



Rutland County Council

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

Ladies and Gentlemen,

A meeting of the **GROWTH, INFRASTRUCTURE AND RESOURCES SCRUTINY COMMITTEE** will be held in the Council Chamber, Catmose, Oakham on **Thursday, 13th June, 2019** commencing at 7.00 pm when it is hoped you will be able to attend.

Yours faithfully

Helen Briggs
Chief Executive

Recording of Council Meetings: Any member of the public may film, audio-record, take photographs and use social media to report the proceedings of any meeting that is open to the public. A protocol on this facility is available at www.rutland.gov.uk/my-council/have-your-say/

Please note hard copies of the agenda will not be available at the meeting. If you require a hard copy of the agenda please email your request to governance@rutland.gov.uk or telephone (01572) 720991.

A G E N D A

1) APOLOGIES

2) RECORD OF MEETING

To confirm the record of the meeting of the Growth, Infrastructure and Resources Scrutiny Panel held on 28 March 2019 (previously circulated).

3) DECLARATIONS OF INTEREST

In accordance with the Regulations, Members are invited to declare any personal or prejudicial interests they may have and the nature of those interests in respect of items on this Agenda and/or indicate if Section 106 of the Local Government Act 1992 applies to them.

4) PETITIONS, DEPUTATIONS AND QUESTIONS

To receive any petitions, deputations and questions received from Members of the Public in accordance with the provisions of Procedure Rule 217.

The total time allowed for this item shall be 30 minutes. Petitions, declarations and questions shall be dealt with in the order in which they are received. Questions may also be submitted at short notice by giving a written copy to the Committee Administrator 15 minutes before the start of the meeting.

The total time allowed for questions at short notice is 15 minutes of the total time for 30 minutes. Any petitions, deputations and questions that have been submitted with prior formal notice will take precedence over questions submitted at short notice. Any questions that are not considered within the time limit shall receive a written response after the meeting and be the subject of a report to the next meeting.

5) QUESTIONS WITH NOTICE FROM MEMBERS

To consider any questions with notice from Members received in accordance with the provisions of Procedure rule No. 219 and No. 219A.

6) NOTICES OF MOTION FROM MEMBERS

To consider any Notices of Motion from Members submitted in accordance with the provisions of Procedure Rule No. 220.

7) CONSIDERATION OF ANY MATTER REFERRED TO THE PANEL FOR A DECISION IN RELATION TO CALL IN OF A DECISION

To consider any matter referred to the Panel for a decision in relation to call in of a decision in accordance with Procedure Rule 206.

8) REVIEW OF FORWARD PLAN AND ANNUAL WORK PLAN 2019-20

To consider the current Forward Plan and identify any relevant items for inclusion in the Growth, Infrastructure and Resources Scrutiny Panel Annual Work Plan, or to request further information.

Copies of the Forward Plan will be available at the meeting, and can be found on the website using the following link:

<https://rutlandcounty.moderngov.co.uk/mgListPlans.aspx?RPId=133&RD=0>

9) REVENUE AND CAPITAL OUTTURN 2018/19

To receive Report No. 79/2019 from the Strategic Director for Resources.

1. The above report is due to be presented at Cabinet on 18 June 2019.
2. Scrutiny has requested this report so that it can review and comment on proposals before the Cabinet meeting so as to inform the decision making process.
3. Scrutiny is asked to consider the report and provide feedback to the Portfolio Holder and Director.

(Pages 5 - 50)

ITEMS FOR INFORMATION ONLY

The following item is for information only and will not be discussed in the meeting.

Feedback for the Business Support Review report can be sent to Mr Della Rocca, Strategic Director for Resources (sdrocca@rutland.gov.uk).

10) BUSINESS SUPPORT REVIEW

To note Report No. 81/2019 from the Strategic Director for Resources.
(Pages 51 - 58)

11) ANY OTHER URGENT BUSINESS

To receive any other items of urgent business which have been previously notified to the person presiding.

12) DATE OF THE NEXT MEETING

Thursday 12 September 2019 at 7pm

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TO: ELECTED MEMBERS OF THE GROWTH, INFRASTRUCTURE AND RESOURCES SCRUTINY COMMITTEE

Miss G Waller (Chairman)
Mr N Begy
Mrs J Fox
Miss M Jones
Ms K Payne
Mr M Oxley
Mr N Woodley

OTHER MEMBERS FOR INFORMATION

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CABINET

18 June 2019

REVENUE AND CAPITAL OUTTURN 2018/19

Report of the Director for Resources

Strategic Aim:	Sound Financial and Workforce Planning	
Key Decision: Yes	Forward Plan Reference: FP/260419	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr G Brown, Deputy Leader and Portfolio Holder for Planning, Environment, Property and Finance.	
Contact Officer(s):	Saverio Della Rocca, Director for Resources	01572 758159 sdrocca@rutland.gov.uk
	Andrew Merry, Finance Manager	01572 758152 amerry@rutland.gov.uk
Ward Councillors	Not Applicable	

DECISION RECOMMENDATIONS

That Cabinet:

- a) Notes the provisional outturn on the revenue budget and updated capital programme
- b) Approves the transfer to earmarked reserves from 18/19 underspends of £2.355m including £509k for ring fenced budgets.
- c) Approve the use of £70k from winter pressures grant and £49k from the social care reserve to fund the overspend on DFG's of £119k (in line with reported outturn at Q3)
- d) Notes that the MTFP in Appendix F reflects the outturn position
- e) Recommend to Council the setting up of 2 new reserves and amending the ceiling of 2 reserves as detailed in section 2.4

1 PURPOSE OF THE REPORT

1.1 To inform Cabinet of the provisional outturn figures (subject to audit) for the

financial year 2018/19. In reporting the outturn, Cabinet is being asked to carry forward some unspent budgets to 2019/20 and put aside some additional funding in earmarked reserves.

2 BACKGROUND AND MAIN CONSIDERATIONS

2.1 Revenue outturn 2018/19

2.1.1 The Council approved its 2018/19 budget in February 2018. 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 under spent its revenue budget by £74k which equates to an under spend of 0.2% 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 Grant Thornton LLP; and
- In arriving at the overall position for 18/19, officers are making requests for £2.355m to be carried forward/put into earmarked reserves (Appendix A para 1.3.2). These funds will be held to be used on: a) ring fenced budgets; b) demand led budgets; or c) commitments made but not yet fulfilled. These are decisions that must be approved by Cabinet.

2.2 Capital update

2.2.1 The Council spent £4.479m on the capital programme in 18/19. Since the 18/19 budget was set, Cabinet have approved further budget changes, detailed in Appendix A para 2.2.1. 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. The outturn is positive but does not change the existing position whereby the Council is estimated to have a funding gap of £41k in 2019/20.

2.3.2 There are unlikely to be any further changes to the MTFP in the near future. The Council is awaiting the outcome of various Government funding reviews (more information is given in Appendix A).

2.4 Reserves

2.4.1 As mentioned in 2.1.3 the Council is requesting to transfer £2.355m into reserves in 2018/19. A breakdown of this is shown in Appendix A para 1.3.2.

2.4.2 The Council is being asked to transfer £205k into two new reserves as follows:

- Brexit Reserve – Additional funding (£105k) received has been received in 2018/19 for additional cost pressures as a result of Brexit and a further £105k

will be paid in 2019/20. Due to the uncertainty around Brexit no additional expenditure was incurred during 2018/19. We are requesting that a new Brexit reserve is established with a ceiling of £210k.

- Repairs & Maintenance Reserve – the Council has various assets (vehicles and buildings) that need to be maintained. In order to smooth the impact of major repairs and maintenance and reduce the impact to the General Fund in future years, Council is being asked to set up a Repairs and Maintenance reserve. The commercial properties (OEP & Kings Centre) have budgets set aside to contribute to the reserve. Underspends in Libraries and Transport have also been requested to be transferred to the reserve to support the existing vehicle fleet. The total contribution for 2018/19 is £110k. The ceiling for this reserve is requested to be set at £500k as contributions from the commercial properties should grow over the coming years.

2.4.3 There are two reserves where it is requested that ceilings are increased as follows

- Highways – increase ceiling to £550k from £300k. The Council are moving to a more proactive approach to highway maintenance which has seen significant savings removed from the revenue budget whilst capital investment is maintained. As a result of this approach, there is an under spend on the revenue budget of £250k which will be transferred to the Highways reserve to support any emergency repairs that may be required.
- Welfare Reserve – increase ceiling to £170k from £150k. Warm Homes Rutland Funding (£21k) was being held and the under spend against this is requested to be transferred to the Welfare Reserve. This funding will be drawn down as required.

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 2019/20. There are no issues to address in this regard.

4 ALTERNATIVE OPTIONS

4.1 Cabinet are requested to make decisions about whether unspent budgets should be carried forward to 2019/20. 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 2019/20. 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 increase by £74k 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 DATA PROTECTION IMPLICATIONS

- 7.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no risks/issues to the rights and freedoms of natural persons.

8 EQUALITY IMPACT ASSESSMENT

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

9 COMMUNITY SAFETY IMPLICATIONS

- 9.1 There are no community safety implications.

10 HEALTH AND WELLBEING IMPLICATIONS

- 10.1 There are no health and wellbeing implications.

11 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 11.1 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 2019/20 budget to be updated to reflect spending plans.

12 BACKGROUND PAPERS

- 12.1 None

13 APPENDICES

Appendix A: Outturn 2018/19
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
Appendix G: Approved Budget Changes
Appendix H: Reserves

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

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Appendix A. Outturn 2018/19

1 REVENUE OUTTURN

1.1 Budget – what is the overall outturn position?

1.1.1 The Council is reporting a year end deficit of £15k. This represents an under spend of £74k on its budgeted deficit of £89k. The revenue position at 31 March 2019 is shown below:

	More detail	Current Budget £000	Q3 Forecast £000	Q4 Outturn £000	Outturn Variance
People		18,713	17,774	17,667	(1,046)
Places		12,313	12,549	12,166	(147)
Resources		6,888	6,246	6,011	(877)
Directorate Totals	1.2	37,914	36,569	35,844	(2,070)
Pay Inflation		21	0	0	(21)
Social Care Contingency		184	0	0	(184)
Net Cost of Services		38,119	36,569	35,844	(2,275)
Appropriations		(2,241)	(2,241)	(2,241)	0
Capital Financing	1.4.1	1,644	1,644	1,647	3
Interest Receivable	1.4.2	(210)	(305)	(312)	(102)
Net Operating Expenditure		37,312	35,667	34,938	(2,374)
Financing	1.4.3	(34,951)	(34,842)	(35,198)	(247)
Transfers to/(from) Reserves	1.1.2	(2,302)	(847)	121	2,423
Revenue Contribution to Capital	1.4.4	30	30	154	124
(Surplus)/Deficit		89	8	15	(74)
General Fund 1 April 2018		(8,978)	(8,978)	(8,978)	0
General Fund 31 March 2019		(8,889)	(8,970)	(8,963)	(74)

1.1.2 The overall position can be summarised as follows:

- The Council is reporting an under spend of £74k after setting aside Directorate under spends in relation to: a) ring fenced budgets; b) demand led budgets; or c) commitments made but not yet fulfilled. In each of these cases under spent budgets are placed into earmarked reserves and are carried forward for future use.

- Notwithstanding the above comment, the Directorate budgets do include genuine underspends arising from 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) other cost control measures.
- Despite the overall under spend, there are some areas where there are overspends – there have been significant pressures in waste management, commercial properties and planning income. Further detail is given in Section 1.2.
 - The Directorate under spend was increased further by additional grant income of £129k (of which £90k was received in the final quarter), better returns on investment income, £102k, and additional business rates of £188k, which was offset by reducing the draw down from the Business Rates reserve by £190k.

1.1.3 The revenue outturn position reconciles to the Comprehensive Income and Expenditure Statement (CIES) in the Draft Statement of Accounts which was published at 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 18/19 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	4	2*	1*	1*	2*
Resources	Yes	1	0	0	0	5*	4*	5*	3*
People	Yes	3	3	3	3	9*	9*	9*	7*

***Note:** Only underspends included where Directorates are not currently proposing to carry forward/transfer to reserve unused budget to future years

People Directorate

1.2.3 The People Directorate is underspent by £1.046m and there has been a favourable movement of £107k since Quarter 3. For demand led areas £1m can represent a small number of cases (5-10) so the under spend should be seen in this context. The Directorate is required to carry forward unspent ring fenced budgets (e.g. Public Health and Better Care Fund) and is also requesting budget carry forwards of £101k from other unspent budgets as well as transferring £417k to the Social Care reserve. The impact of these changes is that the Directorate has, in effect, come in only slightly underspent (c£18k).

People Directorate budget	£'000	£'000
(Under)/Over spend People Directorate (Excluding Dedicated Schools Grant)		(1,045)
Add back: ring-fenced grant underspends (£204k Public Health plus £305k BCF transferred to reserves)	509	
Add back: Children's Social Care underspends to be transferred to Social Care reserve (see 1.2.7)	417	
Add back: Other budget carry forwards	101	
(Under)/Over spend after transfers		(18)
Key variances (Excluding Transfers to Reserves):		
Directorate costs	(43)	
Adults and Health (Prevention & Safeguarding, Direct Payments, Residential) (1.2.4)	439	
Adults and Health (Contracts & Procurement, Homecare, Support & Review, Hospital & Reablement) (1.2.5)	(402)	
Learning and Skills (1.2.6)	(12)	
Total Variance		(18)

1.2.4 As reported consistently throughout the year, the key pressures in the Directorate have revolved around Adult Social Care services of Prevention and Safeguarding, Direct Payments and Residential & Nursing. The key reasons for this are:

- The Prevention & Safeguarding service has overspent by c£80k as a result of an increased use of short term respite care. This supports the Adult Social Care Strategy of keeping people out of permanent residential care and at home for as long as possible. The overspend has been contained within the overall Adult Social Care spending for 2018/19 and use of respite care is unpredictable, therefore the budgets for next year have not been changed at this stage.

- Direct Payments has overspent by c£88k as a result of increased costs for some Learning Disabilities service users and an increase in the total number of packages (20 additional packages in the year). This is as a result of the promotional work undertaken by the Directorate to encourage individuals to take personal responsibility for their own provision which has the benefit of reducing requirements for Homecare and Residential Care. The budget for 2019/20 has been increased and will be monitored closely throughout the year.
- The increase in residential costs by £255k is as a result of additional high cost placements in Older People, Learning Disabilities and Physical Disabilities. There has also been a significant reduction in anticipated income due to the loss of nine substantial contributors (i.e. clients who financially contributed to most of their care costs) estimated at £235k per annum. Since Q3, the overspend has also increased due to the inclusion of costs for a Mental Health case which it had been anticipated would be paid by another local authority. The Council is seeking legal advice as to whether to pursue this claim further.

1.2.5 The remaining functions for Adults and Health have underspent by £402k due to a number of factors including:

- an early intervention approach;
- staff vacancies;
- the movement of service users from Homecare to supported living or Direct Payments;
- increased income from service users and health;
- the cost of the Deprivation of Liberties Safeguards contract being lower than anticipated.

1.2.6 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 has been requested.

1.2.7 Children's Services underspends are the result of vacancy management (£50k); changes in Children's Placements totalling £278k from a reduction in fostering and residential care placements with children being reunited with families; and additional income for placing neighbouring authorities service users.

Places Directorate

1.2.8 The Places Directorate is underspent by £147k but is requesting that £644k of unspent budget is carried forward to next year or put into reserves. This

effectively shows that the real position is a net overspend/reduced income of £497k.

Places Directorate Budget	£'000	£'000
(Under)/Over spend Places Directorate		(147)
Add back:		
Transfer to Reserves (Repairs & Maintenance, Road Maintenance, Digital Rutland, Warm Homes)	380	
Grants unused and committed in next year's budget (Planning Delivery grants)	96	
Return of unused funds (Tourism)	8	
Budget Carry Forwards (Sports & Leisure, Health & Safety, Bikeability, Directorate Management)	160	
(Under)/Over spend after transfers		497
Key variances (Excluding Transfers to Reserves):		
Development Control (1.2.9)	174	
Road Maintenance (1.2.10)	63	
Waste Management (1.2.11)	219	
Highways Management (1.2.12)	47	
Transport Management (1.2.13)	(48)	
Commercial & Industrial Properties (1.2.14)	141	
Vacancy Management Planning Policy (1.2.15)	(47)	
Vacancy Management Economic Development	(30)	
Other minor variances	(22)	
Total Variance		497

- 1.2.9 Development control is overspent due to the number and complexity of planning applications received during the year being lower than anticipated leading to less income (c£164k). Land Charges income is also down against budget by c£20k, as a consequence of fewer planning applications as well as competition from private search companies, which has been partially mitigated by vacancy management savings (c£10k).
- 1.2.10 The over spend on Highways maintenance is down to the third party claims variance of £63k. This covers the payment of insurance claims, excesses, and unrecoverable damage to authority stock, such as road traffic accident (RTA) damaged street lighting.
- 1.2.11 The Waste Management overspend is the result of various factors including:

- disposal of waste paint where costs have increased from £0.52 to £1.95 per container (£82k additional cost). This has now been addressed by moving to a new service provider at lower disposal rates;
- the costs of disposing co-mingled waste (mixed waste in grey bins i.e. glass, plastics, paper, tins) have increased in cost from c£0.11 to £0.26 per kg (c£44k);
- the waste contract is subject to indexation and the budgeted uplift was more than budgeted (£72k);
- increased general household waste tonnages c£28k;
- purchases of skips have been required at the civic amenity sites c£36k;
- commercial refuse collection fee income is down on budget by £10k; and
- take up on the collection of green waste exceeded expectations by £96k partly mitigating the overall Waste Management overspend.

1.2.12 The variance in Highways Management is partly due to fees and charges income being down on budget. The Fees and Charges income budget was increased for 2018/19 by £72k but has come in £21k under budget, as demand was lower than expected. Other items contributing to the over spend include the costs of non-staff advertising for road closures (£11k), computer software (£8k), the use of agency staff to cover vacancies (£8k), and Section 38 income being lower than forecast due to fewer and less complex planning applications being received and needing support.

1.2.13 The Transport Management service includes contributions to the Road Safety Partnership. The Council received a £48k refund due as partnership spending was lower than expected.

1.2.14 The Commercial & Industrial Properties over spend is mainly due to under-recovery of rent driven by difficulty in letting certain units on the Oakham Enterprise Park site (£112k) and repairs and maintenance (£39k).

1.2.15 Planning Policy have held vacant posts in year (£47k) pending a restructure within the Planning Policy team which has now taken place. The appointments will be in place during quarter 1 of 2019/20.

Resources Directorate

1.2.16 The Resources Directorate is underspent against budget by £877k. With the Directorate requesting that £528k is carried forward to next year/put into earmarked reserves for future use, the real under spend is £299k.

Resources Directorate Budget	£'000	£'000
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Resources Directorate Budget	£'000	£'000
(Under)/Over spend Resources Directorate		(877)
Add back:		
Ringfenced Funding (St Georges Barracks)	100	
Budget Carry Forward to fund HR restructure costs	53	
Unused fund already committed in future years budget (Elections)	20	
Return of unused funds (Discretionary Hardship)	21	
Budget Carry Forwards (Invest to Save, Council Chamber modification, Training, Legal, Customer Services, Communication, Business Support)	384	
(Under)/Over spend after transfers		(299)
Key variances (Excluding Transfers to Reserves):		
Revenues & Benefits (1.2.17)	(94)	
Rutland Hub (1.2.18)	(35)	
Directorate Management (1.2.19)	(59)	
Corporate Subscriptions (1.2.20)	(28)	
Audit Services (1.2.21)	(17)	
Chief Executive (1.2.22)	(40)	
Other minor variances	(26)	
Total Variance		(299)

- 1.2.17 The surplus in Revenues and Benefits mainly relates to vacancies within the service. One post has now been removed following the budget setting process in February 2019. There was also a one-off refund received that related to recovered court costs from previous years and better recovery of Housing Benefit overpayments than anticipated.
- 1.2.18 There is a £35k underspend on the Hub project as feasibility work is still ongoing as the initial assessment shows there is a financial gap. Actual spend has been met by s106 and the £35k budget not used will be held in the s106 reserve and can be accessed if and when the project resumes.
- 1.2.19 Following a restructure in the Senior Management Team within Resources, the Head of Corporate Governance post was removed during the year. Of a total underspend of £89k, £30k is requested to be carried forward to fund works required on the Council Chamber.
- 1.2.20 The under spend within Corporate Subscriptions relates to a saving made by ceasing the subscription to the LEP and instead subscribing to The New Local Government Network. The anticipated spend on the Apprenticeship Levy has also been lower than budgeted because of vacancies. The budget

has been adjusted for 2019/20.

- 1.2.21 Underspends have also been seen for External Audit following a change in service provider. The budget allowed for additional work following the changeover but early indications are that this will not be required.
- 1.2.22 The under spend within Chief Executive relates to unused budget for applying costs associated with HR policies. This has been under-utilised for the last two financial years and budget has been reduced for 2019/20.

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

- 1.3.1 The Council planned to use £2.291m from earmarked reserves during 2018/19 including Budget Carry Forward requests approved as part of the Q4 Outturn Report 2017/18 (83/2018). The Council also planned to use £169k of Commuted Sums and S106 revenue funding. A summary of the planned and actual movement in reserves is shown below.

	Budget 2018/19 £'000		Actuals 2018/19 £'000	
Balance @ 01/04/2018		(2,291)		(2,150)
Use of Reserves	(2,291)		(2,150)	
Transfer to Reserves	26	(2,265)	2,355	205
Balance @ 31/03/2019		(26)		(2,355)
Use of Commuted Sums	(36)		(36)	
Use of S106 for Revenue spend	(133)		(48)	
Total Use of S106/Commuted sums		(169)		(84)

- 1.3.2 The transfer back to reserves totalling £2.355m are broken down by category below. The Directorate appendices (B-D) show the full list of transfers.

	£'000
Transfers to ring fenced reserves e.g. Better Care Fund, Public Health	509
Demand led underspends transferred to reserves to meet additional demand in the future	417
Budget Carry Forward – Spend already committed for projects/work in progress	448
Budget Carry Forward – Funds not yet formally committed but required in 19/20	274

Amount to be transferred to earmarked reserves (may or may not be used in 19/20 – see para 1.3.3)	707
Total Transfer to Reserves for 2018/19	2,355

1.3.3 The Council is being asked to transfer £205k into two new reserves as follows:

- Brexit Reserve – Additional funding (£105k) received has been received in 2018/19 for additional cost pressures as a result of Brexit and a further £105k will be paid in 2019/20. Due to the uncertainty around Brexit no additional expenditure was incurred during 2018/19. We are requesting that a new Brexit reserve is established with a ceiling of £210k.
- Repairs & Maintenance Reserve – the Council has various assets (vehicles and buildings) that need to be maintained. In order to smooth the impact of major repairs and maintenance and reduce the impact to the General Fund in future years, Council is being asked to set up a Repairs and Maintenance reserve. The commercial properties (OEP & Kings Centre) have budgets set aside to contribute to the reserve. Underspends in Libraries and Transport have also been requested to be transferred to the reserve to support the existing vehicle fleet. The total contribution for 2018/19 is £110k. The ceiling for this reserve is requested to be set at £500k as contributions from the commercial properties should grow over the coming years.

1.3.4 There are two reserves where it is requested that ceilings are increased as follows:

- Highways – increase ceiling to £550k from £300k. The Council are moving to a more proactive approach to highway maintenance which has seen significant savings removed from the revenue budget whilst capital investment is maintained. As a result of this approach, there is an under spend on the revenue budget of £250k which will be transferred to the Highways reserve to support any emergency repairs that may be required.
- Welfare Reserve – increase ceiling to £170k from £150k. Warm Homes Rutland Funding (£21k) was being held and the under spend against this is requested to be transferred to the Welfare Reserve. This funding will be drawn down as required.

1.3.5 A full list of earmarked reserves is shown below.

Reserve	Reserve Ceiling 2019/20	Balance 31/03/2019	Use 2019/20	Top Up 2019/20	Balance 31/03/2020
Invest to Save	500	272		27	299
Internal Audit	20	20			20
Welfare Reserve	150	162			162
Training	80	75			75

Reserve	Reserve Ceiling 2019/20	Balance 31/03/2019	Use 2019/20	Top Up 2019/20	Balance 31/03/2020
Highways	300	508			508
Brexit	0	105		105	210
Extreme Weather	100	100			100
Tourism	40	32			32
Insurance & Legal	200	180			180
Digital Rutland	37	25			25
Social Care (1)	Unlimited	1,035		200	1,235
Pressure	1,000	475			475
Public Health	Unlimited	316			316
Better Care Fund	Unlimited	439			439
NNDR		332		106	438
Repairs Reserve	0	110			110
Budget Carry Forward (2)		780	(780)		0
Total		4,966	(780)	438	4,624

1) Additional Top up approved at budget setting for addressing the pressure on the Dedicated Schools Grant.

2) Subject to Cabinet Approval

1.4 Schools funding – what is the current position?

1.4.1 Schools are funded from ring fenced grants, the most notable of which is the Dedicated Schools Grant (DSG). This funding cannot be used for any other Council function, and essentially schools operate within their own fund with any under or over expenditure being taken forward into future years.

1.4.2 The DSG is split into Four Blocks (Schools, High Needs, Early Years, Central Services). The position on each block is shown below.

	Schools £000	High Needs £000	Early Years £000	Central Services £000	Total £000
Surplus/(Deficit) Carry Forwards from 2017/18	0	(60)	26	8	(26)
DSG Allocations	22,969	3,774	2,044	163	28,950
Academy Recoupment	(20,064)	(174)	0	0	(20,238)
Expenditure In Year	(2,905)	(3,816)	(1,897)	(150)	(8,768)
Funding received for Early Years in 2018/19 relating to 2017/18	0	0	64	0	64
Additional High Needs Funding	0	84	0	0	84

Early Years Clawback	0	0	(213)	0	(213)
Adjustment to Allocation	0	31	0	0	31
Under/(Over) spends in 2018/19	0	(101)	(2)	13	(90)
Surplus/(Deficit) Carried Forward to 2019/20	0	(161)	24	21	(116)
Percentage of DSG	-	(0.6%)	0.1%	0.1%	(0.4%)

- 1.4.3 The Department for Education (DfE) have noted over the last two years that more authorities are reporting a cumulative DSG deficit. The DfE will require a Recovery Plan from all local authorities that have an overall cumulative DSG deficit of 1% or more of their total allocations at the end of the 2018/19.
- 1.4.4 As can be seen from the from the table in 1.4.2 the current position is below the 1% limit, however current projections are that the deficit on the DSG would greater than 1% at the end of 2019/20. The Council is already preparing its own Recovery Plan in any event.

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

Capital Financing and Interest Receivable

- 1.5.1 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.
- 1.5.2 The interest receivable on investments figure has exceeded budget by £102k in line with figures reported as early as Quarter 1. Investment income expected was reduced given the low level of interest rates and expected use of £5m of cash resources to fund commercial property investment as set out in the capital programme. No opportunities arose to utilise the commercial property fund so the Council was able to invest the balances held for this purpose.

Non Ring-fenced Grants:

- 1.5.3 The Non Ring-fenced Grants outturn of £5.522m shows additional grants of £134k over and above the budget of £5.388m. This is due to the receipt of more grants than anticipated in relation to business rates (£60k), the Transparency Code (£13k), Virtual School Head (£30k) and other small grants of £31k.

Non-Domestic Rates

- 1.5.4 The Council's final position on Non-Domestic Rates was £4.951m. This is

higher than actually anticipated because of the way in which business rates funding works not because of business rates growth.

- 1.5.5 In year, the Council receives business rates income based on projections made in January 2018. In addition, the Council receives compensation from MHCLG (in the form of section 31 grants) for rates foregone (c£802k) due to implementation of Government policy e.g. small business rate relief.
- 1.5.6 The MTFP had a budgeted position of £4.763m plus £0.2m from reserves due to repayment of losses in previous years giving a total position of £4.963m. With the current position being a yield of £4.951m the Council has reduced the drawdown of reserve from £200k to £10k so the total position is in line with that budgeted.

Council Tax and Collection Fund Surplus

- 1.5.7 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 2018/19, the Council's Collection Fund surplus was £81k. The 2019/20 budget includes drawing down £65k of this surplus.

Appropriations

- 1.5.8 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 18/19?

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. Estimated outturn underspends reflect the fact that some projects are on hold.

	Total Project Budget	Prior Year Outturn	Outturn 2018/19	Future Year Outturn	Estimated Outturn	Total Project Variance
	£000	£000	£000	£000	£000	£000
Approved Projects: Not started						
Commercialisation	10,200	0	0	10,200	10,200	0
Asset Management Requirements	2,525	0	0	2,525	2,525	0
Strategic Aims and Priorities	414	0	0	414	414	0
Total: Not Started	13,139	0	0	13,139	13,139	0
Approved Projects: In Progress						
Commercialisation	3,056	6	221	0	227	(2,829)
Asset Management Requirements	4,773	395	604	750	1,749	(3,024)
Strategic Aims and Priorities	7,570	4,344	368	2,858	7,570	0
Total: In Progress	15,399	4,745	1,193	3,608	9,546	(5,853)
Approved Projects: Completed						
Commercialisation	44	0	45	0	45	1
Asset Management Requirements	2,669	130	2,643	0	2,773	104
Strategic Aims and Priorities	552	68	598	0	666	115
Total: Completed	3,265	198	3,286	0	3,484	220
Total	31,803	4,943	4,479	16,747	26,169	(5,633)

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

	Outturn 2018/19
	£000
Financed by:	
Grant	3,931
Capital Receipts	158
Developers Contributions	236
RCCO – revenue funding	154
Total Financing	4,479

2.1.3 The project variance of £161k relates to movements within the following projects:

2.1.4 Disabled Facilities Grant – In October 2017 the Council introduced the Health and Prevention Grant Pilot to support disabled and vulnerable clients to live independently and reduce the need for acute care. Due to the success of the pilot the project has overspent by £119k. It is expected that the pilot will support the Medium Term Financial Plan with the anticipated growth requirements within Adult Social Care, along with future revenue savings. The over spend has been funded from revenue contributions - Winter Pressures Funding (£70k) and other revenue underspends.

2.1.5 Highways – During the year £246k of expenditure previously funded from revenue has been identified as eligible capital cost and this has caused an over spend which is funded through held capital grant.

2.1.6 Integrated Transport Block – The overall programme of works includes schemes approved as part of Report (55/2017) and Report (141/2018). A small underspend is anticipated.

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

2.2.1 The table below shows that the programme has increase by £2.673m since budget setting, giving a revised capital programme of £31.803m. The changes in the programme are as follows:

Capital Projects	Amount £000	Amount £000
Approved Capital Programme at Budget Setting (Report No: 44/2019)		29,130
Approved Since Budget Setting		
Rutland Agricultural Society (Report 8/2019) – issuing of a loan for extending and improving the car park at the Rutland Showground	70	
Devolved Formula Capital (New Funding) – funding passported to maintained schools for them to use as required	36	

Capital Projects	Amount £000	Amount £000
Great Casterton C of E Primary (Delegated Approval S106) – to enhance the schools wheelchair accessibility.	43	
Highways Capital Projects 2019/20 (Report 56/2019) – annual investment programme in road maintenance	2,440	
Burley Buckle and Associated Bowl (AoB Cabinet – 19 th March, item 704) – purchase of rare artefact for museum fully funded by donations	20	
9 Buckingham Road (Report 62/2019) – extension to Council property to support a housing need	210	
		2,819
Re-Profiling		
Devolved Formula Capital – Reduction from Academy conversions (see 2.2.2)	(16)	
		(16)
Cancelled Capital Programmes		
Mobile Library – planned replacement of mobile library no longer required after MOT and repairs	(130)	
		(130)
Revised Capital Programme		31,803

2.2.2 In March 2019, 3 schools have converted to academies. These academies will now get funding direct from the Education and Skills Funding Agency. This adjustment reflects the position that the Council will no longer receive funding in relation to these schools.

3 LOOKING AHEAD

3.1 Budget 19/20

- 3.1.1 The Council's budget was approved at February Council. Since that date minor changes have been approved and further grants received. An up to date position is shown in Appendix G.

3.2 Fair funding review

- 3.2.1 The current funding baselines for local authorities in England, as determined by the annual local government finance settlement, are based on an assessment of their relative needs and resources. The methodology behind this assessment was first introduced over ten years ago, and has not been updated since the introduction of the 50% business rates retention system in 2013/14.
- 3.2.2 The Government has drafted and consulted on the principles of a new distribution methodology. The Council has responded to this. Whilst the methodology itself is relatively simple which the Council welcomes, the Government has not indicated whether it will invest more in local government nor the relative weightings of the new formula. The consultation document includes no numbers. The Council's biggest concern is that any change to the methodology must come with an injection of additional resource. If it does not then the financial challenges faced by this Council and others will not go away.
- 3.2.3 We are awaiting a response to the consultation feedback and expect further consultation before the end of the year. It is very likely that we will only understand the financial impact of any changes (which will apply from 1 April 2020) by December 2019 by which time a draft budget will have already been prepared. This creates major uncertainty.

3.3 Business Rates Retention

- 3.3.1 Business rates retention was introduced in April 2013 and was designed to recognise the role that authorities play in their communities by giving them more control over the money they raise locally; removing the ring-fencing of incorporated grants and promoting and rewarding local economic growth, thus increasing overall revenue in the system. Before this, business rates were paid over to central government before being redistributed to authorities according to the allocation of formula grant.
- 3.3.2 The Government is currently in the process of reviewing the components of the business rates retention system, both individually and in aggregate. This reform of the system sits alongside the Government's aim to introduce 75% business rate retention in 2020.
- 3.3.3 Under Business Rates Retention, authorities get to keep any additional rates

levied above a funding baseline. In urban areas where rates growth is substantial then authorities will keep more rates than their counterparts where growth is limited. In rural areas like Rutland growth tends to be limited.

- 3.3.4 One of the key issues for the Council therefore is the issue of resets i.e. how often should the system be reset so that the additional rates achieved by any authority is redistributed to others who need it rather than it being retained locally. Without a full reset, some authorities will retain excessive gains from business rates.
- 3.3.5 The Council is in favour of a full reset every 3 years but awaits the Governments response to its latest consultation.

3.4 Social care: Green Paper

- 3.4.1 The Government confirmed some time ago 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
- 3.4.2 The Government has now missed a fifth consecutive deadline for the green paper's publication having originally promised it for summer 2017. While Brexit has played a part in delaying the document, we understand that issues with the early proposals put to sector leaders have also contributed to the slow progress. Fundamentally, it is very likely that funding is a major factor and that proposed plans do not go far enough to address the issue.
- 3.4.3 The precise timings for the Green Paper are still not known.

3.5 Spending review

- 3.5.1 The political uncertainty created by Brexit is causing delay to many decisions throughout Whitehall. One casualty of the delay might be the Spending Review. The Chancellor announced that the SR19 would be revealed later in the Autumn and would cover the period 2020/21 to 2022/23. Brexit uncertainty could cut this to a single year (2020/21).

- 3.5.2 A one-year spending review is still unlikely but is a rising possibility. And setting the next Brexit deadline at 31 October 2019 makes the chances even greater: this new date more-or-less coincides with when SR19 would have been announced. Unsurprisingly we have seen increased coverage in the trade press of a one-year settlement.
- 3.5.3 A one-year review could be favourable as the Council expects to lose funding on the back of the Fair Funding review.

3.6 MTFP

- 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 There have been no major updates since budget setting. Our funding position beyond 19/20 is not known and until further information is received, no updates are planned.
- 3.6.3 The latest version is included in Appendix F.

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 * ring fenced reserve

Function	Revised Budget £'000	Q3 Forecast £'000	Outturn £'000	Outturn Variance to budget £'000	Variance Outturn v Q3 Forecast £'000	Key	Budget C/Fwd £'000	Transfer to reserves £'000	Comments
Directorate Management Costs	1,661	1,620	1,627	(34)	7	1	0	0	Underspend from staff vacancies. Successful recruitment has taken place and new post holders started November and December.
Business Intelligence	142	134	130	(12)	(4)	3	12	0	Underspend due to staff vacancies. Under spend be carried forward to 2019/20 to fund important one off IT development work to support Adults and Childrens Social Care performance.
Crime Prevention	258	252	250	(8)	(2)	1	0	0	
Directorate	2,061	2,006	2,006	(55)	0		12	0	
Public Health	295	231	91	(204)	(140)	1	0	204*	Public Health Grant funding has not been fully utilised as some projects have been completed at a cost less than expected and others, such as Mental Health Training, Timebanking and Changing Place, were due to take place late in the year and will now be completed during 2019/20. Demand driven services, such as Health Checks and Sexual Health have not seen as high a level of demand as expected which has resulted in a lower outturn position.
BCF Programme Support	135	98	90	(45)	(8)	3	0	305*	The Better Care Fund (BCF) is underspent due to delays in recruitment of staff and vacancies arising during the year. The BCF is a ring-fenced grant and therefore the under spend will be transferred to reserves for use in
BCF Unified Prevention	393	372	291	(102)	(81)				

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 Forecast	Key	Budget C/Fwd	Transfer to reserves	Comments
	£'000	£'000	£'000	£'000	£'000		£'000	£'000	
BCF Holistic Management of Health & Wellbeing	1,165	1,072	1,002	(163)	(81)				future years.
BCF Hospital Flows	1,043	1,047	1,047	4	0				
Adults & Health (Ringfenced)	3,031	2,820	2,521	(509)	(299)		0	509	
Non BCF Contract and Procurement	575	530	531	(44)	1	1	0		Contract costs from the Voluntary Sector were less than anticipated when budgets were set for 2018/19, resulting in a saving.
ASC Community Inclusion	842	839	854	13	16	4	0		Overspend due to staffing increase required to support two tenants at end of life requiring extra services.
ASC Prevention & Safeguarding	164	206	260	96	54	4	0		Overspend due to an increased use of short term respite care. This supports the Adult Social Care Strategy of keeping people out of permanent residential care and at home for as long as possible.
ASC Prevention & Safeguarding - Staffing	332	325	316	(16)	(9)	1	0		Underspend as a result of staff vacancies during the year.
ASC Housing	157	136	138	(19)	3	1	26	0	Underspend due to the late notification of two additional grants issued in March. Due to lateness of receipt of grants, it is requested that these be carried forward for use in 2019/20.
ASC Support & Review - Daycare	218	222	216	(2)	(6)	1	0		
ASC Support & Review - Direct Payments	667	757	756	88	(2)	4	0		Overspent as a result of increased costs for some Learning Disabilities service users and an increase in the total number of packages (20 additional packages).
ASC Support & Review - Homecare	1,849	1,641	1,775	(74)	134	1	0		Underspend as a result of the success of migrating one service user from homecare to supported living services.

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 Forecast	Key	Budget C/Fwd	Transfer to reserves	Comments
	£'000	£'000	£'000	£'000	£'000		£'000	£'000	
ASC Community Income	(275)	(301)	(318)	(43)	(17)	1	0		Overachievement of income as a result of an increase in Older People numbers and assessed contributions.
ASC Support & Review - Other	429	388	259	(170)	(129)	1	0		Reduction in anticipated costs of the Deprivation of Liberties Service and an underspend on the Winter Pressures funding which was agreed to fund Capital spend on Disabled Facilities Grants.
ASC Support & Review - Residential & Nursing	2,733	2,804	2,987	255	183	5	0		Additional high cost placements and a significant reduction in anticipated income due to the loss of nine substantial contributors estimated at £235k per annum.
ASC Support & Review - Staffing	443	448	431	(12)	(16)	1	0		
ASC Hospital & Rehabilitation	447	387	386	(61)	(1)	1	0		Underspend due to staff transferring to the MiCare initiative, funded from BCF.
Adults & Health (Non Ringfenced)	8,581	8,383	8,592	11	209		26	0	
Safeguarding	220	214	214	(6)	1	1	0		
Referral, Assessment and Intervention Services	198	201	169	(29)	(32)	1	0		The underspend is as a result of staff vacancies which have now been filled.
Permanency and Protection Services	423	423	422	(1)	(1)	1	0		
Fostering, Adoption and Care Leaver Service	1,618	1,371	1,393	(225)	22	1	0		Underspend is due to reductions in requirements for fostering services as children have been able to return home.
Early Intervention – Targeted Intervention	1,353	1,260	1,192	(162)	(69)	3	34		Children with Disabilities underspent due to decrease in demand for placements. Underspend on Children's Centre is requested to be carried forward for development of outside play area

Function	Revised Budget £'000	Q3 Forecast £'000	Outturn £'000	Outturn Variance to budget £'000	Variance Outturn v Q3 Forecast £'000	Key	Budget C/Fwd £'000	Transfer to reserves £'000	Comments
Early Intervention – SEND & Inclusion	343	312	342	(1)	30	1	0		
Early Intervention – Universal and Partnership	375	353	348	(28)	(5)	1	0		Underspend due to vacancy management.
Childrens	4,531	4,134	4,080	(451)	(54)		34	417	
Schools & Early Years	509	454	468	(41)	14	3	29	0	Underspend due to staff vacancies and delayed school improvement projects requested to be carried forward.
Rutland Adult Learning & Skills Service	0	(23)	0	0	23		0	0	
Learning & Skills	509	431	468	(41)	37		29	0	
Total People - GF (Ringfenced)	3,031	2,820	2,521	(509)	(299)			509	
Total People - GF (Non Ringfenced)	15,682	14,954	15,146	(536)	192		101	417	
Total People (Excluding DSG)	18,713	17,774	17,667	(1,046)	(107)		101	926	
Schools Dedicated Schools Grant (DSG)		162	(64)	(51)	(227)	4			The DSG is overspent on High Needs due to increased demand and changes to pupil requirements. The Early Years is underspent as a result of a reduction in pupil numbers.
Total People (Including DSG)	18,713	17,936	17,603	(1,097)	(333)		101	926	

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	329	216	232	(97)	16	3	97	0	The Directorate Management budget included £116k for the Places Directorate restructure of which £97k is unspent but is carried forward to 19/20.
Directorate Management	329	216	232	(97)	16		97	0	
Development Control	167	291	341	174	50	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 (£164k) and Land Charges Searches (£20k), reduced by vacancy management of £10k.
Drainage & Structures	200	202	196	(4)	(6)	1	0	0	
Emergency Planning	30	32	32	2	0	4	0	0	
Environmental Maintenance	1,126	1,155	1,128	2	(27)	4	0	0	
Forestry Maintenance	119	109	112	(7)	3	1	0	0	
Highways Capital Charges	1,532	1,532	1,532	0	0		0	0	

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/fwd	Transfer to reserves	Comments
Highways Management	133	120	180	47	60	4	0	0	The variance in Highways Management is partly due to fees and charges income being down on budget. The Fees and Charges income budget was increased for 2018/19 by £72k but has come in £21k under budget, as demand was lower than expected. Other items contributing to the over spend include the costs of non-staff advertising for road closures (£11k), computer software (£8k), the use of agency staff to cover vacancies (£8k), and Section 38 income being lower than forecast due to fewer and less complex planning applications being received and needing support.
Commissioned Transport	1,573	1,521	1,543	(30)	22	3	0	30	The favourable position is due to integrating secondary and post-16 routes this year to reduce the number of vehicles providing transport. 3 mainstream education transport routes are now being operated by our in-house fleet which has also reduced costs. Permission is sought to transfer the surplus to reserves to fund minibus repairs/replacement in future years.
34									
Lights Barriers Traffic Signals	127	127	111	(16)	(16)	1	0	0	Saving of £16k realised due to reduced maintenance requirement on street lighting stock
Parking	(334)	(335)	(328)	6	7	4	0	0	
Pool Cars & Car Hire	102	107	107	5	0	1	0	0	
Public Protection	417	417	396	(21)	(21)	3	0	21	The surplus is due to virtually no demand for spending against the 'Warm Homes for Rutland' budget. The Warm Homes for Rutland initiative will be continued into next year and therefore it is requested that the budget is carried forward.
Public Rights of Way	94	92	82	(12)	(10)	1	0	0	The main reason for the under spend is that a scheme to improve rights of way, other schemes were brought

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/fwd	Transfer to reserves	Comments
									forward but due to the delay a slight underspend has occurred.
Public Transport	826	801	820	(6)	19	2	0	0	
Road Maintenance	676	717	486	(190)	(231)	4	0	250	The under spend in Road Maintenance reflects a move towards more planned capital maintenance rather than reactive repairs. This has been facilitated by additional highways capital funding during 2018/19. The savings of £246k have been partly absorbed by expenditure on Highways Third Party Claims from the payment of insurance claims and excess, and unrecoverable damage to authority stock, such as road traffic accident (RTA) damaged street lighting.
Transport Management 35	331	331	274	(57)	(57)	3	6	0	The Transport Management service includes contributions to the Road Safety Partnership, during the year this service refunded the Council £48k due to the contribution exceeding the projects identified by the partnership
Waste Management	2,197	2,422	2,415	218	(7)	4	0	0	This is primarily a demand-led service. Significant pressures arising from waste tonnages received and rates applied are being mitigated as far as possible through waste prevention, education and awareness activities and market assessments to achieve value for money. The over spend is the result of various factors. The increase in costs for disposal of waste paint c£82k and disposing co-mingled waste c£44k. Waste treatments indexation £72k and increased tonnages c£28k. In addition purchases of new bulk carriers have been required c£36k. Refuse collection fee income for collection and disposal is down on budget by c£49k but the take up on the collection of green waste exceeded expectations by £96k.
Winter Maintenance	273	273	295	22	22	4	0	0	Overspend due to replacement of snow ploughs following severe 2017/18 winter, and late claims for snow ploughing work undertaken during 2017/18.

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/fwd	Transfer to reserves	Comments
Environment, Planning and Transport	9,589	9,914	9,722	133	(192)		6	301	
Planning Policy	426	395	264	(162)	(131)	3	96	0	Local Plan underspend of £96k to transfer to reserve for work on Local Plan overlapping financial years. Planning Policy is also underspent by £66k due to vacancy management and minerals monitoring service level agreements less than budget.
Tourism	23	11	15	(8)	4	3	0	8	
Health & Safety	38	13	19	(19)	6	1	19	0	The under spend reflects timing of commencement of new shared service for health & safety advice. The under spend is being used to a new fixed term post to review the Council's Health & Safety policies and procedures. The shared service will continue to provide the routine day to day operational service.
Property Services CS	1,013	1,035	995	(18)	(40)	5	0	0	The variance is mainly due to surplus against power costs for gas and electricity of £37k, and surplus against contract cleaning following a change of service provider of £27k as well as cleaning staff vacancy management £8k. This has been absorbed by the requirement to use agency staff to cover Surveyor vacant posts £35k and a shortfall in income from the drop in demand to provide property services to schools £18k.
Building Control	(49)	(35)	(34)	15	1	4	0	0	Demand for Building Control services (delivered by an external contractor) has been decreasing. The Council retain a small percentage of income received to cover overheads.
Commercial & Industrial Properties	(292)	(175)	(151)	141	24	2	0	6	The Commercial & Industrial Properties over spend is mainly due to under-recovery of rent driven by difficulty in letting certain units on site (£112k) and overspend on repairs and maintenance (£39k).
Economic Development	208	159	163	(45)	4	3	0	24	Savings in Economic Development have arisen due to vacancy management (£21k) and Digital Rutland costs for

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 forecast	Key	Budget C/fwd	Transfer to reserves	Comments
									Phase 3/LLFN (ultra fast broadband) continuing into 2019/20 so requested to carry forward £24k.
Culture & Registration Services	102	103	105	3	2	1	0	0	
Libraries	527	526	485	(42)	(41)	3	0	43	The Library surplus is mainly due to £35k under spend of the additional £70k Budget provided to support maintenance and other work and is requested to be carried forward to support works in 2019/20. The remaining underspend is due to vacancy management and permission is sought to carry forward to reserves to fund repairs/replacement of the mobile library.
Museum Services	380	385	375	(5)	(10)	4	0	0	
Sports & Leisure Services	19	2	(24)	(43)	(26)	1	38	6	Property running costs and anticipated repairs and maintenance at Active Rutland Hub being less than budget (£29k), and salaries, fees and charges in Active Recreation also under budget (£15k). £6,400 of the Active Rutland Hub under spend will be transferred to a Repairs and Maintenance reserve. Permission is sought to carry forward the remaining £23k from Active Rutland Hub together with £15k of the Recreation and Leisure under spend to fund pre tendering work for Catmose Sports Centre.
Development and Economy	2,395	2,419	2,212	(183)	(207)		177	63	
Total Places	12,313	12,549	12,166	(147)	(383)		280	364	

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 £000's	Q3 Forecast £000's	Outturn £000's	Outturn Variance to budget £000's	Variance Outturn v Q3 Forecast £000's	Key	Budget C/fwd £000's	Transfer to reserves £000's	Comments
Chief Executives Office	459	321	281	(178)	(40)	3	50	50	The underspend within Chief Executive relates to unused budget for HR policies and Rutland One Public Estate underspend arising from additional grant/external contributions to be carried forward.
Directorate Management Costs	299	275	275	(24)	0	1	6	0	The surplus is due to the shared service with South Kesteven District Council which has now ended following a restructure of the Directorate Management. A carry forward is requested to support the cost of restructuring within the Directorate.
Communications	179	178	173	(6)	(5)	3	5	0	Underspends due to lower than expected professional fees. Carry forward requested to complete work around a communications strategy.
Corporate Costs	162	141	127	(34)	(13)	2	0	0	Underspend due to lower than expected apprenticeship levy payments and savings achieved by ceasing the subscription to the LEP and instead subscribing to The New Local Government Network
Pensions	220	205	193	(27)	(12)	2	27	0	Underspends are requested to be carried forward to support the cost of restructuring within the Directorate.
Audit Services	169	170	153	(16)	(17)	1	0	0	External Audit has seen an underspend following a change in service provider
Insurance	250	250	245	(5)	(5)	1	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
	£000's	£000's	£000's	£000's	£000's		£000's	£000's	
Accountancy & Finance	695	567	578	(118)	11	1	20	100	Underspend due to held CCG income not required to be repaid which will be transferred to Invest to Save for future projects.
Information Technology	1,386	1,378	1,389	3	11	4	0	0	
Business Support Services	931	874	851	(80)	(23)	3	60	0	Underspend due to vacant posts plus savings within reprographics and postage. Carry forward requested to fund temporary additional staffing support.
Members Services	211	201	192	(19)	(9)	1	0	0	Variance due to vacancies in year.
Customer Services Team	378	289	273	(105)	(16)	3	98	0	Customer Service Improvement project expected to be completed over more than one financial year, therefore, unspent budget requested to be carried forward to 2019/20
Elections	90	84	67	(23)	(17)	3	0	20	Unspent grant requested to be transferred to reserves to fund administration in future years.
Legal & Governance	497	469	434	(63)	(35)	2	30	30	Following a restructure in the Senior Management Team within Resources, the Head of Corporate Governance post was disestablished during the year. £30k is requested to be carried forward for completion of works required to the Council Chamber
Human Resources	480	486	467	(13)	(19)	3	10	0	Underspend from the corporate training budget. Carry forward requested to fund additional project and training work.
Revenues & Benefits	433	331	286	(147)	(45)	2	50	0	Underspend is due to vacancies, one of which has now been disestablished. Carry forward requested to support short term staff resource to meet increased demand.
Financial Support	50	28	27	(23)	(1)	3	0	21	The council has made 38 crisis awards and 75 discretionary awards this year. The under spend will be transferred to the Welfare Reserve to fund future awards.

Function	Revised Budget	Q3 Forecast	Outturn	Outturn Variance to budget	Variance Outturn v Q3 Forecast	Key	Budget C/fwd	Transfer to reserves	Comments
	£000's	£000's	£000's	£000's	£000's		£000's	£000's	
Total Resources	6,888	6,246	6,011	(877)	(235)		356	221	

Appendix E. Capital Outturn

Project Description	Index Ref	Approved at Budget Setting	New Projects approved	Total Project Budget	Prior Year Outturn	2018/19 Outturn	Estimated Future Year Outturn	Estimated Project Outturn	Project Over/ (Under) Spend	Projects Status	Total Project as at 1 st April 19
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Oakham Enterprise Park		2,206	0	2,206	6	175	0	181	(2,025)	On hold	2,206
St Georges- Officers Mess		850	0	850	0	46	0	46	(804)	On hold	850
Investment Properties		10,000	0	10,000	0	0	10,000	10,000	0	Not Started	10,000
Invest to Save (New 2019/20)		200	0	200	0	0	200	200	0	Not Started	200
The King Centre – Emp & Ketton		14	0	14	0	10	0	10	(4)	Completed	0
The King Centre – Phase 2b		30	0	30	0	35	0	35	5	Completed	0
Total Commercialisation Capital Programme		13,300	0	13,300	6	266	10,200	10,472	(2,828)		13,256
School Maintenance		455	0	455	85	304	67	455	0	In Progress	455
Oakham C of E (Single Storey)		651	0	651	10	23	0	23	(628)	On hold	651
Catmose College - Phase 2		130	0	130	0	136	0	136	6	Completed	0
Catmose College - Phase 3		1,950	0	1,950	0	0	0	0	(1,950)	On hold	1,950
Uppingham C of E (Add- 30 places)		200	0	200	1	0	0	1	(199)	On hold	200
Barleythorpe Primary (Contribution)		200	0	200	0	0	0	0	(200)	On hold	200
P3 - English Martyrs - Inc Capacity		133	0	133	130	0	0	130	(3)	Completed	0
Highways Capital Projects		2,409	-3	2,406	0	2,507	0	2,507	101	Completed	0
Highways Capital Projects 2019/20		0	2,440	2,440	0	0	2,440	2,440	0	Not Started	2,440
Integrated Transport Block		865	3	868	0	229	581	810	(58)	In Progress	868
Barleythorpe Road Car Park		6	0	6	0	3	3	6	0	In Progress	6
Oakham Town Centre		428	0	428	299	42	87	428	0	In Progress	428
Mobile Library 2019/20		130	(130)	0	0	0	0	0	0	Completed	0
Museum Roof		15	0	15	0	3	12	15	0	In Progress	15
Future Maintenance Requirements		85	0	85	0	0	85	85	0	Not Started	85
Total Asset Management Requirements Capital Programme		7,657	2,310	9,967	525	3,247	3,275	7,036	(2,931)		7,298
Devolved Formula Capital		27	35	63	0	63	0	63	0	Completed	0

Project Description	Index Ref	Approved at Budget Setting	New Projects approved	Total Project Budget	Prior Year Outturn	2018/19 Outturn	Estimated Future Year Outturn	Estimated Project Outturn	Project Over/ (Under) Spend	Projects Status	Total Project as at 1 st April 19
Devolved Formula Capital 2019/20		27	(16)	11	0	0	11	11	0	Not Started	11
Healthy Pupils Capital Fund		5	0	5	0	5	0	5	0	Completed	0
Disabled Facilities Grant		247	0	247	0	366	0	366	119	Completed	0
Disabled Facilities Grants 2019/20		221	0	221	0	0	221	221	0	Not Started	221
Autism Innovation		18	0	18	15	3	0	18	0	Completed	0
Kendrew - Nursery Provision		10	0	10	0	10	0	10	0	Completed	0
SEND		1,049	0	1,049	0	3	1,046	1,049	0	In Progress	1,049
Greetham Play Area		28	0	28	28	0	0	28	0	Completed	0
Greetham Heating System		12	0	12	0	12	0	12	0	Completed	0
Sports Grants		500	0	500	343	0	157	500	0	In Progress	500
Rutland Agricultural Society		0	70	70	0	0	70	70	0	Not Started	70
Burley Buckle and Associated Bowl		0	20	20	0	20	0	20	0	Completed	0
Oakham Library & Visions		0	0	0	0	(2)	0	(2)	(2)	Completed	0
Oakham Castle Restoration		2,400	0	2,400	1,927	240	233	2,400	0	In Progress	2,400
Digital Rutland		3,283	0	3,283	2,068	100	1,115	3,283	0	In Progress	3,283
Planning Software (Idox)		50	0	50	25	33	0	58	8	Completed	0
S106 – Third Part Payment		55	0	55	0	12	43	55	0	In Progress	55
Great Casterton C of E Primary S106		0	43	43	0	0	43	43	0	In progress	43
Garden of Remembrance		8	0	8	0	7	0	7	(1)	Completed	0
9 Buckingham Road - Extension		15	210	225	0	13	212	225	0	In Progress	225
Oakham Market Town Trade Stall		14	0	14	0	12	0	12	(2)	Completed	0
Idox Data Transfer		8	0	8	0	0	0	0	(8)	Completed	0
Improvements to Wifi at Catmose House		15	0	15	6	0	9	15	0	In Progress	15
Chamber AV		20	0	20	0	20	0	20	0	Completed	0
Adult Learning MIS system		15	(1)	14	0	14	0	14	0	Completed	0
Disaster Recovery Hardware		12	(2)	10	0	10	0	10	0	Completed	0
IT Laptop Hardware		25	0	25	0	25	0	25	0	Completed	0

Project Description	Index Ref	Approved at Budget Setting	New Projects approved	Total Project Budget	Prior Year Outturn	2018/19 Outturn	Estimated Future Year Outturn	Estimated Project Outturn	Project Over/ (Under) Spend	Projects Status	Total Project as at 1 st April 19
Mobile Phones		30	0	30	0	0	30	30	0	Not Started	30
Migration of Capita Edu System		0	30	30	0	0	30	30	0	Not Started	30
IT Project (Delegated Approval)		79	(26)	52	0	0	52	52	0	Not Started	52
Total Strategic Aims and Priorities Capital Programme		8,173	363	8,536	4,412	966	3,272	8,650	114		7,984
Total Capital Programme		29,130	2,673	31,803	4,943	4,479	16,747	26,169	(5,633)		28,538

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		2018/19 Outturn £	2019/20 Proposed £	2020/21 Proposed £	2021/22 Proposed £	2022/23 Proposed £	2023/24 Proposed £
1,2,18	People	17,667,000	18,079,200	19,612,800	20,038,000	20,487,500	21,002,600
1,2	Places	12,166,000	12,252,900	12,224,800	12,525,500	12,828,700	13,117,100
1,2	Resources	6,011,000	6,491,500	6,674,100	6,789,800	6,909,900	7,033,000
4	Pay Inflation Contingency	0	65,000	354,900	692,100	1,042,200	1,395,500
3	Housing growth costs		0	106,400	252,700	399,000	545,300
5	Needs Management		100,000	328,900	725,800	1,091,200	1,502,600
5	Adult Social Care Contingency	0	200,000	0	0	0	0
	Net Cost of Services	35,844,000	37,188,600	39,301,900	41,023,900	42,758,500	44,596,100
	Capital financing and related items	(754,856)	(745,707)	(692,427)	(781,027)	(776,867)	(776,867)
21	Capital met from Direct Revenue	154,000	0	0	0	0	0
8	Appropriations	(2,241,000)	(2,310,400)	(2,310,400)	(2,310,400)	(2,310,400)	(2,310,400)
6	Capital Financing	1,644,144	1,764,693	1,797,973	1,709,373	1,713,533	1,713,533
7	Interest Receivable	(312,000)	(200,000)	(180,000)	(180,000)	(180,000)	(180,000)
	Net spending	35,089,144	36,442,893	38,609,473	40,242,873	41,981,633	43,819,233
	Resources						
15	Other Income	(482,500)	(671,276)	(36,000)	(36,000)	(36,000)	(36,000)
13	New Homes Bonus	(1,231,224)	(1,148,313)	(958,867)	(877,002)	(868,072)	(946,745)
17	Better Care Fund	(2,574,000)	(2,214,800)	(2,138,100)	(2,138,100)	(2,138,100)	(2,138,100)
14	Social Care In Prisons	(74,792)	(74,128)	(74,128)	(74,128)	(74,128)	(74,128)
16	Rural Delivery Grant	(848,500)	(848,500)	0	0	0	0
23	Transition Grant/grant reductions	0	0	(3,250)	129,063	265,527	406,023
9	Under indexing of Business Rates Multiplier	(148,315)	(142,800)	0	0	0	0
10	Retained Business Rates Funding	(4,951,000)	(5,244,336)	(5,732,431)	(5,838,618)	(5,943,079)	(6,045,778)
	Government funding subtotal	(10,395,131)	(10,344,153)	(8,942,776)	(8,834,785)	(8,793,851)	(8,834,728)
11,12	Council Tax/Social care precept	(24,870,000)	(26,430,750)	(27,755,625)	(29,157,371)	(30,661,689)	(32,239,632)
20	Collection fund Deficit/(Surplus)	70,000	(65,000)	0	0	0	0
	Total available Resources	(35,195,131)	(36,839,903)	(36,698,401)	(37,992,157)	(39,455,540)	(41,074,360)
19	Contribution to/(Use) of Earmarked Reserves	121,000	438,000	(367,500)	(172,200)	(134,600)	0
22	Use of General Fund Balances	15,013	40,990	1,543,572	2,078,516	2,391,493	2,744,873
	Balance brought forward	(8,978,133)	(8,963,120)	(8,922,130)	(7,378,558)	(5,300,042)	(2,908,549)
	Balance carried forward	(8,963,120)	(8,922,130)	(7,378,558)	(5,300,042)	(2,908,549)	(163,675)

The MTFP assumptions

Ref	Expenditure /Funding	Assumptions/Commentary
1	Directorate Costs	Directorate costs assume prior year as a starting point and build in inflation and any changes to National Insurance contributions. Inflation is built into the MTFP to cover potential cost increases. The level of inflation ranges from 5% for fuel (gas, electric etc.), 2% for general inflation (supplies and services) and specific % for agreed contracts.
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	The capital financing charges are made up of 2 amounts; <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.
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.

Appendix G. 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).

2018/19

Description	Source of Funding	Net Cost of Services £000	Capital Financing £000	Funding £000	Transfer to/(from) Reserves £000	Spend on Capital £'000	(Surplus)/ Deficit £000	Cabinet* £500k Limit £000	Cabinet Other £000	Council £000	Ch Exec. s151 Officer £000
Changes already made											
Approved Budget (43/2018)		38,093	(807)	(34,795)	(2,432)	30	89	0	1,490	0	130
EU Brexit Preparation Grant (i)	Grant			(105)	105		0				
Flexible Homelessness Support Top Up Grant (ii)	Grant	19		(19)			0				
Homelessness Prevention Top Up Grant (iii)	Grant	7		(7)			0				
Parks Improvement Grant (iv)	Grant			(25)	25		0				
Approved Budget at Q4		38,119	(807)	(34,951)	(2,302)	30	89	0	1,484	0	130

- i) Grant received from Government. To be held in reserves pending use.
- ii) Grant received from Government. To be c/fwd to be spent in 2019/20
- iii) Grant received from Government. To be c/fwd to be spent in 2019/20
- iv) Grant received from Government. To be transferred to reserve to draw down in 2019/20 when expenditure plans are known.

2019/20

Description	Source of Funding	Net Cost of Services £000	Capital Financing £000	Funding £000	Transfer to/(from) Reserves £000	Spend on Capital £'000	(Surplus)/ Deficit £000	Cabinet* £500k Limit £000	Cabinet Other £000	Council £000	Ch Exec. s151 Officer £000
Changes already made											
Approved Budget (43/2018)		37,189	(746)	(36,827)	438	0	54	0	0	0	0
Interim Social worker from ASC Contingency (i)	GF	0					0				50
Extended Rights to travel grant (ii)	GF	0		(13)			(13)				(13)
ROPE Expenditure Budget (iii)	Grant	98					98				98
ROPE Expenditure Budget (iii)	Grant	(98)					(98)				(98)
SEN Project from ASC Contingency (iv)	GF	0			0		0		200		
Approved Budget at Q4		37,189	(746)	(34,840)	(438)	0	41	0	200	0	37

- i) Interim social worker required, to be funded from the ASC Contingency
- ii) Additional grant received from government
- iii) Create income and expenditure to reflect grant received from Housing Infrastructure Fund (HIF)
- iv) Approval given in report 71/2019 to fund start-up costs of the new Special Educational Needs and Disabilities (SEND) provision to be established at Uppingham Community College. A maximum £200k was agreed but until figures are known no adjustment will be made.

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GROWTH, INFRASTRUCTURE AND RESOURCES

SCRUTINY COMMITTEE

13 June 2019

BUSINESS SUPPORT REVIEW

Report of the Strategic Director for Resources

Strategic Aim:	Sound Financial and Workforce Planning	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr O Hemsley, Leader and Portfolio Holder for Rutland One Public Estate & Growth, Tourism & Economic Development, Communications, Resources (other than Finance)	
Contact Officer(s):	Saverio Della Rocca, Strategic Director for Resources	01572 758159 sdrocca@rutland.gov.uk
	Sue Bingham, Business Support Manager	01572 758165 sbingham@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That the Panel notes the report

1 PURPOSE OF THE REPORT

- 1.1 'Business support' is used to describe the administrative assistance given to front line staff. This support is varied and includes general office management, answering phones, speaking with clients, clerical work (including maintaining records and entering data), supporting meetings, processing financial transactions and a variety of other tasks.
- 1.2 This report updates Councillors on the work of the Business Support team over one year on from its establishment in February 2018.

2 BACKGROUND AND MAIN CONSIDERATIONS

2.1 Background to Business Support

- 2.1.1 In July 2016, it was agreed that a review should be undertaken into the administrative support (which was located within service teams) provided

throughout the Council. It was identified that:

- administrative tasks were being completed disparately by teams throughout the Council not enabling efficient service delivery;
- there was no resilience if officers were absent;
- officers were not enhancing their skills;
- there was thought to be duplication of processes, procedures and work streams which could be reduced if a centralised service was created; and
- the existing model did not offer clear career progression and encourage staff retention.

2.1.2 The objectives of the review were to create a Business Support service that was:

- Consistent across the council;
- Efficient and robust;
- Resilient to change and differing working practices;
- Offered a well-defined career path; and
- Offered greater job depth and variation.

2.1.3 Further to an internal review, a detailed implementation and change management plan was developed to implement the following changes:

- Corporate Support would be expanded as a Business Support Team to support the general administrative functions identified through the review. A Business Support Manager would be appointed to manage this team and take forward the service improvement work.
- That the democratic functions of Corporate Support would be separated into a Governance Team where there would be a stronger emphasis on support to the scrutiny process, Councillor support and stronger clerk support/advice to committees. A Governance Manager would be appointed to manage this team and fulfil the Statutory Scrutiny Officer role.
- Executive Officer posts would be created to meet the changing needs of SMT and the Council.
- From the original pool of staff in scope of the review, a new Business Support Team would be created. These were posts that were predominantly administrative roles. Some roles were excluded that had specialised knowledge, were technical roles or were more service delivery roles such as HR, CST or roles within satellite centres (Visions/Jules House).

2.2 *Implementing the outcomes from the review*

2.2.1 The new arrangements began on 1 February 2018. On 1 February a new support function was established comprising three sub teams:

- An Executive Support team - comprising two Executive Officers supporting SMT
- A Governance Team - four staff delivering democratic and member support to the Council
- A Business Support Hub - providing support to Council directorates.

2.2.2 Since 2018 various recruitment exercises have been undertaken to get staff in place. A new Business Support Manager (BSM) role - responsible for Business Support and Executive Support - started in February 2018. The Executive Support team and Governance teams are now fully staffed with officers with the right skills relevant to their new roles.

3 12 MONTHS ON – WHAT HAS BEEN ACHIEVED?

3.1 Overview

3.1.1 This section focuses on Business Support and Executive Support (the Governance team is now separate) and looks at progress made. It highlights:

- Customers views about Business Support;
- Staff views about working in Business Support;
- Director/Business Support Managers views about what has been achieved and ongoing challenges; and
- The current financial position.

3.2 Customers views

3.2.1 Business Support customers include Heads of Services/Managers who receive direct support and officers within service teams.

3.2.2 We have re-run a Customer Survey we undertook 12 months ago to assess views about whether the service has improved. The results (shown in the table) were as follows:

- Overall level of 'responsiveness' is deemed high i.e. support is flexible to meet need;
- The centralisation of Business Support has had a positive impact for most teams;
- Most teams express confidence in Business Support to deliver; and
- The direct support provided to individual managers is much better than before. In particular comments from Heads of Service have been very positive.

3.2.3 Alongside the above comments, the BSM meets with managers regularly to ensure needs are being met. Outside of the Survey, Business Support has received many compliments from service areas for the work they do and how they

will often go beyond what is expected to deliver.

3.2.4 Executive support (support to SMT) was not covered directly by the survey but feedback from SMT is very positive.

Question	Result 2018 %	Results 2019 %
How would you currently rate Business Support Overall in terms of Service Delivery: <ul style="list-style-type: none"> • Extremely responsive/very responsive • Somewhat responsive • Not so responsive • Not at all responsive 	65.21 30.43 4.35 0	90.91 4.55 4.55 0
Has the change to Business Support had a positive impact for you/your service: <ul style="list-style-type: none"> • Yes • No 	45.45 54.55	66.67 33.33
Are you clear on how workflow is managed within Business Support, and who to go to for assistance: <ul style="list-style-type: none"> • Extremely/very clear • Somewhat clear • Not so clear • Not at all clear 	43.48 21.74 13.04 21.74	50.00 36.36 13.64 0
Do you feel confident when making a request to Business Support that it will be done to the required standard: <ul style="list-style-type: none"> • Extremely confident • Very confident • Somewhat confident • Not so confident • Not at all confident 	13.04 43.48 30.43 13.04 0.00	27.27 45.45 18.18 4.55 4.55

3.3 Staff views

3.3.1 12 months ago Business Support staff were asked for feedback on the first quarter following the implementation of Business Support.

3.3.2 Latest feedback from staff is that:

- They enjoy supporting other parts of the Council and get a lot of satisfaction out of this;
- They have concerns about their capacity to take on new work;
- They want to develop new skills but opportunities have been limited due to workload, periodic vacancies and team changes; and
- They are receptive to change and have identified areas to investigate (e.g. where there are opportunities to improve/change practice).

3.4 Directorate views

3.4.1 The profile of Business Support in the Council, the way it is managed and delivered with a focus on 'improvement' is changing. There have been many improvements but we remain ambitious to do even more. The existing arrangements will help deliver this.

3.4.2 *Management and supervision*

Improving management of teams to drive efficiencies and deliver a higher quality service was a key priority. Within the overall budget, there has been investment in management which has facilitated this:

- The BSM has a remit to focus on improving working practices, delivering efficiencies and high quality support;
- The BSM has two Team Co-ordinators for the Business Support Hubs to strengthen and increase capacity;
- The BSM spends time talking to internal customers, understanding current support requirements and future needs;
- A Business Improvement Board is in place comprising Finance, IT and Projects Officers to work with managers on tackling performance issues, action planning and identifying training needs; and
- The management of the Support Hub by the BSM and two Team Co-ordinators has also allowed service managers in Directorates to focus attention on service delivery.

3.4.3 *Training and development*

To ensure that the Business Support staff have the skills and knowledge to carry out their roles the following training has taken place:

- Microsoft package training – Basic, intermediate and advanced sessions on Outlook, Word and Excel have been carried out (in conjunction with Rutland Adult Learning Service (RALS)). Business Support staff identified their training needs with the support of their Team Co-ordinators and completed the relevant training sessions.
- Microsoft TEAMS training – to ensure that Business Support is able to use the most up to date software the team are undergoing training and then will be testing Microsoft TEAMS software. Business Support will provide feedback to IT on its effectiveness to the view of potential rollout to all staff in the future.
- Some training requirements of individual Business Support staff are identified and addressed immediately. Examples of this training are:
 - i) Agresso - RCC finance system
 - ii) Liquidlogic – Social care case management system

iii) FixedMyStreet – Highways report management system

3.4.4 *Delivery of support*

The Places and Resources Hub are located together and managed centrally by a Team Co-ordinator. The Peoples' Hub is split into Children's and Adults in order to preserve the confidential nature of the information they handle. Both teams are located within their own offices which was not the case pre 1 February 2018.

3.4.5 The pooling of resources into Hubs means in theory:

- when staff members have been absent (and duties would not have been undertaken) they are now covered by another member of their designated Hub;
- reliance to undertake tasks/support is no longer on specific individuals but the Hubs themselves giving greater flexibility;
- knowledge gained from working with service teams and Directorates has not been 'lost' but is now spreading across the Hubs; and
- there is continuity of support to teams and Directorates.

3.4.6 The team are well on the way to delivering these benefits. In particular, in some areas there is now greater resilience as cover is now available.

- Jules reception;
- Transport administration;
- Freedom of Information (FOI) administration;
- Highways Administration;
- Admiral Nurse service administration; and
- Support for SMT by Executive Officers.

3.4.7 *Delivering improvement*

Business Support resource is limited at a time when the need for support is increasing. One of the key priorities for the Team is to ask:

- What can be stopped - tasks that do not add value or duplicate other processes
- What can be changed - to ensure processes are 'lean' and make best use of systems
- What might better sit elsewhere – to ensure tasks are done in the right place or by the right method e.g. accessed online

3.4.8 This priority has led to some changes below:

- Post Room duties – Incoming post is routed direct to individuals, resulting in a significant time saving and ensures compliance in-line with the General Data Protection Regulations (GDPR);
- Petty Cash – Business Support now have a Procurement Card which has replaced petty cash. This has streamlined the process, makes it more transparent and reduces security risk of cash;
- Booking of Rail tickets – Booking of rail tickets is now restricted to Business Support only which has resulted in a time and cost saving. In one month the team saved £500 through ticket purchases.
- Reprographics Office – Now unmanned with the service running remotely. Business Support hours have been redeployed back into the team to provide resilience to other services.
- New admin demand - The creation of the Admiral Nurse Service in 2018 (initially 1 Admiral Nurse) has resulted in an additional admin support requirement for the Adults Business Support team to provide. This service has been a success, and now the Council employs 4 Admiral Nurses which has again increased the support required from Business Support.
- Digital First and Printing - One of the issues raised through the Board was the amount of printing that was done by Business Support which was considered unnecessary. This issue was pivotal in the Council's decision to reduce the number of printers and kick off a wider campaign to go Digital First and reduce printing as far as possible. As Support teams are asked to do printing they are in a good position to challenge whether this is necessary.

3.5 FINANCIAL POSITION

3.5.1 The cost of the Business Support, Executive Support and Governance is £936k for c27 FTEs. The cost of the team is the same as it was pre the transfer. The main changes include investment, funded by vacancies, in:

- Business Support management (see 3.4.2);
- Executive Support; and
- Specialist Governance Officers.

3.5.2 Whilst no direct staff savings have been made, the team have absorbed new duties equivalent to one FTE (c£35k) and are contributing to wider savings initiatives such as printing and train costs.

4 CONCLUSION AND NEXT STEPS

4.1 There is no doubt that 12 months on, very good progress has been made. Against a backdrop of limited resources, increasing demands for support and greater expectations, the Business Support teams work must be properly planned and focused in areas where it can add real value.

- 4.2 Following the completion of the Managers annual survey, we are undertaking a review/deep dive into the Adults and Children’s Business Support teams functions. This review is to ensure that the resources available are used effectively.
- 4.3 We have started this process with staff workshops, led by the Strategic Director for Resources and Business Support Manager. The workshops and following analysis of the work that the teams are undertaking will provide us with a granular picture of all elements of tasks completed by the Business Support teams allowing us to provide a streamlined service to our customers and to maximise efficiencies. The new Business Support Coordinator for People joined in May. Their primary role is to manage the Business Support Team and drive the review forward to deliver required changes.

5 BACKGROUND PAPERS

- 5.1 There are no additional background papers to the report.

6 APPENDICES

- 6.1 None

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