



Rutland County Council

Catmose Oakham Rutland LE15 6HP.

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Minutes of the **MEETING of the GROWTH, INFRASTRUCTURE AND RESOURCES SCRUTINY COMMITTEE** held in the Council Chamber, Catmose, Oakham on Thursday, 30th January, 2020 at 7.00 pm

PRESENT: Miss G Waller (Chair)
Mr P Ainsley
Mrs S Harvey
Miss M Jones
Ms K Payne
Mr N Woodley

OFFICERS PRESENT: Mr S Della Rocca Strategic Director for Resources
Mrs P Sharp Deputy Director for Places
Mrs J Morley Governance Officer

IN

ATTENDANCE: Mr O Hemsley Leader and Portfolio Holder for Rutland One Public Estate & Growth, Tourism & Economic Development, Communications and Resources (other than finance)
Mr G Brown Deputy Leader and Portfolio Holder for Environment, Planning, Property and Finance
Mr L Stephenson Portfolio Holder for Culture and Leisure, Highways, Transportation & Road Safety

504 APOLOGIES

Apologies were received from Councillor Coleman and Councillor Begy. Councillor Ainsley was in attendance for Councillor Begy.

505 DECLARATIONS OF INTEREST

Councillor Stephenson declared an interest in item 7 on the agenda, Fees and Charges, as she pays a charge on an A board that she has outside her shop.

506 PETITIONS, DEPUTATIONS AND QUESTIONS

No petitions, deputations or questions had been received.

507 QUESTIONS WITH NOTICE FROM MEMBERS

No questions with notice from Members had been received.

508 REVENUE AND CAPITAL BUDGET 2020/21 AND MEDIUM TERM FINANCIAL PLAN

Report No.03/2020 was received from the Strategic Director for Resources.

Sav Della Rocca, Strategic Director for Resources, introduced the report the purpose of which was to present a draft budget for consultation prior to the budget being formally set by Council in February 2020.

During discussion the following points were noted:

- RCC had received a 17% increase in spending power since 2015/16 which, given inflation and the increasing demands that the Council was facing, was deemed to be inadequate.
- Although funding overall had gone up, the majority of increased income was from Council Tax as Government funding, as a proportion of overall funding continued to reduce.
- Council tax revenue did not include business rates. The Government allowed the Council to keep some of its business rates revenue and currently from the £11 million collected the Council kept c£5 million. Legislation was currently going through to allow Councils to keep up to 75% of the income but this would not necessarily mean the Council's funding would increase as additional business rates retained was expected to be offset by loss of grants.
- Rutland received less government funding per head than other unitary authorities with the same responsibilities because of the way the funding formula was applied. Hopefully the new formula would be much simpler and fairer and the Council was lobbying Government to ensure their concerns were heard.
- It was not known with certainty when the new formula would be in place as the fairer funding review had already been going on for some time. The Government had promised it would release some details over the next few weeks.
- The Rutland MP, Alicia Kearns, along with other rural East Midlands MPs was making it clear to the Ministry for Housing, Community and Local Government (MHCLG) that they were unhappy with current funding levels and would be lobbying for change. The Council's representative on the rural networks forum was also applying pressure on the Government.
- The report on Social Care had now been delayed several times and the new fairer funding review did not refer to it in any way even though it was likely to have a significant impact.
- In the future, it was possible that limits on Council tax caps could be removed. Currently Councils had to hold a referendum to increase council tax beyond the limits set and the costs of doing so often outweighed any benefits even if residents voted in favour of a raise.
- Officers had made preparations for an emergency budget in case the Council suddenly faced a massive shortfall of funds. This looked at which funding in which areas could be 'turned off' quickly if the need arose. This was work being done behind the scenes as part of sound financial management practices but ultimately any decision on what to cut in that situation would be down to Members. It was

suggested that looking at services in this context could be considered as part of a future scrutiny agenda item.

- Although Rutland had the second highest council tax in the country this was not because the Council had been profligate and on the contrary, many felt that the RCC budget did in fact, represent very good value for money.
- £10m had been set aside for capital investments that could deliver ongoing revenue savings or income.
- Some Members had asked questions directly of the Section 151 officer before the meeting and had given permission that these questions and their answers could be appended to the minutes.
- There was allowance in the budget for salary costs incurred for the Council's executive recruitment.
- The Council was not prepared to invest unless it could demonstrate that it would make a sensible return.
- RCC had considered, but discounted, setting up an 'arms-length' company to run their investments as other Councils had. This was because the Council only invested within the county and there were a limited number of opportunities. These opportunities tended not be in the form of house building but instead were in business and warehousing and industrial sites.
- The Council had a mixed arrangement for its legal services with its own in-house resources but also using Peterborough City Council (PCC) and Local Government Shared Services (LGSS) when required. It was an area of increasing demands and costs, such as having to have representation at SEND tribunals. Members queried whether Rutland's legal arrangements and the contracts in place with PCC and LGS offered the best value.
- £100k had been set aside for the customer services project which was one of the priorities outlined within the Corporate Plan. The figure was a statement of intent, rather than specific costs, as in order to effect this type of culture change, time and resource would be needed to assess what was needed and develop a new strategy.
- Cllr G Brown had produced a video to accompany the budget and to communicate to residents the reasons for an increase in council tax. Press releases had also been given and on the website a series of questions and answers about Council tax had been published.
- Ultimately, Members would have to make a value judgement on whether to continue with the provision of library services in its current format or to possibly withdraw some, or even all, services.
- The recent changes to the procurement of library stock had resulted in savings for the Council.
- There were opportunities to utilise mobile library services in a different way to tackle rural isolation.
- Discussion of the future of library services should be discussed at Scrutiny committee in order to gauge Members' appetite for any radical change to the service.

RESOLVED:

The Growth Infrastructure and Resources Scrutiny Committee reviewed and commented on the proposals and **NOTED** the report before its presentation to Cabinet at their meeting on 18 February 2020.

509 TREASURY MANAGEMENT STRATEGY AND CAPITAL INVESTMENT STRATEGY 2020/21

Report No.05/2020 was received from the Strategic Director for Resources.

Cllr Brown introduced the report the purpose of which was to set out the statutory reports expected in relation to treasury and capital investment operations for 2020/21, linked to the Council's Budget, Medium Term Financial Strategy and Capital Programme.

During discussion the following points were noted:

- The key change from the existing strategy was that the credit criteria had been amended. There was no change to the minimum credit criteria however should a situation arise where the counterparty ratings were only met from one of the credit ratings agencies the counterparty could still be used if other evidence suggested the counterparty was stable.
- The Council did not tend to invest long term in other authorities and there was a ranking of authorities' risk so it was fairly well known which ones needed to be avoided.
- An inventory and review of all Council assets was taking place in order to identify which needed investment and which needed to be sold on or offloaded if they cost too much money to maintain.

RESOLVED:

The Growth Infrastructure and Resources Scrutiny Committee reviewed and commented on the proposals and **NOTED** the report before its presentation to Cabinet at their meeting on 18 February 2020.

510 FEES AND CHARGES 2020/21

Report No.03/2020 was received from the Strategic Director for Resources.

Sav Della Rocca, Strategic Director for Resources and section 151 Officer introduced the report the purpose of which was to set out the proposals for fees and charges for services provided by the Council for the financial year 2020/21.

During discussion the following points were noted:

- There would be a consultation with taxi drivers on a proposed increase to the fees and change to the fee structure. Following the consultation the proposals would be bought back for approval.
- The newly introduced 30 minutes of free parking had been well received and would be continuing.
- Fees and charges had been reviewed against other local authorities' levels and against the Council's real charges and had now been streamlined.
- Councillor Woodley asked whether the fee charges set were something that the Council could influence in order to generate income. Mr Della Rocca would let Members know which of the fees and charges could be adjusted in this way but a policy decision to actively create income rather than cover costs would have to be made.

RESOLVED:

The Growth Infrastructure and Resources Scrutiny Committee reviewed and commented on the proposals and **NOTED** the report before its presentation to Cabinet at their meeting on 18 February 2020.

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Chairman closed the meeting at 9.00pm

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SCRUTINY BUDGET Q&A

COUNCILLOR LOWE

There are some identified RISK's on the table 1.3 of the pack. Number 7, this is again mentioned I believe on page 30 of 31 (para 6.2.5)

I appreciate the deficit is looking to be carried through and we are aware it is c700K by the end of March. The recovery plan, is it coming to Scrutiny in any format at a later date? I appreciate it is difficult however we appear to be aware we have a shortfall and the concern for me is the timescale or lack of specifics about recovery, if it can be recovered at all.

There will be a paper brought to the Scrutiny Panel on 23rd April. This will cover matters relating to the deficit on the High Needs Block. The report will explain that a deficit has arisen because of an increasing number of children with special educational needs and insufficient funding from Government to meet that need. This is a position that has affected all local authorities and which the Government is aware of. The Government has indicated (and promised to put in legislation) that the deficit should be recovered through the ring fenced funding we receive and not from our own funds. We cannot alleviate your concerns about timescales as it is our view that with the current trends in high needs, we will be unable to “recover” the deficit at all unless there is a substantial increase in funding, a change in national policy or the upward trend begins to reverse. The formal Recovery Plan is being drafted but action has been taken to “reduce” the deficit and more information will be provided in the paper (NB: subsequent to Scrutiny meetings, a formal Recovery Plan to the DfE is not required per latest Government guidance)

Again page 30 of 31 para 6.2.6. The early years, is that set at £4.25 now or has that been revised, if known can that be clarified on Wednesday if not before please.

Early Years funding rates will be £4.25 (for 3 and 4 year olds) and £5.20 for 2 year olds. Schools Forum will be receiving a report to this effect.

Again 6.2.9 yes small numbers confirmation on the latest of UIFSM 2020/21 figure would be helpful, not a deal breaker.

Rates not yet set.

Page 57 Appendix 4.1. Clarity on the ring-fenced 70K for substance abuse, what is that about please?

The total spend on Substance Misuse will be £122k which includes £70k from the ring fenced reserve. The spend is going up because of the demand in this area. The current contract value is being increased next financial year due to an increased need which has resulted in current service capacity being insufficient, and also a national increase in the cost of the medication required for specialist drug treatment. It should be noted that the service covers both alcohol and drug use treatment.

Is it possible to get a breakdown of the Looked After Children Transport? My thinking is that there should be a focus on a smarter approach to these spiralling costs.

The Looked After Children transport budget covers transport costs for children in our care which caters, not only for home to school movements, but transportation to family access visits and other activities required to provide stability in the lives of vulnerable children at the most unstable times.

The budget is difficult to estimate as a) children can come into our care and then be reunited with families although the minimum process for cases to go through court etc is 26 weeks, b) children may have complex needs that places special requirement on their arrangements, c) placements may be out of county which again impacts on transport costs. The proposed budget increase reflects the latest information we have.

The transport team work hard to determine how best to meet need and have regular meetings with the caseworkers to ensure that they are kept in the loop with individual cases and the ever-changing circumstances which may lead to transport requirements. As with all other types of statutory transport, the team will compare all costings of the following possibilities:

- Amend existing transport contract to include new passengers as this tends to result in minimal additional cost
- Price up/check resource for operating transport with our in-house fleet
- Send transport requirements out to quotation and assess best value
- Investigate option for fuel payments direct to foster carers if this represents best value

Just an observation, the TAXI operator fee seems to disadvantage smaller fleets.

Noted

Last bit for me for now, under Cost Centre Description, if I were looking for the budget that covers Youth Service, youth clubs like Joules, which heading please, can you point me to please?

Early intervention, Universal and Partnership heading (big page 62).

COUNCILLOR POWELL

What percentage of our total expenditure is staff costs? Some table of comparison between years would be useful.

Of total gross expenditure (I used this rather than net budget).

	Gross expenditure £000	Pay costs	%
20/21	54,550	17,038**	31.2%
19/20	50,549	16,433	32.5%
**does not include pay award as not yet agreed. Increase in costs relate to increments, 1% pension increase, regrades, staff mix changes			

Similarly FTE numbers for this proposed budget compared with 2019/20. And any trends

Nothing major to report here in terms of trends.

	2019/20	2020/21		
	Approved	Approved	Percentage	
Directorate	Budget	Budget	Increase	Comments
	FTE	FTE		
CABINET REPORTS (Appendices)				
PLACES TOTAL	112.17	113.74	1.40%	Planning Policy Restructure 0.56 Kings Centre New Post 0.6 Digital Rutland to create FT Post 0.39
RESOURCES TOTAL	98.69	98.04	-0.66%	
PEOPLE	184.1	185.09	0.54%	
TOTAL	394.96	396.87	0.48%	

On staffing, In the HIF item under Monday 20th Jan agenda Report 185/2019 P81 para 5.3 , there is reference to a project manager costs funded from approved budget. What budget is this- ie where reporting to etc, how much are the costs and is it a budget for the whole financial year?

The Council has received £150k of Garden Communities funding. This funding is paying for the part year post in 19/20. The budget is shown in the Chief Executives function in Quarter 3 but as the function is not split down into different areas, you will not see it specifically. The net budget would in any event show 0 as the £150k grant funding is offset by £150k costs.

In terms of 20/21 then the full year post totalling c£52k will be paid for from funds allocated to SGTB (£100k) but not used. Big page 6 of budget report (2nd bullet from top) explains the principle of this.

Does the budget include the empty homes premium from April 2020. How much?

The tax base (number of Band D equivalents) was set in December to allow me to prepare the draft budget. The tax base multiplied by the council tax level for Band D gives a council tax yield we put in the budget. When any changes are made to premiums/discounts, they factor through the tax base. So for example a 100% premium on a Band D property would give the equivalent of 2 Band D's for tax base calculations. A property that does not pay Council tax or gets full discount, would count as 'zero' Band D. The tax base was set pre Council agreeing to implement the premium so the tax base does not include it.

All the income we get from Council tax goes into the Collection Fund account, we then take from that account our precept. If at the end of the year, there is a surplus in that account then we get our share of the surplus the following year. If there is a deficit then we have to make good that deficit.

Surpluses arise mainly because more properties are built than we predicted or everyone pays full council tax (i.e. less people are eligible for a discount). Any empty homes premium we levy will go into this account. This could in the region of £30k but as we have allowed for some exceptions, people may apply for a waiver from the premium and so it could be 0.

I note the spending per household is £1,812 Rutland compared with £1,833 average for 2019-20 and £1,713/£1,738 for 2018/19. But the figures for 2017/8 are £2,531 and £3,147. Has this really dropped this much or is it on a different basis? Is that across all households? ie 16k in Rutland.

No, it has not dropped. The figures we use now exclude education as it distorted any analysis. As the vast majority of education money gets passported to schools and Councils have a different number of schools with academy status, including education did not reflect services we have a tight control over.

I see that of the total number of households 60% (9,846) pay full charge for Ctax and 40% single occupancy. How does this compare with other areas? Do we have very high level of single occupancy?

There were 15.7 million dwellings liable to pay 100% council tax as they are not subject to any exemptions, discounts or premiums. This represents 63.8% of all dwellings. This is pretty similar to our %.

The number of households not paying full charge isn't just a reduction due to SPD, this also includes discount disregards, property exemptions, disabled band reductions, local council tax support etc. Having compared our SPD cases with other LA's our level of SPD is similar i.e.

- Melton 32%
- Harborough 30%
- Leicester city 32%
- Rutland 31%

How much do St Georges pay in CTax and business rates? Will this continue when the site is vacated but not yet developed? How is this reflected in the budget?

Council tax is £235,607. As the MOD properties are outside the main site and we believe are leased so if the MOD no longer requires them then we assume they will be made available for private use by the owner. Clearly, whoever lives there will have to pay Council Tax. The Council will therefore not lose any income so no budget or MTFP adjustment is required.

Business rates is £287,763.36. The MOD will be liable to pay empty property rates when they vacate the site unless they can claim an exemption i.e. crown property, or they apply to VOA to have it taken out of rating altogether. The latter they may possibly do if and when development begins. As it stands we have not factored any movement into the 20/21 budget or MTFP as we are waiting for plans to become more certain.

On the fees side I am interested to see that proposed fees are increased by +4.5% where relate primarily to staff time and 2% otherwise.

The distinction is interesting- why not average cost increases? School transport 2% but taxis 4.5%??

This is up to managers to determine what they believe is most appropriate. Where fees are based on staff time, we encourage the higher rate but for example where the work is delivered by a third party like Peterborough City Council then inflation might be used.

What are the fees for the inclusion officer etc included on p196?

This is if Schools wish to buy support from the School beyond what we are obliged to do (academies in particular we have less of a role). But Schools do not tend to buy support as their budgets have been cut.

On P205 I see that aligning Animal welfare fees with Peterborough DC who deliver the scheme. Must we have the same rates? Surely these can be set according to Rutland requirements?

As a starting point, the fees for things like this need to be justified as recovering our costs, and not more (i.e. we are not making profit). This is not new. The PCC officers involved in this area deliver the function for both PCC and RCC customers, and in the same way. Thus it makes sense that the RCC fees are the same as the PCC ones, as there is no rationale for differences. The PCC fees have also been subject to detailed analysis of officer time and costs to calculate them. So they are robust against potential challenge. Finally, the PCC fees also reflect recent legislative changes, so, again, it seems sensible that we mirror these.

P218 Do you know how many people have been charged this year with littering from vehicles? Does this generate any income?

Zero charged, no income generated.

Increases in the castle hire charges on P223- has a comparator study been done (if so when?) with other venues to make sure that we are both competitive but not underpriced. And on the structure of the fees charged?

Yes, we did a review of the prices of neighbours. This led to us deciding not to increase the wedding fees, as although there are a range of prices, we are by no means the cheapest, and are actually more expensive than Normanton Church Museum, who get the biggest slice of the business in the County. We will do a similar review next year, and include the room hire rates which we didn't do this time.

COUNCILLOR PAYNE

Page 6

2.1.2 Why do RCC receive £135 per head of population less than other unitary councils ? Is this a matter for our MP?

The existing funding formula goes back a long time. Effectively, a Council's relative need is worked out (based on a formula – its complex including things like deprivation, population etc). Our needs are low compared to most. Deprivation has played a big part historically and rurality less so.

Then a Council's relative resources are considered – our relative resources are deemed higher i.e. we can generate a lot of funding from Council tax because of our tax base.

Government funding is then distributed as follows. Needs less Relative Resources = Government funding.

In the past, adjustments have been made to the outcome of the formula with successive Governments increasing funding to some Councils and giving less to others.

The work on Fair Funding aims to rewrite the formula and make it simpler. At some point in the future, we will consider this at Scrutiny.

We have lobbied the MP to say we want a fairer system and we want our level of council tax not to work against us.

Page 9

Bullet 4 ii

What financial benefit is delivered against the outlay of £100k for the implementation of MyAccount ? I have asked this question previously.

The cost for MyAccount (which are below £5k) are not disclosed in the report. The £100k refers to funds set aside for use on Customer Services project we will be undertaking. The budget has not been allocated and we will see as part of our work we will need to make investments. If we don't then we won't.

The issue of Returns on Investment is an interesting one that we will consider as we move through the project. In the past systems investment has been difficult because our volumes rarely justify the returns but as a modern Council people expect to be able to transact with us online. So it's not just about RoI. Equally, Members have been very clear about keeping all channels open and "forcing" certain channels.

A small recent example – we have a system for Green Waste registration, cost about £25k (GW income is about £330k). About 65-70% signed up online so no cost for the Council in terms of sign up. Members wanted people to have the option of signing up by phone/in person so we took on staff for a period to do this. We need not have done this but that was the preference and it of course reduced our return.

The issues around this will be debated again as we get into the project.

Page 12 2.3.3

In the chart what is or is contained in 'Fair Funding' and 'Additional Responsibilities' please?

Big page 24 expands on these areas

Revenue and Capital Budget Paper 20/2021

1.1.1 Revenue Support Grant of £958k, why is this not happening?

A decision to reduce our funding has been deferred pending the Fair Funding review.

1.4.2 What does an 'Emergency Budget' mean? Does it place any restrictions on RCC, in the public domain does it cause adverse publicity?

The 'emergency budget' refers to a desktop contingency exercise being done by officers to consider how the Council might respond to further funding cuts and a big gap in its budget. This type of exercise is financially prudent and very common albeit it may be called something different at other Councils. As part of the exercise we will identify possible options/lines of enquiry for savings costs or generating income. At the various training sessions we have done this year, Members have been very quick to pick up the fact that there are certain things we cannot stop e.g. funding Mrs Smiths care package but there are other things that we can do e.g. reduce staff in Finance, reduce library opening hours etc etc

When we have clarity of our funding position (we do not know when this will be) we may then draw upon some of these options and ask Members to consider how they may wish to proceed. There is no intention to publish anything in advance of the Council having a proper understanding of its financial gap. When we do have that certainty then a draft budget will be presented in the normal way and due process will be followed for any proposals presented. This is how it will work.

Capital Investment Strategy

4.2.3 In the point NB Excludes CIL which maybe generated from SGB. What about other CIL money from the rest of Rutland development outside of SGB but in the Local Plan?

CIL projections provided by Planning and do include everything else.

6.10 Proportionality Test

We have a model for acquisitions. Should we also have a model for disposals? Questions spring to mind

How do we arrive at a valuation is this recovery of initial capital outlay or capital outlay plus a %age or market valuation or some other formula? What then happens to capital received on completion of transaction, how is this dealt with in accounting terms?

When selling, our rules say:

“Any disposal, appropriation or exchange of property or other fixed assets shall ensure that the Council obtains value for money from the transaction. Terms of disposal should not be finalised without the benefit of a current valuation undertaken a suitable firm of valuers appointed under arrangements approved by that Director”

We should aim to get market value unless there is a good reason otherwise.

In accounting terms, sales of assets generate a capital receipt that can only be spent on capital expenditure so we couldn't use it to fund everyday revenue expenditure. It is held in a capital receipts pot pending allocation.

COUNCILLOR BEGY

As regards consultants for new contracts, what cost benefit is done on these and a post contract review to see if these have been met? Have we evidenced the benefit of this for the previous rounds of contracts? Some of the costs are quite weighty. P9

As regards consultants for new contracts, bear in mind these are needed for specific legal and technical support as officers do not have the expertise or capacity, when their roles are primarily focused upon service delivery. Legal capacity within the authority does cover a range of issues, but the specifics of waste contracts and leisure e contracts need additional industry current knowledge to protect the authority from risk.

The existing contracts are measured against performance measures which include quality and vfm and these are reported separately to cabinet and scrutiny so effectively our view is that using contractors to protect the future contract for the authority is a separate task as to whether the existing and future contracts are value for money. Officers have reviewed lessons learned from previous and existing contracts and practice to inform the design of future contract specifications. In addition soft market testing and contract lot modelling will inform the procurement as to whether efficiency savings can be made from the market going forward, and indeed to what level. We will also use lessons learned from neighbouring authorities, and if there is an appetite to joint bid we will. However a number of neighbouring authorities (where economies of scale could apply) retendered in recent years. Where possible we have looked to join others tender specifications as well.

Having built and commissioned numerous E-commerce websites, the costs for “my account” functionality is seemingly very high. How many options were reviewed? What is the proposed ROI on this project? P9

The cost for MyAccount (which are below £5k) are not disclosed in the report. The £100k refers to funds set aside for use on Customer Services project we will be undertaking. The budget has not been allocated and we will see if part of our work we will need to make investments. If we don't then we won't. The issue of Returns on Investment is an interesting one that we will consider as we move through the project. In the past systems investment has been difficult because our volumes rarely justify the returns but as a modern Council people expect to be able to transact with us online. So it's not just about RoI. Equally, Members have been very clear about keeping all channels open and “forcing” certain channels.

A small recent example – we have a system for Green Waste registration, cost about £25k (GW income is about £330k). About 65-70% signed up online so no cost for the Council in terms of sign up. Members wanted people to have the option of signing up by phone/in person so we took on staff for a period to do this. We need not have done this but that was the preference and it of course reduced our return.

The issues around this will be debated again as we get into the project.

Legal fees for Local Plan – obviously these may go up and we have reserves. I am sure you must have modelled some worse case scenarios and that impact these will have?

We are aware of how much other Councils have spent but the costs do vary so we have set aside a figure knowing that we have earmarked reserves to support costs we may have. This is not an easy area to make forecasts.

P13 2.5.3 is retaining this low level of hourly rate risking capacity if providers cease to operate? What risk analysis has been done on this, and what mitigation?

Early years funding is received from Government. We retain 5% (maximum we are allowed) to fund Statutory duties and the rest is passported to providers. Our rates are higher than many other neighbouring authorities and therefore there is little more we can do in terms of financial settlement without additional Government funding. We meet with providers so we understand their issues and they, like us, continue to lobby for more funding.

P27 point 12 – where is the currency risk? Do we have non-sterling investments? Interested on what we have modelled for Brexit, what scenario planning has been undertaken, and what mitigation has been put in place?

We do not have non sterling investments.

The table on page 31, is there a more granular analysis of where savings/cuts have been made?

The detail of savings made is in the Appendices 4-6. In every budget report every year, the same type of information is provided.

P33 you elude to emergency measures a lot. What are these? Give me a flavour. What consultation with members will there be with these as will impact all residents

On page 33, we refer to Reserves being available to cover unexpected events and emergencies should they occur. It is standard CIPFA language. Could be anything from really bad weather, our building going up in smoke, failure of say big contractor like waste and we have to put in place alternative arrangement, swimming pool roof collapses, contamination at any of the sites we own. There is nothing in the budget for these things hence the need for reserves.

We also refer to an 'Emergency budget' which should not be confused with the above issue. The 'emergency budget' refers to a desktop contingency exercise being done by officers to consider how the Council might respond to further funding cuts and a big gap in its budget. This type of exercise is financially prudent and very common albeit it may be called something different at other Councils. As part of the exercise we will identify possible options/lines of enquiry for savings costs or generating income. At the various training sessions I have done this year, Members have been very quick to pick up the fact that there are certain things we cannot stop e.g. funding Mrs Smiths care package but there are other things that we can do e.g. reduce staff in Finance, reduce library opening hours etc etc

When we have clarity of our funding position (we do not know when this will be) we may then draw upon some of these options and ask Members to consider how they may wish to proceed. There is no intention to publish anything in advance of the Council having a proper understanding of its financial gap. When we do have that certainty then a draft budget will be presented in the normal way and due process will be followed for any proposals presented. This is how it will work.

P48 6.2.5 I probably need this explaining. It is concerning we may have a deficit, that central government say they may underwrite, but we don't know how. Could this end up on our doorstep?

There was a paper brought to 19th March 2019 children's scrutiny that outlined the challenges within the Special Educational Needs and Disabilities (SEND) system. There will be a further paper brought to the Scrutiny Panel on 23rd April. This will also cover the latest position and matters relating to the deficit on the High Needs Block. The report will explain that a deficit has arisen because of an increasing number of children with special educational needs and insufficient funding from Government to meet that need. This is a position that has affected all local authorities and which the Government is aware of. The Government has indicated (and promised to put in legislation) that the deficit should be recovered through the ring fenced funding we receive and not from our own funds. Whilst action has been taken, it is very unlikely that we will be unable to "recover" the deficit at all unless there is a substantial increase in funding, a change in national policy or the upward trends begin to reverse. A Recovery Plan is now not required to be submitted to the DfE but action has already been taken to "reduce" the deficit and more information will be provided in the paper.

I won't go all pedant on individual cost lines, as you are the consummate professional so take these as read. However P62 £93500 for School Office – can I have that job please? This I take it is not one individual?

It is 3 people including the Virtual School Head.

Appendix 5.1 I question the quantum, having seen huge issues with drainage this year, and seemingly getting worse with climate change. Are we confident this is correct? Indeed I believe we overspent on drainage repairs this year, and maybe we should spend more on preventative measures. Eg what are the costs of ore regular jetting v restorative cleaning and repairs post floods etc

If climate change is to result in milder temperatures, modelling is suggesting milder but wetter winters. This will require better quality highway drainage and investment in replacing poor and substandard systems. Most of the highway systems developed have been historically adequate but needed a level of preventative maintenance to keep operative. We undertake preventative measures through gully emptying, jetting and investigation at flood sites. This then leads to small maintenance tasks. The intention in 2020/21 onwards is from the additional highways budget requested is to use a proportion for more preventative maintenance, investigation and replacement works. The jetting and CCTV works are based upon a dayworks rate for the plant and 2 operatives.

In terms of maintenance of gullies, each year a report is ran through our asset maintenance system 'KarbonTech' for drainage. This report analyses all the data recorded over the last 5 years inspections e.g. silt level percentage and whether the gully is 'operation', 'non operation' or 'slow runner' each time it is cleansed. From this report, we then re-categorise the cleansing regime for every gully depending on the results to either requiring a '6 monthly', 'annually' or 'biannually' cleanse. We then put together a programme of works on our Confirm system. Each gully or offset that is cleansed costs £4.41 (8787 current assets) and each catchpit costs £22.22 (315 current assets) per cleanse. A cleanse consists of sucking out the debris in the gully or catchpit and refilling with clean water. They record the silt level on arrival and by filling the gully with clean water, they can then record if the gully is operational. At the end of the cleanse, we create a report of all the non or slow runners and make a decision as to which require additional attention urgently e.g. on main roads or if several not working in one area. There can be many reasons why a gully is not working but investigation to jet the system costs £689.69 per day so we have to prioritise problem areas where flooding is occurring. We have our own CCTV camera however this only works if the pipe is not full of water which they often are if not operational. To locate a fault we can trace the system also.

Overall, in terms of preventative treatment, in Rutland, we carry out a much more regular cleanse in comparison to many other authorities who are now switching to cleaning gullies on a 2-5 year program due to the huge cost implications. From the results of the cleanse each year in Rutland, there does not seem to be a need for additional cleansing however we would stress this is a key operation for preventing deterioration of the systems. We can confirm the current programme is working well in ensuring silt levels are not allowed to rise to a point where gullies become non-operational for long periods of time due to silt levels exceeding the outfall level.

The results of the annual cleanse that finished in January 2020 show that out of the 9102 assets on their last cleanse, only 77 are marked as not operational. We will now analyse this data and focus on areas where multiple assets are not operational in 20/21. The reason for gullies not being operational can vary, sometimes costly investigation is required, sometimes, the jetter is able to clear the blockage on day works. Costs for drainage repair works will purely depend on the defect found but if replacement pipe is required, this can be a costly operation.

On the next page we discuss CONFIRM with a £45k cost. Has a cost benefit analysis been undertaken? What is the trajectory to meet this ROI target? Who is accountable to this number?

The decision to use Confirm was made in 2017/18 and been used since 2018. If Confirm was not used then another similar package would need to be used at a similar cost. The merits of this procurement were discussed then. Fundamentally, we need a system like Confirm to run this bit of the business. It's like we need an admissions system to run the admissions service. Without it we would resort back to manual records, lack of meaningful management information, greater risk etc

There is discussion on tendering and quoting consultant costs based on neighbouring authorities. I'm not advocating shared service, but any mileage in joint tendering to gain economies of scale?

See response to Q1. Also, when the term maintenance contract is re procured, working with neighbouring authorities is a valid option and the advantages and disadvantages can be considered then.

Ashwell Road Business Units – why is this loss making? What are we doing to put this right? Should we not just sell the land for development and cut our losses?

There are wider issues about the viability of the site in terms of risk of flood and marketability. Going forward all options will be considered for the site including amelioration and sale value given the flood constraints on the site.

Where I find the income lines for museum, castle etc? There is an “Other Income” line is this it? Is showing the castle is loss making by £60k and Museum by £300k? I suggest I’m missing something? As regards these do we know the direction of travel in income and expenditure and the budgeted income growth over time?

Yes, the income for the Museum and Castle are shown in the “Other Income” column, but we also need to include the Museum Trading Account which is where our retail income is shown. Against a net Heritage expenditure (excluding the Record Office) of £437,600 we show £83,300 income, about 20%.

We are forecasting that we will end this financial year exceeding our target with £55k income for the Museum, £33k for the Castle and £18k from the Trading Account, totalling £106,000, which is 24% of expenditure. We want to continue to grow this percentage in the coming years, hopefully exceeding 25% next year. The Castle Business Plan aims for us to achieve £43k income per annum by 2022-23, from the £23k pre-project level.

We haven’t re-profiled the budget on this basis as we need to get the Castle project completed so that any anomalies from that funding don’t skew the picture – and if we exceed our income target that has a beneficial impact on the overall budget.

It is certainly the case that the Museum and the Castle cost money to run – I’m not aware of any Museums, Libraries or Culture sites that cover all of their costs from income. From the big National Galleries to the smallest local Museums, all rely on public funding either directly from local or national government, or from volunteer fund raising and grants from Arts Council etc.