,700)	(346,657)	4,343	(1,957)	4	0	0	
Pool Cars & Car Hire	97,200	92,600	92,480	(4,720)	(120)	1	0	0	
Public Protection	410,300	380,200	385,026	(25,274)	4,826	3	21,000	0	The surplus is mainly due to the grant funding within this function for 'Warm Homes for Rutland' initiative. There has virtually been no demand for the Warm Homes grant this year but the initiative will be continued into next year and therefore it is requested that the budget is carried forward.
Public Rights of Way	90,400	90,400	80,829	(9,571)	(9,571)	1	0	0	Slight underspend as the planned construction of the ford at Empingham was unable to progress due to the required permit(s) from the Environment Agency still not having been issued.
Public Transport	788,800	749,500	731,632	(57,168)	(17,868)	2	0	0	Surplus due to reimbursed concessions monies (£25k), further underspend is a direct result of the bad weather conditions from December to March causing concessionary pass holders to avoid travelling on public transport and the reduced Oakham Hopper Service introduced in August, a budget saving of £44k in 2018/19.

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/fwd	Transfer to reserves	Comments
Road Maintenance	924,300	948,800	952,748	28,448	3,948	4	0	0	The overspend is mainly due to insurance pay-outs for claims against the authority due to trips and accidents, and unrecovered costs from accident damage.
Transport Management	493,600	419,300	402,989	(90,611)	(16,311)	3	81,000	0	The surplus in Transport Strategy is due to Bikeability grant funding, money repaid from the road safety partnership and grant funding for Total Transport fund, all schemes carrying forward into 2018/19.
Waste Management	2,449,600	2,475,300	2,542,752	93,152	67,452	4	0	0	Decision not to charge for additional green bins in 2017/18 £20k and Biffa cost £20k as indexation higher than expected. Budget adjusted for income and inflation should suffice for increase in Waste Disposal costs in 2018/19. Waste Management costs for paint disposal have increased by 400% in 2017/18 (impact £46k). Currently under review.
Winter Maintenance	267,500	267,500	325,992	58,492	58,492	4	0	0	Exceptional wintry weather in February and March led to overspend.
Environment, Planning and Transport	9,861,600	9,853,800	9,831,498	(30,102)	(22,302)		102,000	38,000	
Planning Policy	380,000	330,400	327,191	(52,809)	(3,209)	3	0	84,000	£84k transfer to reserve is underspend due to work on Local Plan costs covered by grants overlapping financial years. Within function £32k overspend in Planning Policy is mainly due to the forecast receipt of the 5% CIL admin allowance for some sites now expected to be received in 2018/19.
Tourism	22,200	8,300	4,182	(18,018)	(4,118)	3	0	18,000	Increased effort to boost Discover Rutland memberships & advertising revenue is likely to leave a small annual surplus so that it eventually becomes self-financing.
Health & Safety	38,100	38,100	27,737	(10,363)	(10,363)	1	0	0	
Property Services	939,100	1,096,600	1,055,661	116,561	(40,939)	5	0	0	Variances to budgets are as a result of additional maintenance on property, under capitalisation of salaries due to delayed program of capital works on schools and delays to the 'out-sourcing' of the Facilities Management function. Delay in works due to inclement March weather led to Q3 variance to budget.

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/fwd	Transfer to reserves	Comments
Building Control	(48,100)	(48,000)	(34,150)	13,950	14,250	4	0	0	Income driven by public demand. Variance to budget as a result of less demand than anticipated. Budget under review.
Commercial & Industrial Properties	(260,400)	(281,600)	(281,436)	(21,036)	164	2	0	0	The variance is due to salary savings, fluctuations in predicted void rates and dilapidation repairs and delays to maintenance programmes plus less winter maintenance required.
Economic Development	237,400	200,400	193,044	(44,356)	(7,356)	3	22,000	0	Savings in Economic Development have arisen due to maternity leave, the Welland Market Towns funding no longer required and repaid, and Digital Rutland professional and publicity costs for a Phase 3 not incurred in 2017/18 to be carried forward to 2018/19.
Culture & Registration Services	83,700	65,600	73,401	(10,299)	7,801	1	0	0	Underspend for Culture and Leisure due to vacancy management.
Libraries	529,200	453,100	456,682	(72,518)	3,582	3	70,000	0	The £70k Budget carried forward to support maintenance and other work at libraries did not go ahead in 2017/18. The remaining underspend anticipated is due to a post being held vacant pending service changes at Oakham Library.
Museum Services	352,600	360,400	352,666	66	(7,734)	4	0	0	
Sports & Leisure Services	600	5,800	(12,508)	(13,108)	(18,308)	1	0	0	The underspend is mainly due to property maintenance required in year at Active Rutland Hub less than budgeted.
Development and Economy	2,274,400	2,228,700	2,162,470	(111,930)	(66,230)		92,000	102,000	
Total Places	12,334,200	12,285,800	12,199,936	(134,264)	(85,864)		194,000	140,000	

Appendix D.Resources Budget Monitoring Summary

KEY:

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

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 Forecast	Key	Budget C/fwd	Transfer to reserves	Comments
Chief Executives Office	372,000	322,900	93,171	(278,829)	(229,729)	3	182,000	0	£182k Rutland One Public Estate underspend arising from additional grant/external contributions to be carried forward.
Directorate Management Costs	286,800	273,900	268,629	(18,171)	(5,271)	3	18,000	0	The surplus is due to a new shared services with South Kesteven District Council. A carry forward requested to support interim arrangements.
Communications	187,500	138,400	128,977	(58,523)	(9,423)	3	30,000	0	Underspend due to vacancies. Carry forward requested to cover extended support.
Corporate Costs	206,000	194,200	189,429	(16,571)	(4,771)	1	0	0	Underspend due to reduced procurement costs and lower than expected apprenticeship levy payments.
Pensions	220,000	202,200	201,430	(18,570)	(770)	1	0	0	Pensions budget has underspent due to there being no requirement for additional contributions in year.
Audit Services	165,500	163,200	165,727	227	2,527	4	0	0	
Insurance	240,200	243,900	243,676	3,476	(224)	4	0	0	
Accountancy & Finance	685,200	630,300	630,348	(54,852)	48	3	54,000	0	Underspend due to delays in Business World Developments. Carry forward requested to cover the costs of Annual Leave Solution, Property Module and specialist VAT assistance.
Information Technology	1,180,000	1,170,600	1,153,957	(26,044)	(16,644)	1	0	0	The underspend in IT is due to hardware purchases less than originally budgeted/anticipated.
Corporate Support Services	503,000	494,800	472,336	(30,664)	(22,464)	3	30,000	0	Underspend due to vacant posts plus savings within reprographics and postage. Carry forward requested to fund cost pressures of the service restructure.

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 Forecast	Key	Budget C/fwd	Transfer to reserves	Comments
Members Services	206,800	204,600	185,069	(21,731)	(19,531)	3	5,000	0	Variance due to vacancy in year. A carry forward is requested to allow greater investment in training
Customer Services Team	335,600	277,400	264,163	(71,437)	(13,237)	3	72,000	0	Customer Service Improvement project expected to be completed over more than one financial year, therefore, unspent budget requested to be carried forward to 2018/19
Elections	128,600	80,900	51,610	(76,990)	(29,290)	3	0	83,000	Unspent grant requested to be transferred to reserves to fund administration in future years.
Legal & Governance	426,300	501,500	512,648	86,348	11,148	4	0	0	Variance due to additional legal work being carried out by Peterborough City Council while the Head of Corporate Governance post was vacant.
Human Resources	484,200	470,700	469,967	(14,233)	(733)	3	10,000	0	Underspend from the corporate training budget. Carry forward requested to fund additional project work.
Revenues & Benefits	398,800	319,400	315,109	(83,691)	(4,291)	3	40,000	0	Underspend is due to a restructure, grant funding plus greater recovery of Housing Benefit overpayments. Carry forward requested for future service developments.
Financial Support	50,000	27,400	22,993	(27,007)	(4,407)	3	0	27,000	The council has made 75 crisis awards and 64 discretionary to this year. The under spend will be transferred to the Welfare Reserve to fund future awards.
Total Resources	6,076,500	5,716,300	5,369,238	(707,262)	(347,062)		441,000	110,000	

Appendix E. Capital Outturn

Project Description	Index Ref	Approved at Budget Setting	New Projects approved	Total Project Budget	Prior Year Outturn	2017/18 Outturn	Estimated Future Year Outturn	Estimated Project Outturn	Project Over/ (Under) Spend	Projects Status	Total Project as at 1 st April 18
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Oakham Enterprise Park	2.3.1	2,206	0	2,206	0	6	2,200	2,206	0	In Progress	2,206
King Centre	2.1.6	200	0	200	0	196	0	196	(4)	Completed	0
St Georges- Officers Mess		0	850	850	0	0	850	850	0	In Progress	850
Investment Properties		10,000	0	10,000	0	0	10,000	10,000	0	Not Started	10,000
Total Commercialisation Capital Programme		12,406	850	13,256	0	202	13,050	13,252	(4)		13,056
Uppingham College - Science Block		74	0	74	34	41	0	74	0	Completed	0
Capital Allocations Project Board		455	0	455	0	85	370	455	0	In Progress	455
Oakham C of E (Single Storey)		651	0	651	8	3	640	651	0	In Progress	651
Catmose College - Phase 2		130	0	130	0	0	130	130	0	In Progress	130
Catmose College - Phase 3		1,950	0	1,950	0	0	1,950	1,950	0	In Progress	1,950
Uppingham C of E (Add- 30 places)		200	0	200	0	1	199	200	0	In Progress	200
Barleythorpe Primary (Contribution)		200	0	200	0	0	200	200	0	In Progress	200
SEN - Support to increase capacity		200	0	200	0	0	200	200	0	In Progress	200
P3 - English Martyrs - Inc Capacity		133	0	133	126	3	3	132	0	In Progress	132
Highways Capital Projects	2.1.7	2,020	0	2,020	0	1,914	0	1,914	(105)	Completed	0
Highways Capital Projects		127	0	127	0	0	127	127	0	In Progress	127
Highways Capital Projects 2018/19		1,209	1,073	2,282	0	0	2,282	2,282	0	Not Started	2,282
Integrated Transport Block	2.1.3	158	0	158	0	141	0	141	(17)	Completed	0
Integrated Transport Block		202	0	202	0	0	202	202	0	In Progress	202
Oakham Town Centre	2.1.5	528	100	628	0	299	129	428	(200)	In Progress	428
Oakham Library & Children Centre	2.1.4	989	0	989	71	923	0	994	5	Completed	0
Total Asset Management Requirements Capital Programme		9,225	1,173	10,398	239	3,409	6,432	10,081	(317)		6,958
Devolved Formula Capital		32	0	32	0	32	0	32	0	Completed	0
Devolved Formula Capital 2018/19		18	0	18	0	0	18	18	0	Not Started	18
Disabled Facilities Grants		210	24	234	0	234	0	234	0	Completed	0

Project Description	Index Ref	Approved at Budget Setting	New Projects approved	Total Project Budget	Prior Year Outturn	2017/18 Outturn	Estimated Future Year Outturn	Estimated Project Outturn	Project Over/ (Under) Spend	Projects Status	Total Project as at 1 st April 18
Disabled Facilities Grants 2018/19		221	0	221	0	0	221	221	0	Not Started	221
Transforming Care	2.3.2	394	0	394	0	0	394	394	0	In Progress	394
Autism Innovation		19	0	19	15	0	4	18	0	In Progress	18
Liquid Logic	2.3.5	590	0	590	558	33	0	591	1	Completed	0
Kendrew - Nursery Provision		0	10	10	0	0	10	10	0	Not Started	10
SEND		500	0	500	0	0	500	500	0	Not Started	500
Rutland Hub - Feasibility Study		40	0	40	0	0	40	40	0	In Progress	40
Active Rutland Hub	2.1.8	769	0	769	766	0	0	766	(3)	Completed	0
Greetham Play Area		28	0	28	0	28	0	28	0	In Progress	28
Greetham Heating System		0	12	12	0	0	12	12	0	In Progress	12
Sports Grants		500	0	500	318	25	157	500	0	In Progress	500
Oakham Castle Restoration	2.3.3	2,400	0	2,400	1,797	130	473	2,400	0	In Progress	2,400
Digital Rutland	2.3.6	2,378	0	2,378	2,068	0	310	2,378	0	In Progress	2,378
Digital Rutland Phase 3	2.3.6	905	0	905	0	0	905	905	0	In Progress	905
Planning Software (Ibox)		50	0	50	0	25	25	50	0	In Progress	50
Uppingham Hopper Loan		0	25	25	0	25	0	25	0	Completed	0
Oakham Market Town Trade Stall		0	14	14	0	0	14	14	0	In Progress	14
Disaster Recovery		25	0	25	0	26	0	26	1	Completed	0
SmartBoards		9	0	9	0	9	0	9	0	Completed	0
Office365		15	0	15	0	15	0	15	0	Completed	0
IT Project	2.3.4	101	0	101	0	6	95	101	0	In Progress	101
IT Project 18/19		104	0	104	0	0	104	104	0	Not Started	104
Total Strategic Aims and Priorities Capital Programme		9,307	85	9,392	5,522	587	3,281	9,390	(2)		7,693
Total Capital Programme		30,938	2,108	33,046	5,761	4,199	22,763	32,724	(322)		27,706

Appendix F. 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		2017/18 Q4 Outturn £	2018/19 Proposed £	2019/20 Proposed £	2020/21 Proposed £	2021/22 Proposed £	2022/23 Proposed £
1,2,18	People	17,041,724	18,135,900	17,811,800	18,118,700	18,528,600	18,961,600
1,2	Places	12,199,936	12,033,100	12,083,600	12,361,200	12,635,100	12,909,900
1,2,3	Resources	5,397,520	5,906,400	6,030,900	6,112,400	6,217,400	6,326,700
4	Pay Inflation Contingency	0	384,400	777,700	1,007,100	1,244,200	1,489,300
	Planning - One Off Payment	500,000	0	0	0	0	0
5	Adult Social Care Contingency	0	184,800	100,300	100,300	100,300	100,300
	Corporate Headcount Saving	0	0	(121,000)	(121,000)	(121,000)	(121,000)
	Net Cost of Services	35,139,180	36,644,600	36,683,300	37,578,700	38,604,600	39,666,800
8	Appropriations	(1,897,000)	(2,241,000)	(2,241,000)	(2,241,000)	(2,241,000)	(2,241,000)
6	Capital Financing	1,930,365	1,644,144	1,643,227	1,641,577	1,661,869	1,661,869
7	Interest Receivable	(232,000)	(210,000)	(170,000)	(155,000)	(155,000)	(155,000)
	Net spending	34,940,545	35,837,744	35,915,527	36,824,277	37,870,469	38,932,669
	Resources						
15	Other Income	(275,145)	(144,796)	(121,276)	(36,000)	(36,000)	(36,000)
13	New Homes Bonus	(1,214,296)	(1,231,222)	(1,238,830)	(992,226)	(893,108)	(752,996)
17	Better Care Fund	(2,310,279)	(2,306,000)	(2,214,800)	(2,138,100)	(2,138,100)	(2,138,100)
14	Social Care In Prisons	(73,748)	(74,128)	(74,128)	(74,128)	(74,128)	(74,128)
16	Rural Delivery Grant	(680,891)	(848,500)	(680,891)	(680,891)	(680,891)	(680,891)
23	Transition Grant	(336,573)	0	0	0	0	0
	Adult Social Care Support Grant	(136,329)	(84,800)	(300)	(300)	(300)	(300)
9	Revenue Support Grant	(888,716)	0	958,318	1,109,262	1,229,566	1,303,196
10	Retained Business Rates Funding	(5,185,000)	(4,963,252)	(5,139,043)	(4,955,581)	(5,041,794)	(5,126,352)
	Government funding subtotal	(11,100,977)	(9,741,966)	(8,645,028)	(7,767,964)	(7,634,755)	(7,505,571)
11,12	Council Tax/Social care precept	(23,242,155)	(24,870,222)	(26,168,275)	(27,462,455)	(28,803,675)	(30,194,909)
20	Collection fund surplus	(170,000)	70,000	0	0	0	0
	Total available Resources	(34,513,132)	(34,542,189)	(34,813,303)	(35,230,419)	(36,438,430)	(37,700,481)
	Use of Govt grant/Income Received	(110,000)	(302,600)	(175,600)	(133,600)	(96,000)	(36,000)
19	Earmarked Reserve	250,000	(562,300)	(306,900)	(11,600)	(38,600)	(38,600)
	S106/Commutated Sums	(65,000)					
	Ringfenced reserves	154,000	(350,400)	(35,000)	0	0	0
22	Use of General Fund Balances	656,413	80,255	584,724	1,448,658	1,297,439	1,157,588
	Balance brought forward	(9,634,546)	(8,978,133)	(8,897,878)	(8,313,154)	(6,864,496)	(5,567,056)
	Balance carried forward	(8,978,133)	(8,897,878)	(8,313,154)	(6,864,496)	(5,567,056)	(4,409,468)

The MTFP assumptions

Ref	Expenditure /Funding	Assumptions/Commentary
1	Directorate Costs	<p>Directorate costs assume prior year as a starting point and build in inflation and any changes to National Insurance contributions.</p> <p>Inflation is built into the MTFP to cover potential cost increases. The level of inflation ranges from 5% for fuel (gas, electric etc.), 2% for general inflation (supplies and services) and specific % for agreed contracts.</p>
2	Pension contributions	The Triannual review of the Local Government Pension Scheme (LGPS) has been completed and the contribution rate will increase by 1% per annum for the next three years. The following rates are built in to the MTFP 22.7% (18/19), 23.7% (19/20) 24.7% (20/21) and 25.7% (21/22).
3	Apprenticeship Levy	As part of the Comprehensive Spending Review (CSR) the government announce the introduction of the apprenticeship levy at % of the total pay budget. An appropriate amount, £54k, has been built into the MTFP from 17/18 and beyond.
4	Pay Inflation Contingency	Council assumes pay inflation will be 1.5% pa from 20/21. The contingency for 18/19 and 19/20 reflects the latest pay offer of 2.64%.
5	Adult Social Care Contingency	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
6	Capital financing	<p>The capital financing charges are made up of 2 amounts;</p> <ul style="list-style-type: none"> • Interest Payable - this is fixed over the life of the MTFP at c£1m per annum. This is all payable to the Public Works Loan Board (PWLB) • Minimum Revenue Provision (MRP) - An annual provision that the Council is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets. It is assumed that MRP will be charged on an equal instalment basis from 18/19.
7	Interest	This represents the amount the Council expects to earn from investing cash balances held.
8	Appropriations	Directorate budgets include the costs of depreciation to show the full cost of services. This depreciation is removed for the purposes of setting council tax.
9	RSG	The MTFP assumes that RSG reduces to £0 by 2019/20, is - £958k in 19/20 and then increases further by c£120k pa.
10	Business rates	The amount to be retained under "Business Rates Retention" (BRR) scheme has been updated in line with the current year

Ref	Expenditure /Funding	Assumptions/Commentary
		<p>forecast and the likely business rates reset in 20/21 which will result in the Council paying a bigger tariff from its share of rates.</p> <p>The potential loss of income through appeals remains a risk and could have a significant impact on business rates revenue.</p>
11	Social care precept	The MTFP contains an additional social care precept on council tax built in at 2% to deal with the rising costs of social care costs.
12	Council tax	<p>Tax rises built in at 4.99% in 18/19 and 3.99% thereafter. 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 c134 pa.</p> <p>An increase in local council tax support claims could dampen this growth.</p>
13	New Homes Bonus	<p>The MTFP uses projections from Planning on new homes.</p> <p>The MTFP assumes NHB payments will be received for 4 years and that there will be no further modifications to the scheme.</p>
14	Social Care in prisons	The only Care Act funding not part of RSG is the funding for social care in prisons which is funded by a Department of Health grant.
15	Other Income	The other income includes miscellaneous grants.
16	Rural Delivery Grant	The MTFP builds in grant as per the Government 4-year offer amended in the 18/19 settlement.
17	Better Care Fund	The Better Care Fund (BCF) allocations are built in based on allocations announced in 2017/18.
18	Ring fenced grants	These grants are included within cost centres and not shown with other funding streams. The biggest ring fenced grant is for Public Health.
19	Earmarked Reserves	The Council earmarked reserves set aside for specific purposes. Where these are planned to be used the spending has been included within the relevant Directorate costs and the total funding used is shown as a Transfer from earmarked reserves in the MTFP.
20	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</p>

Ref	Expenditure /Funding	Assumptions/Commentary
		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.
21	Capital met from Direct Revenue	This represents the amount of revenue expenditure that is funding capital projects
22	General Fund	If the Council is spending more than the resources available, the balance is funded from General Fund balances. These balances have a recommended minimum level of £2m.